



**Masan Group Corporation
and its subsidiaries**

Consolidated Interim Financial Statements for
the six-month period ended 30 June 2017

**Masan Group Corporation
Corporate Information**

**Business Registration
Certificate No.**

0303576603

23 February 2017

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 23 February 2017. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The initial Business Registration Certificate No. 4103002877 was dated 18 November 2004.

Board of Directors

Dr Nguyen Dang Quang	Chairman
Mr Ho Hung Anh	Vice Chairman
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Nam	Member
Mr Lars Kjaer	Member
Mr Dominic Edward Salter Price	Member

Board of Management

Dr Nguyen Dang Quang	Chief Executive Officer
Mr Nguyen Thieu Nam	Deputy Chief Executive Officer
Mr Michael Hung Nguyen	Deputy Chief Executive Officer
Mr Seokhee Won	Deputy Chief Executive Officer
Mr Nguyen Anh Nguyen	Deputy Chief Executive Officer
Mr Le Trung Thanh	Deputy Chief Executive Officer (from 15 February 2017 to 19 June 2017)

Legal representative

Dr Nguyen Dang Quang	Chairman Chief Executive Officer
----------------------	-------------------------------------

Registered Office

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

Auditor

KPMG Limited
Vietnam

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

The Board of Management of Masan Group Corporation ("the Company") presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the six-month period ended 30 June 2017.

The Board of Management is responsible for the preparation and fair presentation of the consolidated interim financial statements as at and for the six-month period ended 30 June 2017 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In preparing those consolidated interim financial statements, the Board of Management is required to:

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

The Board of Management is also responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and to ensure that the accounting records comply with the requirements of Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

We do hereby approve the accompanying consolidated interim financial statements of the Group as at and for the six-month period ended 30 June 2017, which were prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

On behalf of the Board of Management 



Dr. Nguyen Dang Quang
Chairman
Chief Executive Officer
Ho Chi Minh City, Vietnam
15 August 2017



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84-8 3821 9266 | kpmg.com.vn

CONSOLIDATED INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Masan Group Corporation

We have reviewed the accompanying consolidated interim financial statements of Masan Group Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 30 June 2017, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 15 August 2017, as set out on pages 5 to 80.

Management's Responsibility

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

Auditor's Responsibility

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

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



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Masan Group Corporation and its subsidiaries as at 30 June 2017 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 17-01-278 (b)



Chong Kwang Puay
Practicing Auditor Registration
Certificate No. 0864-2013-007-1
Deputy General Director

Ho Chi Minh City, 15 August 2017

Masan Group Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2017

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

	Code	Note	30/6/2017 VND million	1/1/2017 VND million
ASSETS				
Current assets				
(100 = 110 + 120 + 130 + 140 + 150)	100		14,938,171	22,876,206
Cash and cash equivalents	110	7	6,034,414	13,148,938
Cash	111		794,332	941,318
Cash equivalents	112		5,240,082	12,207,620
Short-term financial investments	120	8	631,855	1,771,012
Held-to-maturity investments	123		631,855	1,771,012
Accounts receivable – short-term	130	9	2,591,568	2,277,055
Accounts receivable from customers	131		1,032,996	1,295,848
Prepayments to suppliers	132		458,270	283,315
Receivables on short-term lending loans	135		299,400	-
Other short-term receivables	136		842,075	739,100
Allowance for doubtful debts	137		(41,173)	(41,208)
Inventories	140	10	5,245,554	5,389,531
Inventories	141		5,265,502	5,416,696
Allowance for inventories	149		(19,948)	(27,165)
Other current assets	150		434,780	289,670
Short-term prepaid expenses	151		133,163	106,482
Deductible value added tax	152		281,810	171,398
Taxes receivable from State Treasury	153	18(a)	19,807	11,790

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

Masan Group Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2017 (continued)

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

	Code	Note	30/6/2017 VND million	1/1/2017 VND million
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		50,539,998	50,162,832
Accounts receivable – long-term	210	9	1,753,694	1,817,067
Receivables on long-term lending loans	215		350,300	369,700
Other long-term receivables	216		1,403,394	1,447,367
Fixed assets	220		29,261,084	29,821,492
Tangible fixed assets	221	11	22,975,291	23,317,266
Cost	222		28,136,607	27,576,775
Accumulated depreciation	223		(5,161,316)	(4,259,509)
Finance lease tangible fixed assets	224	12	11,217	17,947
Cost	225		67,300	67,300
Accumulated depreciation	226		(56,083)	(49,353)
Intangible fixed assets	227	13	6,274,576	6,486,279
Cost	228		8,051,610	7,989,536
Accumulated amortisation	229		(1,777,034)	(1,503,257)
Long-term work in progress	240		2,719,624	2,356,227
Construction in progress	242	14	2,719,624	2,356,227
Long-term financial investments	250	8	12,910,875	12,240,702
Investments in associates	252		12,891,161	12,219,056
Equity investments in other entities	253		21,646	21,646
Allowance for diminution in the value of long-term financial investments	254		(1,932)	-
Other long-term assets	260		3,894,721	3,927,344
Long-term prepaid expenses	261	15	2,894,743	2,869,569
Deferred tax assets	262	16	311,716	313,272
Goodwill	269	17	688,262	744,503
TOTAL ASSETS (270 = 100 + 200)	270		65,478,169	73,039,038

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

Masan Group Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2017 (continued)

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

	Code	Note	30/6/2017 VND million	1/1/2017 VND million
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		41,506,876	52,726,413
Current liabilities	310		13,493,340	17,898,443
Accounts payable to suppliers	311		2,067,899	2,427,338
Advances from customers	312		206,081	86,812
Taxes payable to State Treasury	313	18(b)	296,527	546,109
Payables to employees	314		40,475	204,231
Accrued expenses	315	19	2,472,415	3,456,392
Other short-term payables	319	20	158,199	2,527,993
Short-term borrowings and liabilities	320	21	8,220,532	8,618,340
Bonus and welfare funds	322		31,212	31,228
Long-term liabilities	330		28,013,536	34,827,970
Accounts payable to suppliers	331		78,525	88,335
Accrued expenses	333	19	-	37,164
Other long-term payables	337	20	27,204	30,935
Long-term borrowings, bonds and liabilities	338	21	25,816,180	32,472,398
Deferred tax liabilities	341	16	1,517,950	1,573,844
Provisions	342	22	573,677	625,294

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

Masan Group Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2017 (continued)

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

	Code	Note	30/6/2017 VND million	1/1/2017 VND million
EQUITY (400 = 410)	400		23,971,293	20,312,625
Owners' equity	410	23	23,971,293	20,312,625
Share capital	411	24	11,474,964	7,680,757
- <i>Shares with voting rights</i>	411a		11,474,964	7,680,757
Capital surplus	412	24	6,855,589	10,649,796
Other capital	414	25	(9,426,958)	(9,426,958)
Treasury shares	415	24	(641,110)	(641,110)
Foreign exchange differences	417		861	(1,874)
Undistributed profits after tax	421		10,000,056	7,015,545
- <i>Undistributed profits brought forward</i>	421a		7,015,545	7,014,072
- <i>Net profit for the current period/year</i>	421b		2,984,511	1,473
Non-controlling interest	429		5,707,891	5,036,469
TOTAL RESOURCES (440 = 300 + 400)	440		65,478,169	73,039,038

15 August 2017

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 interim financial statements

Masan Group Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2017

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

	Code	Note	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Revenue from sale of goods	01	27	18,750,696	20,028,253
Revenue deductions	02	27	731,988	886,907
Net revenue (10 = 01 - 02)	10	27	18,018,708	19,141,346
Cost of sales	11	28	12,686,156	13,566,808
Gross profit (20 = 10 - 11)	20		5,332,552	5,574,538
Financial income	21	29	270,386	381,787
Financial expenses	22	30	1,848,620	1,462,184
<i>In which: Interest expense</i>	23		1,787,028	1,397,893
Share of profit in associates	24	8	678,583	390,025
Selling expenses	25	31	2,816,325	2,171,067
General and administration expenses	26	32	899,900	896,899
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		716,676	1,816,200
Other income	31		7,305	7,658
Other expenses	32		19,331	31,751
Results of other activities (40 = 31 - 32)	40		(12,026)	(24,093)
Accounting profit before tax (50 = 30 + 40) (carried forward)	50		704,650	1,792,107

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

Masan Group Corporation and its subsidiaries

Consolidated statement of income for the six-month period ended 30 June 2017 (continued)

Form B 02a – DN/HN

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

	Code	Note	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Accounting profit before tax (50 = 30 + 40) (brought forward)	50		704,650	1,792,107
Income tax expense – current	51	33	241,250	383,194
Income tax benefit – deferred	52	33	(54,338)	(71,276)
Net profit after tax (60 = 50 - 51 - 52)	60		517,738	1,480,189
Attributable to:				
Equity holders of the Company	61		455,106	1,034,330
Non-controlling interest	62		62,632	445,859
Earnings per share				
Basic earnings per share (as restated) (VND)	70	35	395	911
Diluted earnings per share (as restated) (VND)	71	35	395	911

15 August 2017

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 interim financial statements

Masan Group Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2017
(Indirect method)

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

	Code	Note	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		704,650	1,792,107
Adjustments for				
Depreciation and amortisation	02		1,265,780	1,108,252
Allowances and provisions	03		43,685	50,035
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04		(7,391)	230
Profits from investing activities	05		(912,167)	(737,826)
Interest expense	06		1,787,028	1,397,893
			<hr/>	<hr/>
Operating profit before changes in working capital	08		2,881,585	3,610,691
Decrease in receivables and other assets	09		47,412	131,654
Decrease in inventories	10		135,093	426,564
Decrease in payables and other liabilities	11		(1,505,192)	(356,137)
Increase in prepaid expenses	12		(29,374)	(132,794)
			<hr/>	<hr/>
			1,529,524	3,679,978
Interest paid	14		(1,764,432)	(1,427,011)
Corporate income tax paid	15		(343,538)	(451,382)
Other payments for operating activities	17		(16)	(12,303)
			<hr/>	<hr/>
Net cash flows from operating activities	20		(578,462)	1,789,282
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(1,213,933)	(1,523,083)
Proceeds from disposals of fixed assets and other long-term assets	22		5,546	6,938
Payments for granting loans and term deposits	23		(3,109,399)	(46,979,610)
Receipts from collecting loans and term deposits	24		3,968,556	52,506,277
Payments for investments	25		-	(21,917,909)
Proceeds from disposals of investments	26		7,568	206,218
Receipts of interest, dividends and others	27		236,537	772,276
			<hr/>	<hr/>
Net cash flows from investing activities	30		(105,125)	(16,928,893)

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


Masan Group Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2017
(Indirect method – continued)

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

	Code	Note	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of new shares and equity issued to non-controlling interest	31		3,399,940	14,440,876
Payments for repurchase of equity instruments	32		-	(266,927)
Proceeds from borrowings	33		11,700,800	12,370,559
Payments to settle borrowings	34		(18,846,791)	(11,068,466)
Payments to settle finance lease liabilities	35		(7,852)	(6,831)
Payments of dividends to shareholders and to non-controlling interest of subsidiaries	36		(2,678,777)	(115,312)
Net cash flows from financing activities	40		(6,432,680)	15,353,899
Net cash flows during the period (50 = 20 + 30 + 40)	50		(7,116,267)	214,288
Cash and cash equivalents at the beginning of the period	60		13,148,938	8,324,476
Effect of exchange rate fluctuations	61		1,743	1,354
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	7	6,034,414	8,540,118

15 August 2017

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 interim financial statements

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017

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

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

1. Reporting entity

(a) Ownership structure

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

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

(b) Principal activities

The principal activity of the Company is investment holding.

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

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

Form B 09a – DN/HN

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

Subsidiaries						
Number	Name	Principal activity	Address	Percentage of economic interests at 30/6/2017	1/1/2017	
Direct subsidiaries						
1	Masan Consumer Holdings Company Limited ("MCH")	Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam	85.7%	85.7%	
2	Masan Horizon Corporation ("MH")	Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%	
3	Masan Nutri-Science Corporation ("MNS")	Investment holding	10 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	82.4%	89.4%	
Indirect subsidiaries						
1	Masan Brewery Company Limited ("MB")	(i) Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam	57.1%	57.1%	
2	Masan Master Brewer Company Limited ("MMBr")	(i) Beer and beverage trading	10 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	57.1%	57.1%	
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	57.1%	57.1%	

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

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

Number	Name	Principal activity	Address	Percentage of economic interests at	
				30/6/2017	1/1/2017
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	57.1%	57.1%
5	Masan Brewery Distribution One Member Company Limited ("MBD")	(i) Beer and beverage trading	10 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	57.1%	57.1%
6	Masan Consumer Corporation ("MSC")	(i) Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam	83.1%	83.1%
7	Masan Food Company Limited ("MSF")	(i) Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam	83.1%	83.1%
8	Masan Consumer (Thailand) Limited ("MTH")	(i) Trading and distribution	4 th Floor, Annuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand	83.1%	83.1%
9	Masan Industrial One Member Company Limited ("MSI")	(i) Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Di An District, Binh Duong Province, Vietnam	83.1%	83.1%
10	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	83.1%	83.1%

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

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

Number	Name	Principal activity	Address	Percentage of economic interests at	
				30/6/2017	1/1/2017
11	Masan HD One Member Company Limited (“MHD”)	(i) Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Vietnam	83.1%	83.1%
12	Ma San PQ Corporation (“MPQ”)	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam	83.1%	83.1%
13	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	83.1%	83.1%
14	VinaCafé Bien Hoa Joint Stock Company (“VCF”)	(i) Beverage manufacturing	Bien Hoa Industrial Zone I, Bien Hoa City, Dong Nai Province, Vietnam	56.9%	56.9%
15	CDN Production Trading Corporation (“CDN”)	(i) Beverage trading and manufacturing	10 Noi Bo Hung Gia 2, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam	48.4%	48.4%
16	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	73.6%	73.6%
17	Kronfa., JSC (“KRP”)	(i) Beverage manufacturing	Km37, National Road 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam	73.6%	73.6%
18	Masan Beverage Company Limited (“MSB”)	(i) Beverage trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	83.1%	83.1%

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

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

Number	Name	Principal activity	Address	Percentage of economic interests at 30/6/2017	Percentage of economic interests at 1/1/2017
19	Masan DN One Member Company Limited ("MDN") (*)	(i) Seasonings, convenience food manufacturing and packaging	Street No. 7, Hoa Khanh Industrial Park, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City, Vietnam	-	83.1%
20	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	83.1%	83.1%
21	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	83.1%	83.1%
22	Saigon Nutri Food Joint Stock Company ("SNF")	(i) Convenience food manufacturing	Lot K4, No.2 Street, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam	83.1%	83.1%
23	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	54.6%	54.6%
24	Mapleleaf Company Limited ("ML")	(ii) Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%
25	Masan Resources Corporation ("MR")	(ii) Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	93.8%	93.8%

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

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

Number	Name	Principal activity	Address	Percentage of economic interests at	
				30/6/2017	1/1/2017
26	Masan Thai Nguyen Resources Company Limited (“MRTN”)	(ii) Investment holding	Suite 802, 8 th Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam	93.8%	93.8%
27	Thai Nguyen Trading and Investment Company Limited (“TNTI”)	(ii) Investment holding	8 th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	93.8%	93.8%
28	Nui Phao Mining Company Limited (“NPM”)	(ii) Exploring and processing mineral	Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam	93.8%	93.8%
29	Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing LLC (“NPHCS”)	(ii) Deep processing of nonferrous metals and precious metals (tungsten)	Hamlet 11, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam	47.8%	47.8%
30	Kenji Company Limited (“Kenji”)	(iii) Investment holding	6 th Floor, Me Linh Point Tower, 2 Ngo Duc Ke Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	82.4%	89.4%
31	Shika Company Limited (“Shika”)	(iii) Investment holding	6 th Floor, Me Linh Point Tower, 2 Ngo Duc Ke Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	82.4%	89.4%
32	Meiji Corporation (“Meiji”)	(iii) Investment holding	12 th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	82.4%	89.4%

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

Form B 09/a – 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	
				30/6/2017	1/1/2017
33	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	82.4%	89.4%
34	Aqua Nutrition International Joint Venture Co., Ltd ("ANCO Vinh Long")	(iii) Animal protein	Area 4, Co Chien Industrial Park, Long Ho District, Vinh Long Province, Vietnam	82.4%	89.4%
35	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	82.4%	89.4%
36	Agro Nutrition International Thai Nguyen Limited Company ("ANCO Thai Nguyen")	(iii) Animal protein	Lot B5-B6, Trung Thanh Industrial Park, Trung Thanh District, Pho Yen Town, Thai Nguyen Province, Vietnam	82.4%	89.4%
37	Agro Nutrition International Tien Giang One Member Limited Company ("ANCO Tien Giang")	(iii) Animal protein	Lot 22-23B, Long Giang Industrial Park, Tan Lap 1 Ward, Tan Phuoc District, Tien Giang Province, Vietnam	82.4%	89.4%
38	Agro Nutrition International Nghe An Company Limited ("ANCO Nghe An")	(iii) Animal protein	C Area, Nam Can Industrial Park, South East Nghe An Industrial Zone, Nghi Xa Ward, Nghi Loc District, Nghe An Province, Vietnam	82.4%	89.4%
39	Agro Nutrition International Hau Giang One Member Limited Liability Company ("ANCO Hau Giang")	(iii) Animal protein	Tan Phu Thanh Industrial Park – phase 1, Chau Thanh A District, Hau Giang Province, Vietnam	82.4%	89.4%

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

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

Number	Name	Principal activity	Address	Percentage of economic interests at	
				30/6/2017	1/1/2017
40	Masan Nutri-Farm Limited Liability Company ("MNF")	(iii) Breeding swine	Lot A4, Street No. 2, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	82.4%	89.4%
41	Masan Nutri-Farm (NA) LLC ("MNF N.A")	(iii) Breeding swine	Con Son Village, Ha Son Commune, Quy Hop District, Nghe An Province, Vietnam	82.4%	89.4%
42	Vietnamese – French Cattle Feed Joint Stock Company ("Proconco")	(iii) Animal protein	Bien Hoa I Industrial Zone, Bien Hoa City, Dong Nai Province, Vietnam	61.9%	67.2%
43	Proconco Can Tho Co., Ltd. ("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	61.9%	67.2%
44	Con Co 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	61.9%	67.2%
45	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	61.9%	67.2%
46	Masan Nutri-Feed Company Limited ("MNF") (***)	(iii) Animal protein	Lot A4, Street No. 2, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	82.4%	-

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

Form B 09a – 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 30/6/2017	1/1/2017
<i>Direct associate</i>				
1	Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”)	Banking	(****)	(*****)
<i>Indirect associates</i>				
1	Cholimex Food Joint Stock Company (“Cholimex”)	Seasonings manufacturing and trading	(iv)	32.8%
2	Thuan Phat Packing Joint Stock Company (“Thuan Phat”)	Packing manufacturing	(v)	25.0%
3	Abattoir Long Binh Joint Stock Company (“Abattoir”)	Animal protein	(v)	25.0%
4	Dong Nai Producing Trading Service Joint Stock Company (“Donatraco”)	Animal protein	(v)	21.3%
5	Vissan Joint Stock Company (“Vissan”)	Food manufacturing and retailing	(v)	24.9%

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B 09a – 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 MNS.
- (iv) This entity is an indirect associate of MCH.
- (v) These entities are indirect associates of MNS.

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

- (*) The Board of Director's Resolution No. 7/2017/NQ-HDQT-MS on 28 April 2017 of MSC resolved and approved to dissolve MDN. During this period, the dissolution process of MDN was completed.
- (**) In March 2017, the Department of Planning and Investment of Dong Nai Province issued the Business Registration Certificate No. 3603447499 approving the establishment of MNFE. MNS has 99.99% equity interest in MNFE. Consequently, MNFE became an indirect subsidiary of the Company.
- (***) For Techcombank, see Note 8(b)(*).

As at 30 June 2017, the Group had 9,902 employees (1/1/2017: 10,187 employees).

(c) Normal operating cycle

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

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(c) Annual accounting period

The annual accounting period of the Group is from 1 January to 31 December. The consolidated interim financial statements are prepared for the six-month period ended 30 June 2017.

(d) Accounting and presentation currency

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

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

3. Summary of significant accounting policies

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

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

(a) Basis of consolidation

(i) Common-control business combination

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

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

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(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.

(iii) Subsidiaries

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

(iv) Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for in the consolidated interim financial statements using the equity method (equity accounted investees). The consolidated interim 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.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(v) *Non-controlling interest (“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 balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements. Unrealised gains and losses arising from transactions with associates are eliminated against the investment to the extent of the Group’s interest in the associate.

(b) *Foreign currency*

(i) *Foreign currency transactions*

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

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

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

(ii) *Foreign operations*

The assets and liabilities of foreign operations are translated to VND at exchange rates at the end of the accounting period. The income and expenses of foreign operations are translated to VND at exchange rates at the dates of transactions.

Foreign currency differences arising from the translation of foreign operations 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.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(d) Investments

(i) 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.

(ii) 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 selling expenses.

The Group applies the perpetual method of accounting for inventories.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B 09a – 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 period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure have resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure are capitalised as an additional cost of tangible fixed assets.

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.

Machinery and equipment of a subsidiary directly related to production activities

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

	<u>30/6/2017</u>	<u>1/1/2017</u>
ST plant	125,140 tonnes of tungsten	91,000 tonnes of tungsten
APT plant	120,265 tonnes of tungsten	86,215 tonnes of tungsten

In the current year, a subsidiary of the Group conducted review of its tangible fixed assets and identified innovating solutions to further debottleneck production and increase efficiency. Consequently, the production quantity output of the tangible fixed asset was increased above its design capacity. This resulted in a change in the estimated total production quantity output for ST and APT plants.

The effect on the depreciation charge for the current period was to decrease the depreciation charge by VND17,114 million.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

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

(h) Finance lease tangible fixed assets

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

Depreciation on finance leased assets is computed on a straight-line basis over the estimated useful lives of items of the leased assets. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in accounting policy 3(g).

(i) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

Land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over their useful lives ranging from 19 to 50 years.

(ii) Software

Cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 4 and 10 years.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(iii) Brand name

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

The fair value of brand name acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned. The fair value of brand name acquired in a business combination is recognised as an intangible asset and is amortised on a straight-line basis over a period ranging from 10 to 20 years.

(iv) Customer relationships

Customer relationships that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible asset.

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationships is amortised on a straight line basis over their useful lives ranging from 5 to 20 years.

(v) Mineral water resources

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

Fair values of mineral water resources acquired in a business combination are determined using either the direct comparison method or the multi-period excess earnings method. The direct comparison approach estimates the value of mineral resources by comparing recent asking/transacted price of similar interests located in a similar area. In the multi-period excess earnings method, subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of mineral water resources are amortised on a straight line basis over their useful lives ranging from 10 to 37 years.

(vi) Mining rights

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

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

In accordance with Decree 158/2016/ND-CP dated 29 November 2016 (“Decree 158/2016”) which became effective from 15 January 2017, mining rights is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights which is defined under the prices to calculate the resource royalty in accordance with the law on resource royalty at the time of determining the charge for granting mining rights. The Ministry of Natural Resources and Environment (“MONRE”) shall provide guidelines for the conversion method to determine the charge for granting mining rights in accordance with Decree 158/2016. Up to date, MONRE has provided neither guidelines for the new calculation method for prospective changes in estimates to be made nor a basis for reliable estimates to be made.

(vii) Technology

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

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. The fair value of technology is amortised on a straight line basis over their useful lives over 5 years.

(viii) Mineral water resources exploitation rights

Expenditure on obtaining exploitation rights for mineral water resources is capitalised and treated as an intangible asset. Amortisation is computed on a straight-line basis over their useful lives ranging from 9 to 30 years.

(j) 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.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(k) Long-term prepaid expenses

(i) Other mining costs

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

Other mining costs comprise of:

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

Deferred stripping costs

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

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

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

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

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) Pre-operating expenses

Pre-operating expenses are recorded in the consolidated statement of income, except for establishment costs and expenditures on training, advertising and promotional activities incurred from the incorporation date to the commercial operation date. These expenses are recognised as long-term prepaid expenses, initially stated at cost, and are amortised on a straight line basis over 3 years starting from the date of commercial operation.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(iii) *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 lease from 42 to 50 years.

(iv) *Land compensation cost*

Land compensation costs comprise costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease of 20 years.

(v) *Printing axles and tools and supplies*

Printing axles and tools and supplies are initially stated at cost and amortised over their useful lives from 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 are amortised on a straight-line basis not more than 3 years.

(vi) *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).

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(l) Goodwill

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

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

(m) Trade and other payables

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

(n) Provisions

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

Mining rights

In accordance with the Law on Minerals No. 60/2010/QH12 dated 17 November 2010 ("Law on Minerals") which became effective from 1 July 2011, a subsidiary of the Company has an obligation to pay the government fees for mining rights grant. The mining rights fees is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights in accordance with Decree 158/2016 as described in Note 3(i)(vi).

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 reshaping. 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.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

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

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

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 current salary level.

Provision for severance allowance to be paid to the existing eligible employees as of 30 June 2017 has been made based on the eligible employees’ years of service, being the total employees’ years of service less the number of years for which the employees 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, if any, and their average salary for the six-month period prior to the end of the accounting period.

(o) Bonds issued

Straight bonds

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

(p) Derivative financial instruments

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

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(q) Taxation

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

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

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

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

(r) Equity

(i) *Share capital and capital surplus*

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

(ii) *Other capital*

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

(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.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(s) Revenue

Goods sold

Revenue from the 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 sales 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.

(t) Financial income and financial expenses

(i) Financial income

Financial income comprises interest income from deposits and loans, foreign exchange gains and realised gains from derivative financial instruments. Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(ii) Financial expenses

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

(u) 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.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(v) 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 Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

(w) Segment reporting

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

(x) 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.

(y) Share-based payments

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

4. Seasonality of operations

The Group’s Food and Beverage segment is subject to seasonal fluctuations. Total revenue of this segment typically increases in the fourth quarter of each year as distributors prepare for an anticipated increase in consumer demand in the months leading up to the Tet (Lunar New Year) holidays, which occur in the first quarter of each year. Accordingly, the Group typically increases the production of seasonings, convenience food and beer and beverage and also increases advertising and promotional efforts in the fourth quarter of each year during the period leading to the festive season.

5. Changes in accounting estimates

In preparing these consolidated interim financial statements, the Company’s Board of Management has made several accounting estimates. Actual results may differ from these estimates. There were no significant changes in basis of accounting estimates compared to those made in the most recent consolidated annual financial statements or those made in the same interim period of the prior year.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

6. Segment reporting

The Group has three 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
- Consumer-Agri: breeding swine, animal protein and food manufacturing; and retailing
- Others: mining and processing; financial services

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

Form B 09a – DN/HN

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

(a) Business segments

	Food and beverage From 1/1/2017 to 30/6/2017 VND million	Consumer-Agri From 1/1/2017 to 30/6/2017 VND million	Others From 1/1/2017 to 30/6/2017 VND million	Total From 1/1/2017 to 30/6/2017 VND million
Segment revenue	5,496,091	9,964,055	2,558,562	18,018,708
Segment gross margin	2,277,248	2,276,040	779,264	5,332,552
Segment results	273,234	469,671	784,105	1,527,010
Net unallocated expenses				(1,009,272)
Net profit				517,738
				1,480,189

In the Others segment, Segment Revenue and Segment Gross Margin arise from Mining and Related Processing activities. Other than Mining and Related Processing activities, included in Segment Results of the Others segment is Financial Services income from share of profit of Techcombank as disclosed in Note 8.

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

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

	Food and beverage		Consumer-Agri		Others		Total	
	30/6/2017 VND million	1/1/2017 VND million	30/6/2017 VND million	1/1/2017 VND million	30/6/2017 VND million	1/1/2017 VND million	30/6/2017 VND million	1/1/2017 VND million
Segment assets	13,566,862	18,198,152	14,599,963	18,168,377	35,926,682	35,231,122	64,093,507	71,597,651
Unallocated assets							1,384,662	1,441,387
Total assets							65,478,169	73,039,038
Segment liabilities	5,296,998	5,703,114	6,987,992	12,581,924	13,711,889	13,451,049	25,996,879	31,736,087
Unallocated liabilities							15,509,997	20,990,326
Total liabilities							41,506,876	52,726,413
	From 1/1/2017 to 30/6/2017		From 1/1/2016 to 30/6/2016		From 1/1/2017 to 30/6/2016		From 1/1/2017 to 30/6/2016	
Capital expenditure	281,356	536,488	372,292	295,271	560,026	686,895	1,213,674	1,518,654
Unallocated capital expenditure							259	4,429
Depreciation	283,865	239,481	130,698	106,576	519,396	409,881	933,959	755,938
Unallocated depreciation							1,036	1,309
Amortisation	152,069	168,707	208,138	195,066	104,116	85,277	464,323	449,050
Unallocated amortisation							23,751	24,072

(b) Geographical segments

For the six-month periods ended 30 June 2017 and 2016, the Group focuses mainly on the business operations in one geographical segment which is in Vietnam.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

7. Cash and cash equivalents

	30/6/2017	1/1/2017
	VND million	VND million
Cash on hand	4,529	3,712
Cash at banks	789,249	937,228
Cash in transit	554	378
Cash equivalents	5,240,082	12,207,620
	<hr/>	<hr/>
	6,034,414	13,148,938
	<hr/>	<hr/>

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

8. Investments

	30/6/2017	1/1/2017
	VND million	VND million
Short-term financial investments		
Held-to-maturity investments (a)	631,855	1,771,012
	<hr/>	<hr/>
Long-term financial investments		
Investments in associates (b)	12,891,161	12,219,056
Equity investments in other entities (c)	21,646	21,646
Allowance for diminution in the value of long-term financial investments	(1,932)	-
	<hr/>	<hr/>
	12,910,875	12,240,702
	<hr/>	<hr/>

(a) Held-to-maturity investments

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

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

Form B 09a – DN/HN

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

(b) Investments in associates

	30/6/2017		1/1/2017	
	% of equity owned	Carrying value at equity accounted VND million	% of equity owned	Carrying value at equity accounted VND million
	% of voting rights	Allowance for diminution in value VND million	% of voting rights	Allowance for diminution in value VND million
		Fair value VND million		Fair value VND million
Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") (*)	19.5%	10,479,817	19.5%	9,807,843
Cholimex Food Joint Stock Company ("Cholimex")	32.8%	249,392	32.8%	249,392
Thuan Phat Packing Joint Stock Company ("Thuan Phat")	25.0%	9,801	25.0%	9,299
Abattoir Long Binh Joint Stock Company ("Abattoir")	25.0%	7,272	25.0%	7,545
Dong Nai Producing Trading Services Joint Stock Company ("Donatraco")	21.3%	9,389	21.3%	9,487
Vissan Joint Stock Company ("Vissan")	24.9%	2,135,490	24.9%	2,135,490
		12,891,161		12,219,056
		(**)		(**)

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

Form B 09a – 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 period were as follows:

	Techcombank VND million	Cholimex VND million	Thuan Phat VND million	Abattoir VND million	Donatraco VND million	Vissan VND million	Total VND million
Opening balance	9,807,843	249,392	9,299	7,545	9,487	2,135,490	12,219,056
Share in post-acquisition profit of associates during the period	671,974	5,318	502	227	562	-	678,583
Dividends declared	-	(5,318)	-	(500)	(660)	-	(6,478)
Closing balance	10,479,817	249,392	9,801	7,272	9,389	2,135,490	12,891,161

(*) Investment in Techcombank represents investment in 30.7% (1/1/2017: 30.4%) of the effective economic interest in Techcombank as of 30 June 2017. The Group's effective economic interest includes 12.2% through direct equity interest (net of dilutive impact of convertible bonds on current equity interest of 15.0%), 3.6% indirect equity interest through Mapleleaf Company Limited (net of dilutive impact of convertible bonds on current equity interest of 4.5%), and 14.9% through 10 years convertible bonds issued by Techcombank which the Company has agreed to irrevocably and mandatorily convert during the conversion period of the convertible bonds, subject to regulatory and other customary approvals.

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

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

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

(c) Equity investments in other entities

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

	30/6/2017		1/1/2017	
	% of equity owned	% of voting rights	Cost VND million	Allowance for diminution in value VND million
PTSC Dinh Vu Port Company	5.9%	5.9%	21,646	(1,932)
			(*)	5.9%
			21,646	5.9%
				(*)

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

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

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Opening balance	-	912
Increase in allowance during the period	1,932	-
Closing balance	1,932	912

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(d) Transactions in subsidiaries for the six-month period ended 30 June 2017 – transactions with non-controlling interest

Transactions with non-controlling interest in MNS

In April 2017, Kohlberg Kravis Roberts & Co. L.P. (“KKR”) through its company named VN Consumer Meat II Pte. Ltd. invested VND3,405,000 million to MNS to acquire equity interest of 7.5%. The issuance cost was VND42,702 million.

In addition, in April 2017, the Company sold 0.4% its equity interest in MNS for a consideration of VND7,568 million.

As a result of these transactions, economic interest of the Company in MNS were changed to 82.4% (1/1/2017: 89.4%) resulting in the following effects:

	VND million
Cash received from KKR, net off issuance cost	3,362,298
Net assets diluted	(827,111)
Proceeds from disposal of investments	7,568
Net assets diluted	(13,350)
	2,529,405
Differences recorded in undistributed profits after tax	2,529,405

(e) Significant transactions in subsidiaries in prior years

In 2014, MCH granted the right to acquire certain equity interests in MCH for a subscription price of VND525,900 million to PENM III Germany GmbH & Co. Kg at a pre-agreed valuation which can be exercised after 4 years. MCH has the ability to settle the option by issuing new equity capital of MCH or the Company or its affiliates can transfer their equivalent interests in MCH’s capital.

Transactions with non-controlling interest in MCH

Pursuant to Agreement between 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 interim financial statements.

Transactions with non-controlling interest in MR

On 25 January 2013, BI Private Equity New Market III K/S (“PENM II”) subscribed for 15,902,430 mandatorily convertible preference shares in MR for a cash consideration of VND520,709 million. The holders of these mandatorily convertible preference shares shall be paid fixed dividends ranging from 3.0% to 10.0% per annum on the principal amount and the preference shares are mandatorily convertible into ordinary shares within 4 years. The preference shares also confer onto PENM II the right to receive dividends declared to ordinary shareholders in proportion to their shareholding and are automatically converted to ordinary shares in the event of the liquidation of MR.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

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

As of the date of issuance of these consolidated interim financial statements, the conversion of the preference shares to ordinary shares has yet to be recorded and preference shares' holder does not have voting rights and the right to receive fixed cash dividends in the current transition period as MR is waiting for corporate and regulatory authorities' approval on the conversion.

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

As at 30 June 2017, a part of short-term receivables of an indirect subsidiary was pledged with banks as security for loans granted to that subsidiary (Note 21).

As at 30 June 2017, prepayments to suppliers of the Group amounting to VND259,912 million (1/1/2017: VND155,330 million) were related to construction in progress.

Loans receivable comprised of:

	30/6/2017	1/1/2017
	VND million	VND million
Receivable on short-term lending loans		
Receivable from other loan investing activities (*)	299,400	–
	<hr/>	<hr/>
Receivable on long-term lending loans		
Receivable from other loan investing activities (*)	350,300	369,700
	<hr/>	<hr/>

(*) Receivable on short-term and long-term lending loans, as a result of the Group's cash management operations to maximise its financial interest income on its more liquid assets, are unsecured. The interest rate of these loans receivable is 6.5% per annum and is receivable on the maturity or repayment date of the related agreements, whichever earlier.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

Other receivables comprised of:

	30/6/2017	1/1/2017
	VND million	VND million
Other short-term receivables		
Receivable from sale of claims	606,463	503,533
Non-trade receivables from a related party (**)	142,244	142,244
Short-term deposits	18,943	13,623
Accrued interest receivable from deposits and other loan investing activities	38,149	33,837
Dividend receivable from associates	5,318	-
Services receivable	-	11,547
Advances	7,750	6,523
Others	23,208	27,793
	842,075	739,100
Other long-term receivables		
Long-term deposits	51,965	51,794
Accrued interest receivable from other loan investing activities	32,445	38,590
Others (***)	1,318,984	1,356,983
	1,403,394	1,447,367

(**) The short-term non-trade amounts of the Group due from Masan Corporation, a related party, were unsecured, interest-free and are receivable on demand.

(***) 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 period were as follows:

	From 1/1/2017	From 1/1/2016
	to 30/6/2017	to 30/6/2016
	VND million	VND million
Opening balance	41,208	28,589
Increase in allowance during the period	12,673	5,199
Allowance utilised during the period	(11,408)	-
Written back	(1,300)	(990)
	41,173	32,798

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

10. Inventories

	30/6/2017		1/1/2017	
	Cost VND million	Allowance VND million	Cost VND million	Allowance VND million
Goods in transit	428,380	-	998,780	-
Raw materials	3,189,194	(17,690)	2,800,811	(23,652)
Tools and supplies	654,960	-	640,308	-
Work in progress	159,121	-	152,539	-
Finished goods	737,249	(2,258)	761,800	(3,513)
Merchandise inventories	10,982	-	17,123	-
Goods on consignment	85,616	-	45,335	-
	5,265,502	(19,948)	5,416,696	(27,165)

As at 30 June 2017, certain inventories of the Group were pledged with banks as security for loans granted to subsidiaries (Note 21).

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

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Opening balance	27,165	16,623
Increase in allowance during the period	10,976	27,514
Allowance utilised during the period	(16,101)	(19,358)
Written back	(2,092)	(4,301)
	19,948	20,478

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

Form B 09a – DN/HN

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

11. Tangible fixed assets

Cost	Mining properties	Buildings and structures	Leasehold improvements	Office equipment	Machinery and equipment	Motor vehicles	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Opening balance	5,026,292	6,002,965	84,245	129,913	16,202,947	130,413	27,576,775
Additions	-	1,614	-	1,053	14,184	4,559	21,410
Transfers from construction in progress	-	242,762	-	23,312	304,422	185	570,681
Transfers to short-term prepaid expenses	-	(2,696)	-	-	-	-	(2,696)
Disposals	-	(1,527)	-	(335)	(9,366)	(13,142)	(24,370)
Written-off	-	(2,358)	-	(2,636)	(199)	-	(5,193)
Reclassifications	-	(1,560)	(54)	2,309	(1,261)	566	-
Closing balance	5,026,292	6,239,200	84,191	153,616	16,510,727	122,581	28,136,607

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

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

	Mining properties VND million	Buildings and structures VND million	Leasehold improvements VND million	Office equipment VND million	Machinery and equipment VND million	Motor vehicles VND million	Total VND million
Accumulated depreciation							
Opening balance	508,422	685,874	36,075	66,718	2,915,172	47,248	4,259,509
Charge for the period	100,522	188,601	5,852	8,133	613,142	12,191	928,441
Disposals	-	(1,516)	-	(323)	(8,232)	(11,377)	(21,448)
Written off	-	(2,358)	-	(2,629)	(199)	-	(5,186)
Reclassifications	-	683	(825)	541	(325)	(74)	-
Closing balance	608,944	871,284	41,102	72,440	3,519,558	47,988	5,161,316
Net book value							
Opening balance	4,517,870	5,317,091	48,170	63,195	13,287,775	83,165	23,317,266
Closing balance	4,417,348	5,367,916	43,089	81,176	12,991,169	74,593	22,975,291

Included in the cost of tangible fixed assets were assets costing VND842,027 million which were fully depreciated as of 30 June 2017 (1/1/2017: VND746,785 million), but are still in active use.

The carrying amount of temporarily idle equipment in tangible fixed assets amounted to VND23,943 million as of 30 June 2017 (1/1/2017: VND11,261 million).

As at 30 June 2017, tangible fixed assets with carrying value of VND648,351 million (1/1/2017: VND836,939 million) were pledged with banks as security for loans granted to the subsidiaries and VND12,561,788 million (1/1/2017: VND12,977,974 million) were pledged with banks as security for long-term bonds issued by a subsidiary (Note 21).

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

12. Finance lease tangible fixed assets

	Machinery and equipment VND million
Cost	
Opening and closing balance	67,300
	<hr/>
Accumulated depreciation	
Opening balance	49,353
Charge for the period	6,730
	<hr/>
Closing balance	56,083
	<hr/>
Net book value	
Opening balance	17,947
Closing balance	11,217
	<hr/>

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

13. Intangible fixed assets

	Land use rights		Software		Brand name		Customer relationships		Mineral water resources		Mining rights		Technology		Mineral water resources exploitation rights		Total	
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Cost																		
Opening balance	332,769	380,790	2,413,459	3,074,214	412,698	588,373	669,433	117,800	7,989,536									
Additions	-	19,244	-	-	-	-	-	-	19,244									
Transfers from construction in progress	-	43,638	-	-	-	-	-	-	43,638									
Written-off	-	(808)	-	-	-	-	-	-	(808)									
Closing balance	332,769	442,864	2,413,459	3,074,214	412,698	588,373	669,433	117,800	8,051,610									
Accumulated amortisation																		
Opening balance	35,902	102,462	459,889	570,950	29,528	66,469	230,239	7,818	1,503,257									
Charge for the period	5,066	23,515	75,701	71,920	10,967	15,275	69,071	3,029	274,544									
Written-off	-	(767)	-	-	-	-	-	-	(767)									
Closing balance	40,968	125,210	535,590	642,870	40,495	81,744	299,310	10,847	1,777,034									
Net book value																		
Opening balance	296,867	278,328	1,953,570	2,503,264	383,170	521,904	439,194	109,982	6,486,279									
Closing balance	291,801	317,654	1,877,869	2,431,344	372,203	506,629	370,123	106,953	6,274,576									

Included in the cost of intangible fixed assets were assets costing VND27,625 million which were fully amortised as of 30 June 2017 (1/1/2017: VND46,199 million), but are still in use.

As at 30 June 2017, intangible fixed assets with carrying value of VND558,000 million (1/1/2017: VND570,939 million) were pledged with banks as security for long-term bonds issued by a subsidiary (Note 21).

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

14. Construction in progress

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Opening balance	2,356,227	5,480,035
Acquisition of a subsidiary	-	513
Additions during the period	1,000,170	1,541,147
Transfers to tangible fixed assets	(570,681)	(676,552)
Transfers to intangible fixed assets	(43,638)	(7,650)
Transfers to long-term prepaid expenses	(15,619)	(532,414)
Transfers to short-term prepaid expenses	(6,835)	(3,011)
Disposals	-	(3,890)
	<hr/>	<hr/>
Closing balance	2,719,624	5,798,178
	<hr/>	<hr/>

As at 30 June 2017, construction in progress with carrying value of VND2,113,600 million (1/1/2017: VND1,678,197 million) were pledged with banks as security for long-term loans and bonds of the Company's subsidiaries (Note 21).

During the period, borrowing costs capitalised into construction in progress amounted to VND51,666 million (for the six-month period ended 30 June 2016: VND149,565 million) (Note 36).

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

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

15. Long-term prepaid expenses

	Other mining costs	Pre-operating expenses	Prepaid land costs	Land compensation costs	Printing axles, tools and supplies	Goodwill from equitisation	Others	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Opening balance	1,150,909	25,819	326,076	1,120,617	112,828	28,210	105,110	2,869,569
Additions	74,206	-	4,981	38,034	18,524	-	31,101	166,846
Transfers from construction in progress	-	-	2,433	-	13,093	-	93	15,619
Amortisation for the period	(49,195)	(10,863)	(4,083)	(34,336)	(22,209)	(1,567)	(35,036)	(157,289)
Disposals	-	-	-	-	(33)	-	-	(33)
Currency translation differences	-	-	-	-	31	-	-	31
Closing balance	1,175,920	14,956	329,407	1,124,315	122,234	26,643	101,268	2,894,743

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

16. Deferred tax assets and liabilities

(i) Recognised deferred tax assets and liabilities

	30/6/2017	1/1/2017
	VND million	VND million
Deferred tax assets:		
Accruals and provisions	301,272	306,554
Unrealised profits on intra-group transactions	8,090	6,718
Tangible fixed assets	2,354	-
	<hr/>	<hr/>
Total deferred tax assets	311,716	313,272
	<hr/>	<hr/>
Deferred tax liabilities:		
Tangible fixed assets	(699,289)	(719,720)
Intangible fixed assets	(818,661)	(854,124)
	<hr/>	<hr/>
Total deferred tax liabilities	(1,517,950)	(1,573,844)
	<hr/>	<hr/>
Net deferred tax liabilities	(1,206,234)	(1,260,572)
	<hr/>	<hr/>

(ii) Movements of temporary differences during the period

	1/1/2017	Recognised in	30/6/2017
	VND million	consolidated	VND million
		statement of	
		income	
		VND million	VND million
Accruals and provisions	306,554	(5,282)	301,272
Unrealised profits on intra-group transactions	6,718	1,372	8,090
Tangible fixed assets	(719,720)	22,785	(696,935)
Intangible fixed assets	(854,124)	35,463	(818,661)
	<hr/>	<hr/>	<hr/>
	(1,260,572)	54,338	(1,206,234)
	<hr/>	<hr/>	<hr/>

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

17. Goodwill

	30/6/2017 VND million
Cost	
Opening and closing balance	1,115,851
Accumulated amortisation	
Opening balance	371,348
Amortisation during the period	56,241
Closing balance	427,589
Net book value	
Opening balance	744,503
Closing balance	688,262

18. Taxes

(a) Taxes receivable from State Treasury

	30/6/2017 VND million	1/1/2017 VND million
Corporate income tax	8,515	398
Other taxes	11,292	11,392
	19,807	11,790

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B 09a – 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

	30/6/2017	1/1/2017
	VND million	VND million
Value added tax	51,427	161,055
Special consumption tax	20,685	52,489
Corporate income tax	190,196	284,519
Personal income tax	29,703	41,996
Other taxes	4,516	6,050
	<hr/>	
	296,527	546,109
	<hr/>	

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

	1/1/2017	Incurred	Paid/Refund	Net-off/ Reclassified	30/6/2017
	VND million	VND million	VND million	VND million	VND million
Value added tax	161,055	1,144,407	(501,359)	(752,676)	51,427
Special consumption tax	52,489	75,946	(107,750)	-	20,685
Import-export tax	-	190,908	(190,908)	-	-
Corporate income tax	284,519	241,250	(343,538)	7,965	190,196
Personal income tax	41,996	110,919	(123,212)	-	29,703
Other taxes	6,050	520,424	(521,958)	-	4,516
	<hr/>				
	546,109	2,283,854	(1,788,725)	(744,711)	296,527
	<hr/>				

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

19. Accrued expenses

	30/6/2017	1/1/2017
	VND million	VND million
Short-term		
Advertising and promotion expenses	925,248	842,533
Accrued interest expense	480,560	571,195
Sales discounts and customer support fee	268,910	973,440
Bonus and 13 th month salary	160,214	239,235
Logistic expense	120,568	108,590
Accrual for construction work	81,198	136,537
Purchases not yet received invoices	68,698	36,370
Exhibition and market fees	40,047	47,024
Accrued information and technology expenses	33,648	17,931
Natural resource taxes and fees	25,585	230,261
Consultant fee	12,421	35,737
Others	255,318	217,539
	2,472,415	3,456,392
Long-term		
Sales discounts	-	34,243
Others	-	2,921
	-	37,164

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

20. Other payables

	30/6/2017 VND million	1/1/2017 VND million
Short-term		
Trade union fees, social and health insurance	17,185	13,564
Short-term deposits	6,982	7,433
Dividends payable	6,712	2,453,263
Others	127,320	53,733
	<hr/> 158,199	<hr/> 2,527,993
Long-term		
Long-term deposits	24,738	28,470
Others	2,466	2,465
	<hr/> 27,204	<hr/> 30,935

21. Borrowings, bonds and finance lease liabilities

	30/6/2017 VND million	1/1/2017 VND million
Short-term borrowings (*)		
Short-term borrowings	7,580,271	7,947,513
Current portion of long-term borrowings and liabilities	640,261	670,827
	<hr/> 8,220,532	<hr/> 8,618,340
Long-term borrowings, bonds and financial lease liabilities (**)		
Long-term borrowings, bonds and financial lease liabilities	26,456,441	33,143,225
Repayable within twelve months	(640,261)	(670,827)
	<hr/> 25,816,180	<hr/> 32,472,398
Repayable after twelve months		

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

Form B 09a – DN/HN

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

(*) Short-term borrowings

	Movements during the period				30/6/2017	
	1/1/2017	Reclassifications from long-term borrowings	Unrealised foreign exchange gains	Carrying amounts	Unrealised foreign exchange gains	Carrying amounts
	and amount within repayment capacity	repayments	repayment capacity	and amount within repayment capacity	repayment capacity	and amount within repayment capacity
	VND million	VND million	VND million	VND million	VND million	VND million
Short-term borrowings	7,947,513	(12,031,559)	-	(13,703)	7,580,271	
Current portion of long-term borrowings and liabilities	670,827	(64,080)	33,514	-	640,261	
	8,618,340	(12,095,639)	33,514	(13,703)	8,220,532	

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B 09a – 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	30/6/2017 VND million	1/1/2017 VND million
Secured bank loans	VND	4.0% - 8.0%	1,208,402	1,258,930
Secured bank loans	USD	3.5% - 5.5%	934,559	831,418
Unsecured bank loans	VND	4.0% - 5.3%	4,867,379	5,121,089
Unsecured bank loans	USD	4.5% - 5.0%	-	165,395
Unsecured loans	USD	6.0%	569,931	570,681
			7,580,271	7,947,513

As at 30 June 2017 and 1 January 2017, the bank loans were secured by the following assets of the Group:

- (i) 120 million shares of MR.
- (ii) a part of inventories and short-term receivables of an indirect subsidiary.

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

	30/6/2017 VND million	1/1/2017 VND million
Long-term borrowings (a)	998,362	1,091,862
Convertible loans (b)	567,960	567,960
Straight bonds (c)	24,872,674	31,458,105
Finance lease liabilities (d)	17,445	25,298
	26,456,441	33,143,225

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B 09a – 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 liabilities were as follows:

	Currency	Annual interest rate	Year of maturity	30/6/2017 VND million	1/1/2017 VND million
a. Long-term borrowings					
Secured bank loans (i)	VND	7.5% - 9.3%	2016 - 2021	201,062	293,512
Unsecured loan (ii)	USD	0%	2018	797,300	798,350
				998,362	1,091,862
b. Convertible loan					
Credit Suisse Ag	USD	10.8%	2017	567,960	567,960
c. Straight bonds					
(including issuance costs)	VND	7.0% - 9.7%	2018 - 2024	24,872,674	31,458,105
d. Finance lease liabilities					
	VND	14.0%	2018	17,445	25,298

(a) Long-term borrowings

As at 30 June 2017, long-term borrowings of the Group comprised of:

- (i) VND denominated loans amounting to VND201,062 million (1/1/2017: VND293,512 million), which were secured over certain fixed assets and certain construction in progress with carrying value of VND648,351 million (1/1/2017: VND836,939 million) (Note 11) and VND71,910 million (1/1/2017: VND3,809 million) (Note 14), respectively.
- (ii) USD denominated loan of VND797,300 million (equivalent to USD35 million). In 2016, the Company entered into an agreement with MRC Ltd for MRC Ltd to subscribe for 12,000,000 shares of the Company at VND95,000 per share and the Company also entered into a loan agreement with MRC Ltd for an unsecured loan of USD35 million payable after two years of drawdown with 0% interest rate. In the event MRC Ltd sells any of the 12,000,000 shares above, subject to customary adjustments from dilutive events, the loan payable will be decreased proportionately. Lastly, MRC Ltd has signed an agreement to grant the Company a call option, pursuant to which the Company or its nominee shall be entitled, but not obliged, to purchase from MRC Ltd the Company's shares at VND112,000 per share. This option is only exercisable in the event that MRC Ltd serves a payment notice for the loan above that is due after two years of drawdown. The number of callable shares is calculated based on the amount of loan repaid over USD35 million multiplied by 12,000,000 shares, subject to customary adjustments from dilutive events.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(b) Convertible loan

The original loan from Goldman Sachs Group, Inc. through its company named Jade Dragon (Mauritius) Limited (“JD”) represents a USD-denominated convertible loan, with a principal amount of USD30 million.

Among others, the agreement provides the following:

- (i) The interest rate of this loan has two portions: nominal interest rate and deferred interest rate. Deferred interest is not payable if the loan is converted. During the period from 15 December 2010 to 14 December 2012 the nominal interest rate and deferred interest rate are 2.0% per annum and 6.0% per annum respectively. During the period from 15 December 2012 to 14 December 2013 the nominal interest rate and deferred interest rate are 4.0% per annum and 4.0% per annum respectively. During the period from 15 December 2013 to 14 December 2015 the nominal interest rate and deferred interest rate are 6.0% per annum and 2.0% per annum respectively. The loan matured on 14 December 2015. The nominal interest rate is compounded daily and the deferred interest rate is compounded annually. The Group has accrued interest based on the nominal interest rates.
- (ii) The loan may be converted into shares by the lender at any time after two years from 15 December 2010 to the loan’s maturity date.
- (iii) The conversion price was determined at VND65,000 per share, subject to customary adjustments from dilutive events. As at 30 June 2017, the adjusted conversion price was VND41,500 per share after consideration of the dilutive effect.
- (iv) The Company also separately entered into an arrangement with Masan Corporation which undertakes the risks and obligations to subscribe to and pay a cash consideration of USD30 million plus the deferred interest for 9,000,000 shares under the convertible loan, subject to customary adjustments from dilutive events, in the event that the lender does not exercise the conversion option.

On 1 December 2015, this loan was amended with the maturity date on 14 December 2016. On 29 November 2016, this loan was amended with the maturity date on 14 December 2017. Credit Suisse Ag, Singapore Branch (“CSA”) became the lender under the Credit Agreement between the Company and JD and CSA. All terms and conditions as described above that were agreed previously between the Company and JD are kept the same between the Company and CSA.

According to the Resolution of Annual General Meeting dated 24 April 2017, 13,685,900 shares, after consideration of the dilutive effect, were approved to be issued in the future to settle the loan upon the occurrence of conversion event.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(c) Straight bonds

The carrying amount of the bonds comprised the following:

	30/6/2017	1/1/2017
	VND million	VND million
Straight bonds	25,200,000	31,900,000
Unamortised bond issuance costs	(327,326)	(441,895)
	24,872,674	31,458,105

- (i) VND6,000 billion (1/1/2017: VND6,000 billion) bonds with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 81.3 million shares (1/1/2017: 81.3 million shares) of MSC;
- (ii) VND2,100 billion (1/1/2017: VND2,100 billion) bonds with a maturity of 10 years at an interest rate of 8.0% per annum in 10 years. The bonds were guaranteed by Credit Guarantee and Investment Facility and secured over 80.3 million shares (1/1/2017: 80.3 million shares) of MSC;
- (iii) VND6,000 billion (1/1/2017: VND9,000 billion) bonds with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by the Company and secured over 129.6 million shares (1/1/2017: 129.6 million shares) of MSC;
- (iv) VND1,300 billion (1/1/2017: VND1,300 billion) bonds with a maturity of 5 years 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 3.5 million shares (1/1/2017: 3.5 million shares) of ANCO;
- (v) VND700 billion (1/1/2017: VND700 billion) bonds with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 12.7 million shares (1/1/2017: 12.7 million shares) of Proconco;
- (vi) VND8,100 billion (1/1/2017: VND8,100 billion) bonds with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods; and
- (vii) VND1,000 billion (1/1/2017: VND1,000 billion) bonds with a maturity of 2 years at an interest rate of 8.0% per annum in the first year and 2.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 155.7 million (1/1/2017: 155.7 million) shares of MR.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

The secured bonds were also secured over certain fixed assets and construction in progress with total carrying value of VND15,161,478 million (1/1/2017: VND15,223,301 million) of indirect subsidiaries of the Company.

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

(d) Finance lease liabilities

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

	30/6/2017			1/1/2017		
	Payments VND million	Interest VND million	Principal VND million	Payments VND million	Interest VND million	Principal VND million
Within 1 year	18,798	1,353	17,445	21,931	2,720	19,211
Within 2 to 5 years	-	-	-	6,266	179	6,087
	18,798	1,353	17,445	28,197	2,899	25,298

22. Provisions

	30/6/2017 VND million	1/1/2017 VND million
Provision for mining rights fee	509,431	561,742
Provision for mine rehabilitation	23,473	22,603
Provision for severance allowance	40,773	40,949
	573,677	625,294

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

Movements of provisions during the period were as follows:

	Mining rights	Mine	Severance	Total
	VND million	rehabilitation	allowance	VND million
		VND million	VND million	VND million
Opening balance	561,742	22,603	40,949	625,294
Provision made during the period	20,802	870	323	21,995
Provision used during the period	(73,113)	-	-	(73,113)
Provision written back during the period	-	-	(499)	(499)
Closing balance	509,431	23,473	40,773	573,677

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

Form B 09a – DN/HN

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

23. Changes in owners' equity

	Share capital VND million	Capital surplus VND million	Other capital VND million	Undistributed profits after tax VND million	Equity attributable to equity holders of		Total VND million
					Company VND million	Non-controlling interest VND million	
Balance as at 1 January 2016	7,467,179	9,631,106	(9,045,049)	8,561,380	16,614,616	10,494,430	27,109,046
Issuance of new shares	93,578	-	-	-	93,578	-	93,578
Equity transactions	-	-	(381,909)	-	(381,909)	-	(381,909)
Transactions with NCI	-	-	-	(1,661,577)	(1,661,577)	(3,414,566)	(5,076,143)
Business combination in CDN	-	-	-	-	-	1,381	1,381
Net profit for the period	-	-	-	1,034,330	1,034,330	445,859	1,480,189
Dividends declared by subsidiaries	-	-	-	-	-	(96,835)	(96,835)
Transfers to funds	-	-	-	(441)	(441)	(1,141)	(1,582)
Balance as at 30 June 2016	7,560,757	9,631,106	(9,426,958)	7,933,692	15,698,597	7,429,128	23,127,725

Masan Group Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

Form B 09a – 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	Treasury shares VND million	Foreign exchange difference VND million	Undistributed profits after tax VND million	Equity attributable to equity holders of Company VND million	Non-controlling interest VND million	Total VND million
Balance as at 1 January 2017	7,680,757	10,649,796	(9,426,958)	(641,110)	(1,874)	7,015,545	15,276,156	5,036,469	20,312,625
Issuance of bonus shares	3,794,207	(3,794,207)	-	-	-	-	-	-	-
Transactions with NCI (Note 8)	-	-	-	-	-	2,529,405	2,529,405	840,461	3,369,866
Net profit for the period	-	-	-	-	-	455,106	455,106	62,632	517,738
Dividends declared by subsidiaries	-	-	-	-	-	-	-	(232,226)	(232,226)
Currency translation differences	-	-	-	-	2,735	-	2,735	555	3,290
Balance as at 30 June 2017	11,474,964	6,855,589	(9,426,958)	(641,110)	861	10,000,056	18,263,402	5,707,891	23,971,293

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

24. Share capital and capital surplus

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

	30/6/2017		1/1/2017	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital	1,147,496,374	11,474,964	768,075,674	7,680,757
Issued share capital				
Ordinary shares	1,147,496,374	11,474,964	768,075,674	7,680,757
Capital surplus	-	6,855,589	-	10,649,796
Treasury shares				
Ordinary shares	(9,234,210)	(641,110)	(9,234,210)	(641,110)

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.

Movements of share capital during the period were as follows:

	From 1/1/2017 to 30/6/2017		From 1/1/2016 to 30/6/2016	
	Number of shares	VND million	Number of shares	VND million
Balance at beginning of the period	768,075,674	7,680,757	746,717,861	7,467,179
Issuance of bonus shares	379,420,700	3,794,207	-	-
Insurance of new shares at par for cash	-	-	9,357,813	93,578
Balance at end of the period	1,147,496,374	11,474,964	756,075,674	7,560,757

In December 2016, the Company's shareholders approved the issuance of bonus shares with the ratio of 50% of par value. The issuance was completed during this period.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

25. Other capital

Movements of other capital during the period were as follows:

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Opening balance	9,426,958	9,045,049
Equity transaction (*)	-	206,366
Equity transaction in a subsidiary (**)	-	175,543
Closing balance	<u>9,426,958</u>	<u>9,426,958</u>

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

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

Among others, the agreements provide the following:

- (i) The convertible loan bears semi-annual coupons of 5.0% per annum in year one, 6.0% per annum in years two and three, and 7.0% per annum for the remaining term of the convertible loan. A deferred interest which would achieve an effective rate of return of 10.0% is payable if the conversion option is not exercised; and
- (ii) The shares to be issued on conversion ("Conversion Shares") shall be determined based on an initial conversion price of VND85,000 per share and subject to ratchet adjustments and other terms of the definitive agreement. However, the maximum number of Conversion Shares will be 9.6 million. The mandatorily issuable minimum number of Conversion Shares is 7.5 million, which is treated as an equity instrument.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

In July 2013, the Company repurchased two third of the convertible loan of USD30 million subscribed by MRG Limited, resulting in the maximum number of Conversion Shares being reduced to 3.2 million and the mandatorily issuable minimum number of Conversion Shares was reduced to 2.5 million as at 1 January 2015.

In March 2016, the Company repurchased the remaining one third of the convertible loan of USD30 million subscribed by MRG Limited for a cash consideration of VND266,927 million.

- (**) ANCO granted a call option to a member of Board of Directors of a subsidiary to buy 5% of ANCO's equity interest on a fully diluted basis at par value, which can be exercised within 10 years from January 2016. In February 2016, this option was acquired by MNS as part of MNS's overall restructuring and efforts to increase its equity interest in its subsidiaries, particularly ANCO and Proconco.

26. Off balance sheet items

(a) Lease

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

	30/6/2017	1/1/2017
	VND million	VND million
Within 1 year	130,653	159,411
Within 2 to 5 years	84,874	150,453
More than 5 years	152,295	152,914
	<hr/>	<hr/>
	367,822	462,778
	<hr/>	<hr/>

(b) Capital expenditure

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

	30/6/2017	1/1/2017
	VND million	VND million
Approved and contracted	721,476	766,264
Approved but not contracted	1,049,226	1,236,996
	<hr/>	<hr/>
	1,770,702	2,003,260
	<hr/>	<hr/>

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(c) Foreign currencies

	30/6/2017		1/1/2017	
	Original currency	VND million equivalent	Original currency	VND million equivalent
USD	12,764,539	289,380	23,054,371	523,806
EUR	339	8	345	8
SGD	325	5	338	5
THB	91,617,652	59,643	97,959,692	60,637
		349,036		584,456

(d) Final sales pricing adjustment

As disclosed in Note 3(s), a subsidiary of the Group 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 this 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 six-month period ended 30 June 2017 that have been recognised on a provisional basis is VND188 billion (for the six-month period ended 30 June 2016: VND142 billion).

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

27. Revenue from sale of goods

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

Net revenue comprised of:

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Total revenue		
▪ Sale of finished goods and others	18,750,696	20,028,253
Less revenue deductions		
▪ Sales discounts	527,266	854,484
▪ Sales returns	204,722	32,423
	731,988	886,907
	18,018,708	19,141,346

28. Cost of sales

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Total cost of sales		
▪ Finished goods sold and other sales	12,677,272	13,543,595
▪ Allowance for inventories	8,884	23,213
	12,686,156	13,566,808
	12,686,156	13,566,808

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

29. Financial income

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Interest income from:		
• Deposits	216,321	264,441
• Other loan investing activities	17,225	98,680
Foreign exchange gains	35,568	16,157
Others	1,272	2,509
	<hr/> 270,386	<hr/> 381,787

30. Financial expenses

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Interest expense on loans/bonds from:		
• Banks	163,056	133,570
• Bondholders and others	1,623,972	1,264,323
Foreign exchange losses	29,652	17,224
Realised losses from derivative financial instruments	2,538	-
Allowance for diminution in the value of long-term financial investments	1,932	-
Others	27,470	47,067
	<hr/> 1,848,620	<hr/> 1,462,184

31. Selling expenses

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Promotion and advertising expenses	1,828,440	1,251,957
Logistic expense	403,712	420,785
Staff costs	319,812	379,575
Exhibition expense	50,637	24,809
Outside services	27,256	62,679
Other expenses	186,468	31,262
	<hr/> 2,816,325	<hr/> 2,171,067

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

32. General and administration expenses

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Staff costs	211,620	227,482
Amortisation of fair value uplift of fixed assets arising in business combination	266,766	290,616
Amortisation of goodwill	56,241	55,109
Depreciation and amortisation	60,297	53,860
Research and development expenses	6,381	13,111
System lease line and IT services	55,934	64,598
Office rental	26,992	26,885
Outside services	66,416	74,400
Other expenses	149,253	90,838
	899,900	896,899

33. Income tax

(a) Recognised in the consolidated statement of income

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Current tax expense		
Current period	237,288	367,829
Under provision in prior periods	3,962	15,365
	241,250	383,194
Deferred tax benefit		
Origination and reversal of temporary differences	(54,338)	(68,870)
Effect of change in tax rate	-	(2,406)
	(54,338)	(71,276)
Income tax expense	186,912	311,918

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(b) Reconciliation of effective tax rate

	From 1/1/2017 to 30/6/2017		From 1/1/2016 to 30/6/2016	
	%	VND million	%	VND million
Accounting profit before tax	100.0%	704,650	100.0%	1,792,107
Tax at the Company's income tax rate	20.0%	140,930	20.0%	358,420
Effect of different tax rates in subsidiaries	(13.8%)	(97,390)	(10.7%)	(191,026)
Effect of consolidation transactions	2.2%	15,436	0.7%	12,553
Non-deductible expenses	0.8%	5,849	1.6%	27,801
Effect of share of profit in associates net of tax	(19.1%)	(134,653)	(4.4%)	(78,005)
Deferred tax assets not recognised	48.4%	340,931	15.1%	270,380
Tax incentive	(11.6%)	(81,991)	(3.7%)	(66,886)
Under provision in prior periods	0.6%	3,962	0.9%	15,365
Effect of change in tax rate	0.0%	-	(0.1%)	(2,406)
Tax losses utilised	(0.9%)	(6,162)	(1.9%)	(34,278)
	26.6%	186,912	17.5%	311,918

(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.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

34. Significant transactions with related parties

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

Related party	Nature of transaction	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Other related party			
Vietnam Technological and Commercial Joint Stock Bank	Loans received	713,653	1,407,241
	Loans repaid	645,131	1,635,336
	Interest expense on loans received	73,240	88,043
Key management personnel	Remuneration to key management personnel (*)	67,645	59,170

As at and for the six-month period ended 30 June 2017, the Company and its subsidiaries have current and term deposit accounts at and overdraft transactions with Vietnam Technological and Commercial Joint Stock Bank at normal trading terms.

(*) No board fees were paid to the Board of Directors' members of the Company for the six-month periods ended 30 June 2017 and 2016.

35. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2017 was based on the net profit attributable to ordinary shareholders of VND455,106 million (for the six-month period ended 30 June 2016: VND1,034,330 million) of the Group and a weighted average number of ordinary shares outstanding of 1,151,948,064 shares during the period (for the six-month period ended 30 June 2016: 1,134,919,563 shares).

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

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

(i) Net profit attributable to ordinary shareholders

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Net profit attributable to ordinary shareholders	455,106	1,034,330

(ii) Weighted average number of ordinary shares

	From 1/1/2017 to 30/6/2017	From 1/1/2016 to 30/6/2016 (as restated)
Issued ordinary shares at the beginning of the period	758,841,464	746,717,861
Effect of bonus shares issued	379,420,700	-
Effect of shares issued for cash	-	771,248
Effect of shares to be issued solely after the passage of time	13,685,900	9,000,000
Weighted average number of ordinary shares during the period (as previously reported)	1,151,948,064	756,489,109
Effect of bonus shares issued	-	378,430,454
Weighted average number of ordinary shares during the period (as restated)	1,151,948,064	1,134,919,563

In February 2017, 379,420,700 of ordinary shares were issued as bonus shares to existing shareholders with the ratio of 50% of par value.

Issued ordinary shares at the beginning of 2016 and 2017 have been adjusted to reflect the bonus shares issued in 2017. Basic earnings per share for the six-month period ended 30 June 2016 have also been restated accordingly to reflect the issuance of bonus shares.

(b) Diluted earnings per share

The Company has no dilutive potential ordinary shares.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

36. 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 August 2017, the Company announced the issuance of 9,877,600 shares to employees at par for cash. This issuance is expected to be implemented by 16 August 2017.

37. Non-cash investing activities

	From 1/1/2017 to 30/6/2017 VND million	From 1/1/2016 to 30/6/2016 VND million
Cost of construction not yet paid	242,309	385,270
Interest expense capitalised into construction in progress	51,666	149,565
Depreciation and amortisation capitalised into construction in progress	176	4,716

38. Contingencies

During the period, the Ministry of Natural Resources and Environment has finalised its inspection on a subsidiary's compliance with laws and regulations regarding environmental, mineral, land and water resource and issued an Inspection Conclusion as the result. The Inspection Conclusion identified certain short-comings related to the subject matters mentioned above and required certain amendments to the subsidiary's environment protection activities. As of the date of issuance of these consolidated interim financial statements, the subsidiary is discussing with the Ministry of Natural Resources and Environment on the agreed implementation process and method and feasibility of such amendments. Since final amendments are subject to further discussion and approval from competent authorities, the Group is unable to reliably quantify financial impact of the possible amendments. Accordingly, no provision has been recognised in these consolidated interim financial statements.

Masan Group Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2017 (continued)

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

39. Post balance sheet events

In July 2017, MSC, a subsidiary of the Company issued 4,972,660 ordinary shares at par value to its employees after obtaining shareholders' approval at its Annual General Meeting in April 2017.

On 15 August 2017, MCH, a subsidiary of the Company completed the repurchase of VND1,000 billion bonds.

15 August 2017

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

