



**MASAN GROUP CORPORATION
AND ITS SUBSIDIARIES**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**



MASAN GROUP CORPORATION

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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MASAN GROUP CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate

0303576603

18 November 2004

The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 20 June 2022. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Dr Nguyen Dang Quang	Chairman
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Nam	Member
Ms Chae Rhan Chun	Member (from 24 April 2023)
Mr Ji Han Yoo	Member (until 24 April 2023)
Mr Nguyen Doan Hung	Member
Mr David Tan Wei Ming	Member
Ms Nguyen Thi Thu Ha	Member

Board of Management

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

Audit Committee

Mr Nguyen Doan Hung	Chairman
Ms Nguyen Thi Thu Ha	Member

Legal representative

Dr Nguyen Dang Quang	Chairman
Mr Danny Le	Chief Executive Officer

Registered office

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

MASAN GROUP CORPORATION

STATEMENT OF THE BOARD OF MANAGEMENT

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 2023.

The Company's Board of Management is responsible for the preparation and fair presentation of the consolidated interim financial statements as at and for the six-month period ended 30 June 2023 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In preparing those consolidated interim financial statements, the Company's Board of Management is required to:

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

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

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

APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

We do hereby approve the accompanying consolidated interim financial statements of the Group as at and for the six-month period ended 30 June 2023, which were prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

On behalf of the Board of Management



Danny Le
Chief Executive Officer

Ho Chi Minh City, Vietnam

4 August 2023



**To the Shareholders
Masan Group Corporation**

Management's Responsibility

Auditor's Responsibility

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 2023 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.: 23-01-00395-23-2



Pham Thi Hoang Anh
Practicing Auditor Registration
Certificate No. 3434-2022-007-1
Deputy General Director

Ho Chi Minh City, 4 August 2023

Trieu Tich Quyen
Practicing Auditor Registration
Certificate No. 4629-2023-007-1

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 01a – DN/HN

CONSOLIDATED BALANCE SHEET

ASSETS	Code	Note	30/6/2023 VND million	1/1/2023 VND million
CURRENT ASSETS	100		45,883,821	47,674,624
Cash and cash equivalents	110	7	8,829,035	13,853,100
Cash	111		2,434,944	1,718,476
Cash equivalents	112		6,394,091	12,134,624
Short-term financial investments	120	14	4,623,340	3,659,175
Trading securities	121		2,643,381	3,302,172
Held-to-maturity investments	123		1,979,959	357,003
Accounts receivable	130	8	16,745,392	13,929,560
Accounts receivable from customers	131		2,388,139	2,735,816
Prepayments to suppliers	132		1,168,734	1,227,666
Other short-term receivables	136		13,223,962	10,007,179
Allowance for doubtful debts	137		(45,207)	(47,369)
Shortage of assets awaiting resolution	139		9,764	6,268
Inventories	140	9	13,902,175	14,445,345
Inventories	141		14,298,203	14,634,281
Allowance for inventories	149		(396,028)	(188,936)
Other current assets	150		1,783,879	1,787,444
Short-term prepayments	151		402,975	374,120
Deductible value added tax	152		1,223,037	1,253,949
Taxes and other receivables from State Treasury	153		157,867	159,375

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

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MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 01a – DN/HN

**CONSOLIDATED BALANCE SHEET
(continued)**

ASSETS (continued)	Code	Note	30/6/2023 VND million	1/1/2023 VND million
LONG-TERM ASSETS	200		94,974,538	93,668,191
Accounts receivable	210	8	2,135,205	2,113,762
Receivables on long-term lending loans	215		81,150	81,150
Other long-term receivables	216		2,054,055	2,032,612
Fixed assets	220		42,666,209	43,535,355
Tangible fixed assets	221	10	30,058,876	30,611,529
Cost	222		51,121,875	50,465,195
Accumulated depreciation	223		(21,062,999)	(19,853,666)
Finance lease fixed assets	224		323,768	349,310
Cost	225		445,120	472,986
Accumulated depreciation	226		(121,352)	(123,676)
Intangible fixed assets	227	11	12,283,565	12,574,516
Cost	228		16,454,388	16,375,200
Accumulated amortisation	229		(4,170,823)	(3,800,684)
Investment property	230	12	710,729	729,763
Cost	231		1,167,486	1,148,248
Accumulated depreciation	232		(456,757)	(418,485)
Long-term assets in progress	240		3,603,567	3,324,848
Construction in progress	242	13	3,603,567	3,324,848
Long-term financial investments	250	14	33,247,320	31,333,885
Investments in associates	252		30,371,193	28,480,242
Investments in other entities	253		2,876,127	2,853,643
Other long-term assets	260		12,611,508	12,630,578
Long-term prepayments	261	15	7,344,805	7,259,881
Deferred tax assets	262	16	551,465	302,220
Goodwill	269	17	4,715,238	5,068,477
TOTAL ASSETS	270		140,858,359	141,342,815

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

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 01a – DN/HN

**CONSOLIDATED BALANCE SHEET
(continued)**

RESOURCES	Code	Note	30/6/2023 VND million	1/1/2023 VND million
LIABILITIES	300		103,334,056	104,706,076
Short-term liabilities	310		57,503,618	65,320,877
Short-term accounts payable to suppliers	311		6,601,829	7,489,371
Advances from customers	312		573,331	566,330
Taxes payable to State Treasury	313	18	988,447	536,310
Payable to employees	314		260,921	248,365
Accrued expenses	315	19	4,476,810	4,184,351
Short-term unearned revenue	318		63,640	15,691
Other short-term payables	319	20(a)	13,453,886	11,671,935
Short-term borrowings, bonds and finance lease liabilities	320	21	31,045,015	40,567,379
Provision - short-term	321		8,591	9,997
Bonus and welfare funds	322		31,148	31,148
Long-term liabilities	330		45,830,438	39,385,199
Long-term accounts payable to suppliers	331		21,614	24,324
Other long-term payables	337	20(b)	617,916	752,378
Long-term borrowings, bonds and finance lease liabilities	338	22	37,024,147	30,425,625
Deferred tax liabilities	341	16	3,502,298	3,541,671
Provision - long-term	342	23	4,664,463	4,641,201

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

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 01a – DN/HN

**CONSOLIDATED BALANCE SHEET
(continued)**

RESOURCES (continued)	Code	Note	30/6/2023 VND million	1/1/2023 VND million
EQUITY	400		37,524,303	36,636,739
Owners' equity	410	24	37,524,303	36,636,739
Share capital	411	25	14,237,248	14,237,248
Capital surplus	412	25	8,723,128	8,723,128
Other capital	414	26	(8,388,147)	(8,388,147)
Foreign exchange differences	417		(356,515)	(385,158)
Other equity funds	420		579,567	583,625
Undistributed profits after tax	421		11,702,149	11,381,940
- Undistributed profits after tax brought forward	421a		11,381,940	17,656,897
- Net profit/(loss) for the current period/prior year	421b		320,209	(6,274,957)
Non-controlling interests	429		11,026,873	10,484,103
TOTAL RESOURCES	440		140,858,359	141,342,815

4 August 2023

Prepared by:



Nguyen Huy Hung
Chief Accountant

Approved by:



Do Thi Quynh Trang
Chief Financial Officer



Danny Le
Chief Executive Officer

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

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 02a – DN/HN

CONSOLIDATED STATEMENT OF INCOME

	Code	Note	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Total revenue	1	28	37,411,883	36,080,905
Less revenue deductions	2	28	97,095	57,516
Net revenue	10	28	37,314,788	36,023,389
Cost of sales	11	29	26,901,144	25,966,842
Gross profit	20		10,413,644	10,056,547
Financial income	21	30	1,339,817	1,591,060
Financial expenses	22	31	4,128,708	2,872,263
- Including: Interest expense	23		3,532,525	2,235,155
Share of profits in associates	24	32	1,901,123	2,445,498
Selling expenses	25	33	6,748,381	5,977,415
General and administration expenses	26	34	1,763,119	1,946,363
Net operating profit	30		1,014,376	3,297,064
Other income	31	35	62,398	141,297
Other expenses	32	36	44,538	103,408
Results of other activities	40		17,860	37,889
Net profit before tax	50		1,032,236	3,334,953
Income tax expense - current	51	37	474,665	196,801
Income tax (benefit)/expense - deferred	52	37	(311,067)	28,306
Net profit after tax	60		868,638	3,109,846

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

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 02a – DN/HN

CONSOLIDATED STATEMENT OF INCOME
(continued)

	Code	Note	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Attributable to:				
Equity holders of the Company	61		320,209	2,576,791
Non-controlling interests	62		548,429	533,055
Earnings per share				
Basic earnings per share (VND)	70	38	225	1,818

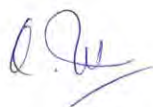
4 August 2023

Prepared by:



Nguyen Huy Hung
Chief Accountant

Approved by:



Do Thi Quynh Trang
Chief Financial Officer



Danny Le
Chief Executive Officer

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

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES
Form B 03a – DN/HN
CONSOLIDATED STATEMENT OF CASH FLOWS
(Indirect method)

	Code	Note	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	1		1,032,236	3,334,953
Adjustments for				
Depreciation and amortisation	2		2,031,647	2,204,396
Allowances and provisions	3		337,918	50,002
Net unrealised foreign exchange (gains)/losses	4		(144,401)	98,297
Gains from investing activities	5		(2,786,633)	(3,405,124)
Interest expense and others	6		3,728,922	2,435,538
Operating profit before changes in working capital	8		4,199,689	4,718,062
Change in receivables and other assets	9		19,932	(527,028)
Change in inventories	10		286,183	(836,737)
Change in payables and other liabilities	11		(1,070,940)	(1,261,063)
Change in prepayments	12		188,129	73,644
Change in trading securities	13		658,791	-
			4,281,784	2,166,878
Interest paid	14		(3,427,901)	(2,271,494)
Corporate income tax paid	15		(278,915)	(439,499)
Other payments for operating activities	17		-	(3,731)
Net cash flows from operating activities	20		574,968	(547,846)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(1,380,367)	(2,136,023)
Proceeds from disposals of fixed assets and other long-term assets	22		9,115	127,754
Payments for granting loans, term deposits at banks and other investments	23		(5,938,769)	(8,552,191)
Receipts from collecting loans, term deposits at banks and other investments	24		1,781,743	4,260,758
Payments for equity investments	25		-	(6,690,201)
Business combination, net of cash acquired	25		-	(2,472,176)
Collections on disposal of exchangeable bonds	26		-	283,750
Receipts of interest, dividends and related income from investing activities	27		482,001	352,177
Net cash flows from investing activities	30		(5,046,277)	(14,826,152)

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

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 03a – DN/HN

CONSOLIDATED STATEMENT OF CASH FLOWS
(Indirect method - continued)

	Code	Note	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of new shares less payments of relevant fees	31		-	(156,022)
Proceeds from borrowings, bonds and others	33		39,001,933	30,738,173
Payments to settle borrowings, bonds and others	34		(39,535,302)	(27,779,868)
Payments to settle finance lease liabilities	35		(7,944)	(6,642)
Payments of dividends	36		(82)	(9,889)
Net cash flows from financing activities	40		(541,395)	2,785,752
Net cash flows during the period	50		(5,012,704)	(12,588,246)
Cash and cash equivalents at the beginning of the period	60		13,853,100	22,304,822
Effect of exchange rate fluctuation on cash and cash equivalents	61		(11,361)	(2,222)
Cash and cash equivalents at the end of the period	70	7	8,829,035	9,714,354

4 August 2023

Prepared by:



Nguyen Huy Hung
Chief Accountant

Approved by:



Do Thi Quynh Trang
Chief Financial Officer



Danny Le
Chief Executive Officer

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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

1 REPORTING ENTITY

Masan Group Corporation (“the Company”) is a joint stock company incorporated in Vietnam. The principal activities of the Company include management consulting, investment consulting (except for finance, accounting and legal consulting) and carrying out capital mobilisation and investment activities.

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

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

Subsidiaries

Number	Name	Note	Principal activities	Percentage of economic interests at	
				30/6/2023	1/1/2023
Direct subsidiaries					
1	Masan MEATLife Corporation (“MML”)		Investment holding	94.9%	94.9%
2	The SHERPA Company Limited (“SHERPA”)		Investment holding	99.9%	99.9%
3	Zenith Investment Company Limited (“ZENITH”)		Investment holding	99.9%	99.9%
Indirect subsidiaries					
1	The CrownX Corporation (“CrownX”)	(v)	Investment holding	84.9%	84.9%
2	MasanConsumerHoldings Company Limited (“MCH”)	(vi)	Investment holding	72.8%	72.8%
3	Masan Brewery Company Limited (“MB”)	(i)	Investment holding	48.5%	48.5%
4	Masan Master Brewer Company Limited (“MMBr”)	(i)	Beer and beverage trading	48.5%	48.5%
5	Masan Brewery PY One Member Company Limited (“MBPY”)	(i)	Beer and beverage manufacturing	48.5%	48.5%
6	Masan Brewery HG One Member Company Limited (“MBHG”)	(i)	Beer and beverage manufacturing	48.5%	48.5%
7	Masan Brewery Distribution One Member Company Limited (“MBD”)	(i)	Beer and beverage trading	48.5%	48.5%
8	Masan Brewery MB Company Limited (“MBMB”)	(i)	Beer and beverage manufacturing	48.5%	48.5%

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

1 REPORTING ENTITY (continued)

Number	Name	Note	Principal activities	Percentage of economic interests at	
				30/6/2023	1/1/2023
9	Masan Consumer Corporation (“MSC”)	(i)	Trading and distribution	68.3%	68.3%
10	Masan Consumer (Thailand) Limited (“MTH”)	(i)	Trading and distribution	68.3%	68.3%
11	Masan Food Company Limited (“MSF”)	(i)	Trading and distribution	68.3%	68.3%
12	Masan Industrial One Member Company Limited (“MSI”)	(i)	Seasonings, convenience food manufacturing and packaging	68.3%	68.3%
13	Viet Tien Food Technology One Member Company Limited (“VTF”)	(i)	Seasonings manufacturing	68.3%	68.3%
14	Masan HD One Member Company Limited (“MHD”)	(i)	Convenience food manufacturing	68.3%	68.3%
15	Masan PQ Corporation (“MPQ”)	(i)	Seasonings manufacturing	68.3%	68.3%
16	Nam Ngu Phu Quoc One Member Company Limited (“NPQ”)	(i)	Seasonings manufacturing	68.3%	68.3%
17	Masan Long An Company Limited (“MLA”)	(i)	Seasonings, convenience food manufacturing and packaging	68.3%	68.3%
18	Masan HN Company Limited (“HNF”)	(i)	Convenience food manufacturing	68.3%	68.3%
19	VinaCafé Bien Hoa Joint Stock Company (“VCF”)	(i)	Beverage manufacturing and trading	67.4%	67.4%
20	Vinh Hao Mineral Water Corporation (“VHC”)	(i)	Beverage manufacturing and trading and packaging	61.1%	61.1%
21	Kronfa., JSC (“KRP”)	(i)	Beverage manufacturing	61.6%	61.6%
22	Masan Beverage Company Limited (“MSB”)	(i)	Beverage trading and distribution	68.3%	68.3%
23	Masan MB One Member Company Limited (“MMB”)	(i)	Seasonings, convenience food manufacturing and packaging	68.3%	68.3%

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES
Form B 09a – DN/HN
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)
1 REPORTING ENTITY (continued)

Number	Name	Note	Principal activities	Percentage of economic interests at	
				30/6/2023	1/1/2023
24	Masan HG One Member Company Limited ("MHG")	(i)	Convenience food manufacturing and packaging	68.3%	68.3%
25	Masan HG 2 Company Limited ("MH2")	(i)	Seasonings, convenience food, beverage manufacturing and packaging	68.3%	68.3%
26	Masan Jinju Joint Stock Company ("MSJ")	(iii)	Convenience food manufacturing and trading	71.1%	71.1%
27	Quang Ninh Mineral Water Corporation ("QNW")	(i)	Beverage manufacturing and trading	44.9%	44.9%
28	Masan HPC Company Limited ("HPC")	(i)	Trading and distribution	68.3%	68.3%
29	Net Detergent Joint Stock Company ("NET")	(i)	Homecare products manufacturing and trading	35.7%	35.7%
30	Masan Innovation Company Limited ("INV")	(i)	Trading and distribution	68.3%	68.3%
31	Hi-Fresh Company Limited ("HIF")	(i)	Trading and distribution	68.3%	68.3%
32	Joint Pro Professional Laundry Company Limited ("JPR")	(i)	Laundry service	68.3%	68.3%
33	Masan Horizon Company Limited (formerly known as "Masan Horizon Corporation") ("MH")	(ii)	Investment holding	99.9%	99.9%
34	Mapleleaf Company Limited ("MPL")	(ii)	Investment holding	99.9%	99.9%
35	Masan Blue Corporation ("MBL")	(ii)	Trading and distribution	99.8%	99.8%
36	Masan High-Tech Materials Corporation ("MHT")	(ii)	Investment holding	86.4%	86.4%
37	Masan Thai Nguyen Resources Company Limited ("MRTN")	(ii)	Investment holding	86.4%	86.4%

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

1 REPORTING ENTITY (continued)

Number	Name	Note	Principal activities	Percentage of economic interests at	
				30/6/2023	1/1/2023
38	Thai Nguyen Trading and Investment Company Limited ("TNTI")	(ii)	Investment holding	86.4%	86.4%
39	Nui Phao Mining Company Limited ("NPM")	(ii)	Exploring and processing mineral	86.4%	86.4%
40	Masan Tungsten Limited Liability Company ("MTC")	(ii)	Deep processing of nonferrous metals and precious metals (tungsten)	86.4%	86.4%
41	H.C. Starck Holding (Germany) GmbH (Germany) ("HCS")	(ii)	Investment holding	86.4%	86.4%
42	Chemilytics Beteiligungs GmbH (Germany)	(ii)	Investment holding	86.4%	86.4%
43	H.C. Starck GmbH (Germany)	(ii)	Investment holding	86.4%	86.4%
44	Chemische Fabriken Oker und Braunschweig AG (Germany)	(ii)	Producing chemicals utilised in the manufacturing of paper and additives for the absorptive materials industry	86.4%	86.4%
45	H.C. Starck Infrastructure GmbH & Co. KG (Germany)	(ii)	Deep processing of nonferrous metals and precious metals (Tungsten)	86.4%	86.4%
46	Chemilytics GmbH & Co. KG (Germany)	(ii)	Chemical analysis and physical measurement data	86.4%	86.4%
47	H.C. Starck Tungsten GmbH (Germany)	(ii)	Deep processing of nonferrous metals and precious metals (Tungsten)	86.4%	86.4%
48	H.C. Starck Nonferrous Metals Trading (Shanghai) Co. Ltd. (China)	(ii)	Trading and distribution	86.4%	86.4%
49	H.C. Starck Canada Inc. (Canada)	(ii)	Deep processing of nonferrous metals and precious metals (Tungsten)	86.4%	86.4%
50	H.C. Starck Tungsten GK (Japan)	(ii)	Trading and distribution	86.4%	86.4%

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

1 REPORTING ENTITY (continued)

Number	Name	Note	Principal activities	Percentage of economic interests at	
				30/6/2023	1/1/2023
51	H.C. Starck Tungsten LLC (USA)	(ii)	Trading and distribution	86.4%	86.4%
52	H.C. Starck Jiangwu Tungsten Specialities (Ganzhou) Co. Ltd. (China)	(ii)	Deep processing of nonferrous metals and precious metals (Tungsten)	51.8%	51.8%
53	MNS Meat Company Limited ("MNS Meat")	(iii)	Animal protein	94.9%	94.9%
54	MML Farm Nghe An Company Limited ("Farm Nghe An")	(iii)	Breeding swine	94.9%	94.9%
55	MNS Farm Company Limited ("MNS Farm")	(iii)	Investment holding	94.9%	94.9%
56	MNS Meat Processing Company Limited ("MNS Meat Processing")	(iii)	Investment holding	94.9%	94.9%
57	MEATDeli HN Company Limited ("MEATDeli Ha Nam")	(iii)	Meat processing	94.9%	94.9%
58	MEATDeli Sai Gon Company Limited ("MEATDeli Sai Gon")	(iii)	Meat processing	94.9%	94.9%
59	3F Viet Joint Stock Company ("3F Viet")	(iii)	Chicken breeding and trading	48.4%	48.4%
60	3F Viet Food Company Limited ("3F Viet Food")	(iii)	Meat processing and trading	48.4%	48.4%
61	VCM Services and Trading Development Joint Stock Company ("WCM")	(vi)	Investment holding	71.5%	71.5%
62	WinCommerce General Commercial Services Joint Stock Company ("WinCommerce")	(iv)	Trading and distribution	71.5%	71.5%
63	WinEco Agricultural Investment Development and Production LLC ("WinEco")	(v)	Agriculture	98.9%	98.9%
64	WinEco – Tam Dao Agricultural Investment Development and Production Limited Liability Company ("WinEco Tam Dao")	(v)	Agriculture	88.1%	88.1%
65	Dong Nai – WinEco Agricultural Company Limited ("WinEco Dong Nai")	(v)	Agriculture	76.7%	76.7%

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

1 REPORTING ENTITY (continued)

Number	Name	Note	Principal activities	Percentage of economic interests at	
				30/6/2023	1/1/2023
66	The Supra Corporation ("The Supra")	(iv)	Warehousing and storage services	71.5%	71.5%
67	Dr.Win Corporation ("Dr.Win")	(iv)	Retail sale of drugs, medical equipment, cosmetics and hygiene products	46.5%	46.5%
68	CX Infra Corporation ("CXI")	(iv)	Construction	36.4%	36.4%
69	Mobicast Joint Stock Company ("MOB")	(v)	Telecommunications	70.0%	70.0%
70	Draco Investment Corporation ("DRC")	(v)	Investment holding	99.9%	99.9%
71	Fornax Investment Corporation ("FOR")	(v)	Investment holding	99.9%	99.9%
72	Phuc Long Heritage Corporation ("Phuc Long Heritage")	(v)	Food and beverage	85.0%	85.0%
73	The O2 Corporation ("The O2")	(v)	Market research	50.0%	50.0%
74	Sagitta Investment Corporation ("Sagitta")	(v)	Investment holding	99.9%	98.0%
75	Masan Agri Company Limited (formerly known as "Masan Agri Corporation") ("Masan Agri")	(v)	Investment holding	99.9%	99.9%
76	Lepus Investment Corporation ("Lepus")	(v)	Investment holding	99.9%	99.9%
77	Eirene Investment Corporation ("Eirene")	(a) (v)	Investment holding	99.9%	-

(a) In March 2023, this indirect subsidiary of the Company was established.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

1 REPORTING ENTITY (continued)

Associates

Number	Name	Note	Principal activities	Percentage of economic interests at	
				30/6/2023	1/1/2023
Direct associate					
1	Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”)		Banking	Note 14(c)	
Indirect associates					
1	Cholimex Food Joint Stock Company (“Cholimex”)	(vii)	Seasonings manufacturing and trading	32.8%	32.8%
2	Vissan Joint Stock Company (“Vissan”)	(viii)	Food manufacturing and retailing	24.9%	24.9%
3	Jiangwu H.C. Starck Tungsten Products Co., Ltd.	(ix)	Deep processing of nonferrous metals and precious metals (Tungsten)	30.0%	30.0%

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

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

As at 30 June 2023, the Group had 35,403 employees (1/1/2023: 37,112 employees).

Normal operating cycle

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

2 BASIS OF PREPARATION

(a) Statement of compliance

These 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.

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December. The consolidated interim financial statements are prepared for the six-month period ended 30 June 2023.

(d) Accounting and presentation currency

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

(e) Corresponding figures

The corresponding figures as at 1 January 2023 were brought forward from the audited figures as at 31 December 2022.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

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 recorded directly in undistributed profits after tax under equity.

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

(ii) Non-common control business combination

Non-common control business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. Under the purchase method, the assets and liabilities of the acquired entity are consolidated using their fair values. Cost of a business combination (cost of the acquisition) consists of the aggregate fair value, at the date of exchange, of assets given, liabilities incurred or assumed, equity instruments issued by the Group and any costs directly attributable to the business combination. 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 included 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.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(a) Basis of consolidation (continued)****(iii) *Subsidiaries***

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

(iv) *Associates (equity accounted investees)*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for in the consolidated interim financial statements using the equity method (equity accounted investees). They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated interim financial statements include the Group's share of the profit and loss of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. The carrying amount of investments in equity accounted investees is also adjusted for the alterations in the investor's proportionate interest in the investees arising from changes in the investee's equity that have not been included in the statement of income (such as foreign exchange translation differences, etc.). When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term financial investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. Gain or loss on disposal of interest in an associate without losing significant influence, including through dilution of interest in the associate as deemed disposal, is recognised in the consolidated statement of income.

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(a) Basis of consolidation (continued)****(vii) Loss of control**

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

(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 conducts transactions.

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

(ii) Foreign operations

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

- Assets and liabilities including goodwill and fair value adjustments arising on acquisition, are translated to VND at the account transfer buying rate (for assets) and the account transfer selling rate (for liabilities) at the end of the accounting period quoted by the commercial bank where the subsidiaries most frequently conduct transactions;
- Revenue, income, expenses and cash flows of foreign operations are translated to VND at exchange rates at which approximate actual exchange rates ruling on the dates of transactions; and
- Capital is translated to VND at historical exchange rate. Accumulated losses/undistributed profits after tax, funds and reserves are derived from the translated net profits/losses and movements from which they were appropriated.

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

(c) Cash and cash equivalents

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investments

(i) *Trading securities*

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

(ii) *Held-to-maturity investments*

Held-to-maturity investments are those that the Group's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investments are stated at costs less allowance for doubtful debts.

(iii) *Equity investments in other entities*

Equity investments in other entities of which the Company or its subsidiaries have no control or significant influence are initially recognised at cost, which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss which may cause the Group to lose their invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(e) Accounts receivable

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

Factoring

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

If the Group:

- transfers substantially all the risks and rewards of ownership of the receivables, the Group derecognises the receivables and recognise separately as asset or liability any rights and obligations created or retained in the transfer;
- retains substantially all the risks and rewards of ownership of the receivables, the Group continues to recognise the receivables;

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Accounts receivable (continued)**

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

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

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

(f) Inventories

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

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets**(i) Cost**

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

Upon completion of the mine construction phase, the assets are transferred into “buildings and structures”, “machinery and equipment” or “other mining assets” in tangible fixed assets. Other mining assets comprise mine rehabilitation assets and fair value of mineral reserves and mineral resources from business combination.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Tangible fixed assets (continued)****(ii) Depreciation**

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

Machinery and equipment which are directly related to mineral processing activities and fair value of mineral reserves from business combination are depreciated on a unit-of-production method. Under this method, the depreciation bases are derived from proved and probable mineral reserves, which are estimates of the volume of ore (in tons) that can be economically and legally extracted from the Group's mining properties, and a portion of mineral resources expected to be converted into reserves. Specifically, the depreciation bases for mining-related assets are calculated using:

- a. estimated mineral reserves and resources expected to be converted into reserves under mining specialist's technical assessments within Nui Phao project area; and
- b. further estimated mineral resources that can be reprocessed from the NPM's oxide tails cell ("OTC").

Application of depreciation base to each mining asset class is as follows:

	<u>Depreciation base</u>
Machinery and equipment relating to only mineral processing activities	(a)
Machinery and equipment relating to mineral processing activities, and being used in OTC retreatment	(a) and (b)
Fair value of mineral reserves from business combination	(a) and (b)

From 1 January 2023, the Group changed its estimation on mineral reserves and resources based on (i) the result of mining specialist's technical assessments regarding the mineral reserves in Nui Phao project area, and (ii) resources that are expected to be able to be converted into mineral reserves. These changes represented the estimated volume of ore that can be economically and legally extracted from the Group's mining properties.

Details of changes on the remaining value of ore that is used as depreciation base as at 1 January 2023 are as follows:

	<u>Increase in value by tonnes of ore</u>
Machinery and equipment relating to mineral processing activities	9,941,325
Fair value of mineral reserves from business combination	9,941,325

The effect on the depreciation charge for the period was to decrease the depreciation charge by VND73,671 million.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Tangible fixed assets (continued)****(ii) Depreciation (continued)***Machinery and equipment directly related to mineral production activities*

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

	Tonnes of tungsten
ST plant	171,865
APT plant	166,990

Others

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

- buildings and structures 4 - 50 years
- leasehold improvements 3 - 5 years
- machinery and equipment 2 - 25 years
- motor vehicles 3 - 25 years
- office equipment and others 3 - 25 years
- other mining properties 26 years

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

(h) Intangible fixed assets**(i) Land use rights**

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Intangible fixed assets (continued)

(ii) Software

Costs of software include:

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

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

(iii) Development costs

Development costs comprise:

- Expenditure on the Group's development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised include the costs of materials, direct labour and an appropriate portion of overheads. Other development expenditure, including expenditure on internally generated goodwill and brands, is recognised in the consolidated statement of income as an expense as incurred.
- Development activities that are acquired by the Group in the acquisition of subsidiary is capitalised and presented as an intangible fixed asset. The fair value of development activities acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of development activities is amortised on a straight-line basis over the estimated useful live ranging from 10 to 16 years.

(iv) Brand name

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

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(h) Intangible fixed assets (continued)****(v) *Customer relationships***

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

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

(vi) *Mineral water resources*

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

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

(vii) *Mining rights*

The mining rights are calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree No. 67/2019/ND-CP dated 31 July 2019 ("Decree 67") which became effective from 15 September 2019, replacing Decree No. 203/2013/ND/CP dated 28 November 2013. Cost of mining rights was stated at an amount equal to the present value of mining rights fee and was capitalised and treated as an intangible fixed asset. Amortisation of mining rights is computed on a straight-line basis over the economic life of proved and probable mineral reserve and a portion of resources expected to be converted into reserves.

(viii) *Technology*

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

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

(ix) *Mineral water resources exploitation rights*

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(h) Intangible fixed assets (continued)****(x) License**

License that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible fixed asset. The fair value of license is amortised on a straight-line basis over the estimated useful lives of 12 years.

The fair value of license 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.

(i) Investment property**(i) Cost**

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

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property. Land use rights with indefinite term are not amortised. The estimated useful lives are as follows:

- buildings 20 - 60 years
- infrastructures 5 - 20 years

(j) Construction in progress

Construction in progress represents the costs of swine breeders, the cost of construction and machinery which have not been fully completed or installed and mineral assets under development. No depreciation is provided for construction in progress during the period of breeding the swines, 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 values as part of business combination accounting and subsequent development expenditures are capitalised net of proceeds from the sale of ore extracted during the development phase. On completion of development, defined as the time when saleable materials begin to be extracted from the mine, all assets are reclassified to either "machinery or equipment" or "other mining properties" in tangible fixed assets or in long-term prepayments.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(k) Long-term prepayments****(i) Other mining costs**

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

Other mining costs comprise:

- 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 inventories and long-term prepayments in accordance with the life of mine strip ratio of the identified components of the ore bodies.

The life of mine strip ratio represents the estimated total volume of waste, to the estimated total quantity of economically recoverable ore, over the life of the mine of the identified components of the ore bodies. These costs are recognised as long-term prepayments 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 systematically based on the mineral reserves and mineral resources expected to be converted to mineral reserves of the relevant components.

During the period, NPM, a subsidiary of the Group, changed its estimation on mineral reserves and resources which are used to calculate and amortise the stripping costs incurred in the development and production phases. The change in estimate is based on the result of mining specialist's technical assessments regarding the mineral reserves in Nui Phao project area, and resources that are expected to be able to be converted into mineral reserves as described in Note 3(g)(ii). The effect on the amortisation charge for the period was to increase the amortisation charge by VND10,048 million.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Long-term prepayments (continued)

(ii) *Prepaid land costs*

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

(iii) *Land compensation costs*

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

(iv) *Tools and supplies*

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

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

(v) *Goodwill from equitisation*

Goodwill generated from the state-owned enterprise equitisation is recognised as long-term prepayments. Goodwill generated from the state-owned enterprise 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 equitization is amortised on a straight-line basis over 10 years starting from the date of conversion from a state-owned enterprise into a joint stock company (date of first business registration certificate for a joint stock company).

(vi) *Swine breeders*

Swine breeders whose costs of individual items are less than VND30 million are recognised as long-term prepayments and amortised on a straight-line basis over their estimated useful lives ranging from over 1 to 3 years. The amortisation of swine breeders that directly relates to farming of swine in work in progress is capitalised as part of the cost of work in progress.

(vii) *Other long-term prepaid expenses*

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Goodwill

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

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

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

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

(m) Accounts payable

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

(n) Provisions

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

(i) Mining rights fee

In accordance with the Law on Minerals 2010, NPM, a subsidiary indirectly owned by the Company has an obligation to pay the government fees for mining rights grant. Mining rights is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights which is defined under the prices to calculate the resource royalty in accordance with the law on resource royalty at the time of determining the charge for granting mining rights officially which is Decree 67.

The prices to calculate the resource royalty is the price applicable for NPM's products which is determined by the provincial People's Committee. The conversion method is based on various parameters of the conversion coefficient under guidelines of Decree 67.

(ii) Mine rehabilitation

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(n) Provisions (continued)****(ii) Mine rehabilitation (continued)**

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

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

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

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

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

(iii) Severance allowance

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(n) Provisions (continued)****(iv) Pensions**

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

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

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

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses and the relevant deferred tax are recognised in equity under the caption "Other equity funds" in accordance with a ruling from the Ministry of Finance.

(o) Bonds issued***Straight bonds***

At initial recognition, straight bonds are measured at cost which comprises proceed from 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) 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 to equity, in which case it is recognised in equity.

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(p) Taxation (continued)**

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

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

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

Ordinary share capital is classified as equity. The excess of issuance price over the par value of shares issued is recorded as capital surplus. Incremental costs directly attributable to the issue of ordinary shares, net of tax effects, are recognised as a deduction from capital surplus.

(ii) Other capital

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

(r) Revenue**(i) Goods sold**

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

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

(ii) Services rendered

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Revenue (continued)

(iii) *Rental income*

Rental income from leased property under operating leases is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of lease.

(s) Financial income and financial expenses

(i) *Financial income*

Financial income comprises interest income from deposits, loans and trading securities; dividend income; gains from disposal of investments; foreign exchange gains and others. 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, bonds and deposits; borrowings and bonds issuance costs (collectively referred to as “borrowing costs”); foreign exchange losses and others. 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 tangible fixed assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(t) Leases

(i) *Leases assets*

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

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

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

(ii) *Leases payments*

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

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(u) Earnings per share**

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

During the period, the Company had no potential ordinary shares and therefore does not present diluted EPS.

(v) Segment reporting

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

(w) Related parties

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

(x) Employee stock ownership plans

Shares issued to employees based on the employee stock ownership plans are issued at price as stipulated in the Board of Directors' resolution.

4 SEASONALITY OF OPERATIONS

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

5 CHANGES IN ACCOUNTING ESTIMATES

In preparing these consolidated interim financial statements, the Board of Management of the Company and its subsidiaries has made several accounting estimates. Actual results may differ from those estimates. Except for the changes as described in Note 3(g) and Note 3(k), there were no other significant changes in basis of accounting estimates compared to those made in the most recent consolidated annual financial statements or those made in the same interim period of the prior year.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

6 SEGMENT REPORTING

The Group has five (5) reportable segments, as described below, which are the Group's strategic businesses. The strategic businesses offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic businesses, the Group's Board of Management reviews internal management reports on a periodic basis.

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

- Branded consumer products
- MEATLife: integrated meat products
- High-tech materials
- Consumer retail
- Others: financial services, telecommunication services, retail food and beverage chain and others



MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

6 SEGMENT REPORTING (continued)

(a) Business segments

	Branded consumer products		MEATLife		High-tech materials		Consumer retail		Others		Elimination		Total	
	From 1/1/2023 to 30/6/2023	From 1/1/2022 to 30/6/2022	From 1/1/2023 to 30/6/2023	From 1/1/2022 to 30/6/2022	From 1/1/2023 to 30/6/2023	From 1/1/2022 to 30/6/2022	From 1/1/2023 to 30/6/2023	From 1/1/2022 to 30/6/2022	From 1/1/2023 to 30/6/2023	From 1/1/2022 to 30/6/2022	From 1/1/2023 to 30/6/2023	From 1/1/2022 to 30/6/2022	From 1/1/2023 to 30/6/2023	From 1/1/2022 to 30/6/2022
	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
		(*)		(*)		(*)		(*)		(*)		(*)		(*)
External segment revenue	12,223,479	11,713,990	2,452,965	1,243,642	7,315,311	8,123,495	14,483,309	14,230,221	839,724	712,041	-	-	37,314,788	36,023,389
Internal segment revenue	716,902	640,918	850,303	697,386	-	-	33,976	61,475	282,510	252,132	(1,883,691)	(1,651,911)	-	-
Segment gross profit	5,679,175	4,876,781	298,534	111,127	770,946	1,435,558	3,229,089	3,346,879	435,900	286,202	-	-	10,413,644	10,056,547
Segment results	2,785,851	2,351,291	(199,628)	(249,247)	331,779	878,814	(438,521)	(454,665)	1,380,369	2,206,707	-	-	3,859,850	4,732,900
Net unallocated expenses													(2,991,212)	(1,623,054)
Net profit													868,638	3,109,846

(*) These figures are restated for the comparative purpose.

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

6 SEGMENT REPORTING (continued)

(a) Business segments (continued)

	Branded consumer products		MEATLife		High-tech materials		Consumer retail		Others		Total	
	30/6/2023 VND million	1/1/2023 VND million	30/6/2023 VND million	1/1/2023 VND million	30/6/2023 VND million	1/1/2023 VND million	30/6/2023 VND million	1/1/2023 VND million	30/6/2023 VND million	1/1/2023 VND million	30/6/2023 VND million	1/1/2023 VND million
Segment assets	31,911,776	28,610,561	9,693,718	9,938,529	40,851,937	40,964,993	13,977,541	20,726,133	32,943,675	28,800,403	129,378,647	129,040,619
Unallocated assets											11,479,712	12,302,196
Total assets											140,858,359	141,342,815
Segment liabilities	12,744,586	11,860,939	7,190,916	7,297,134	21,343,726	24,774,892	14,121,234	15,198,042	3,570,538	867,341	58,971,000	59,998,348
Unallocated liabilities											44,363,056	44,707,728
Total liabilities											103,334,056	104,706,076
Capital expenditure	350,164	824,245	190,665	411,171	527,634	492,385	142,681	166,508	168,466	238,353	1,379,610	2,132,662
Unallocated capital expenditure	-	-	-	-	-	-	-	-	-	-	757	3,361
Depreciation	307,850	393,320	185,498	141,893	480,160	618,631	174,276	186,276	134,422	125,826	1,282,206	1,465,946
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-	2,633	2,285
Amortisation	115,104	132,830	58,428	59,832	312,339	306,901	488,900	551,843	372,116	240,488	1,346,887	1,291,894
Unallocated amortisation	-	-	-	-	-	-	-	-	-	-	1,478	1,169

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

6 SEGMENT REPORTING (continued)

(b) Geographical segments

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

	Domestic		Overseas		Total	
	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Net external revenue	30,422,460	27,552,675	6,892,328	8,470,714	37,314,788	36,023,389
Capital expenditure	1,314,632	2,069,863	65,735	66,160	1,380,367	2,136,023
	Domestic		Overseas		Total	
	30/6/2023 VND million	1/1/2023 VND million	30/6/2023 VND million	1/1/2023 VND million	30/6/2023 VND million	1/1/2023 VND million
Total assets	127,526,089	127,349,497	13,332,270	13,993,318	140,858,359	141,342,815

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)**7 CASH AND CASH EQUIVALENTS**

	30/6/2023 VND million	1/1/2023 VND million
Cash on hand	27,971	101,525
Cash at banks	2,384,168	1,574,013
Cash in transit	22,805	42,938
Cash equivalents	6,394,091	12,134,624
	<u>8,829,035</u>	<u>13,853,100</u>

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

As at 30 June 2023, cash at banks with carrying value of VND37,493 million (1/1/2023: VND23,056 million) were pledged with banks as security for loans granted to the Group (Note 21 and Note 22).

8 ACCOUNTS RECEIVABLE

As at 30 June 2023 and 1 January 2023, a part of short-term receivables was pledged with banks as security for loans granted to a subsidiary (Note 21 and Note 22).

As at 30 June 2023, prepayments to suppliers of the Group amounting to VND376,187 million (1/1/2023: VND650,754 million) were related to the purchase of fixed assets and other long-term assets.

(a) Other short-term receivables

	30/6/2023 VND million	1/1/2023 VND million
Short-term deposits (*)	11,463,248	9,113,136
Interest income receivable	826,427	407,696
Advances to employees	16,433	25,475
Others (**)	917,854	460,872
	<u>13,223,962</u>	<u>10,007,179</u>

(b) Receivable on long-term lending loans

Receivable on long-term lending loans to the founding shareholders who are key management personnel of a subsidiary were secured by 7,170,640 shareholders' shares of this subsidiary, earned interest rate at 12% per annum (1/1/2023: 12% per annum) and mature on 31 October 2024.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

8 ACCOUNTS RECEIVABLE (continued)

(c) Other long-term receivables

	30/6/2023 VND million	1/1/2023 VND million
Long-term deposits	436,751	429,170
Others (***)	1,617,304	1,603,442
	<u>2,054,055</u>	<u>2,032,612</u>

(*) Included in short-term deposits was VND11,365,000 million of deposits to counterparties for the investments as part of the Group's treasury activities (1/1/2023: VND9,015,000 million).

(**) Included in other short-term receivables was VND484,773 million of receivables for mining rights fee ("MRF") of Nui Phao Mining Project (1/1/2023: VND241,979 million). Receivable for MRF as at 30 June 2023 represented additional mining rights fee of Nui Phao Mining Company Limited ("NPM") – an indirect subsidiary of the Company, for the period from year 2015 to year 2024 and relevant administrative charges that NPM paid to the authorities based on a temporary calculation by the General Department of Geology and Minerals ("GDGM") under the Official Letter No. 3724/DCKS-KTDCKS dated 28 December 2018 ("Official Letter 3724") and subsequently a calculation by the Ministry of Natural Resources and Environment ("MONRE") under the Decision No. 1640/QD-BTNMT dated 23 August 2021 ("Decision 1640").

NPM does not agree with the amounts and basis of the Official Letter 3724 as management of NPM is of the opinion that it is unreasonable and does not comply with current regulations, because the price used to calculate the charge for granting mining rights (or mining right fee) ("G-price") is based on the resource royalty taxable price applicable to mineral resource products instead of royalty taxable price applicable to industrial products. In accordance with regulations of the Government's Decree No. 12/2015/ND-CP dated 12 February 2015 and guidance of the Ministry of Finance's Circular No. 152/2015/TT-BTC dated 2 October 2015 on Royalties, if resources that have to be processed before being sold, resource royalty taxable price equal (=) selling prices of the industrial products minus (-) processing costs but not lower than the taxable price imposed by the People's Committee of the province ("PPC"). NPM's products are industrial products, for which the resource royalty taxable price is determined on the basis of the higher of selling price minus (-) processing costs and the taxable price imposed by the PPC. GDGM did not use the royalty taxable price applicable to industrial products; instead they used the royalty taxable price applicable to mineral resource products – tungsten ore (0.1% < WO₃ < 0.3%). Before the effective date of Official Letter 3724, NPM has made payment for MRF in accordance with the Decision No. 500/QD-BTNMT ("Decision 500") issued by MONRE on 4 March 2015, which used estimated royalty taxable price applicable to industrial products.

On 23 August 2021, MONRE has issued Decision 1640 to determine the MRF of Nui Phao Mining Project, replacing the temporary MRF calculation in Decision 500 and Official Letter 3724 despite that the royalty taxable price applicable to NPM's industrial products has not yet been determined. In issuing this Decision 1640, MONRE continued using the royalty taxable price applicable to tungsten ore (0.1% < WO₃ < 0.3%) instead of the royalty taxable price applicable to industrial products, which had been highlighted by NPM before. According to Decree 67, Article 15, Point 3, in case MRF is paid on a temporary basis, if the taxable prices for calculating resource royalties announced by provincial People's Committees are valid and compliant with regulations on prices of minerals for determining mining right fee, those prices shall be officially applied and replace the prices used in the previous temporary payments. Management of NPM assessed that because the royalty taxable prices applied to NPM's industrial products have not yet been determined by Thai Nguyen PPC, the G-price that serves as the basis for computation of MRF under Decision 1640 is not in accordance with the prevailing laws and regulations.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)**8 ACCOUNTS RECEIVABLE (continued)**

NPM has also sent many letters to different levels of authorities to highlight the issues and seek for proper resolutions for NPM's MRF issue. As instructed by the Prime Minister under the Letter No. 978/VPCP-KTTH dated 8 February 2021, the Letter No. 5987/VPCP-KTTH dated 28 August 2021 and subsequently as further instructed by the Deputy Prime Minister under the Notification No. 226/TB-VPCP dated 16 June 2023 ("Notification 226"), NPM's MRF issue is under review by the Ministry of Finance ("MOF"), MONRE and Thai Nguyen PPC. Accordingly, MRF for the Nui Phao Mining Project will be re-determined by MONRE after (1) the royalty taxable price applicable to NPM's industrial products is finalised and officially issued by Thai Nguyen PPC; and (2) the royalty taxable price bracket for tungsten ore of Nui Phao Mine is issued by MOF and the royalty taxable price applicable to NPM's tungsten ore is issued by Thai Nguyen PPC.

As disclosed in Note 39 to these consolidated interim financial statements, Thai Nguyen PPC, Thai Nguyen Department of Finance and relevant functional agencies are currently working together to determine the royalty taxable price applicable to NPM's industrial products.

Management of NPM believes that NPM has adequately provided for its liabilities for MRF and that above amount temporarily paid is entitled to be refunded or off-set against future MRF liabilities based on its interpretation of relevant legislation, including regulations on the charge for granting mining rights and regulations on natural resources tax, i.e., using the price as determined in Decision 500. Accordingly, the Group accounted for the additional MRF payments and relevant administrative fees as receivables and has not recognised the additional MRF specified in Decision 1640 as liabilities. NPM's management expects that it will be able to claim back this receivable after the royalty taxable price applicable to NPM's industrial products is officially determined.

(***) Included in other long-term receivables was VND1,230,754 million of receivables from State Treasury for the land compensation cost of Nui Phao Mining Project at Ha Thuong Commune, Dai Tu District, Thai Nguyen Province (1/1/2023: VND1,230,754 million). The amount could be netted off with annual land rental fee of future years.

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

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Opening balance	47,369	33,369
Increase in allowance during the period	-	502
Allowance utilised during the period	(443)	(125)
Reversal of allowance during the period	(1,719)	(661)
Closing balance	<u>45,207</u>	<u>33,085</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

9 INVENTORIES

	30/6/2023		1/1/2023	
	Cost VND million	Allowance VND million	Cost VND million	Allowance VND million
Goods in transit	262,786	-	266,501	-
Raw materials	2,424,618	(55,106)	2,393,413	(35,241)
Tools and supplies	1,079,699	(15,010)	1,114,789	(10,372)
Work in progress	1,703,428	(77,756)	1,631,701	(30,643)
Finished goods	5,141,593	(206,284)	5,131,895	(58,630)
Merchandise inventories	3,589,958	(35,341)	3,947,303	(54,050)
Goods on consignment	96,121	(6,531)	148,679	-
	<u>14,298,203</u>	<u>(396,028)</u>	<u>14,634,281</u>	<u>(188,936)</u>

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

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Opening balance	188,936	134,532
Increase in allowance during the period	286,387	44,815
Allowance utilised during the period	(49,895)	(42,372)
Reversal of allowance during the period	(29,400)	(28,493)
Closing balance	<u>396,028</u>	<u>108,482</u>

As at 30 June 2023 and 1 January 2023, a part of inventories was pledged with banks as security for loans granted to a subsidiary (Note 21 and Note 22).

Included in inventories as at 30 June 2023 was VND69,057 million (1/1/2023: VND76,639 million) of slow-moving inventories.

Included in inventories as at 30 June 2023 was VND3,573,973 million (1/1/2023: VND2,081,953 million) of inventories carried at net realisable value.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

10 TANGIBLE FIXED ASSETS

	Buildings and structures VND million	Leasehold improvements VND million	Machinery and equipment VND million	Motor vehicles VND million	Office equipment and others VND million	Other mining properties VND million	Total VND million
Cost							
Opening balance	16,822,833	95,045	27,925,589	178,551	347,250	5,095,927	50,465,195
Additions/adjustments after finalisation	14,600	-	(39,189)	372	(2,470)	-	(26,687)
Transfers from construction in progress	91,142	-	555,926	2,523	62,075	-	711,666
Transfers from/(to) long-term prepayments	-	-	(123)	-	6,833	-	6,710
Transfers from/(to) short-term prepayments	-	-	61	-	-	-	61
Transfers from finance lease fixed assets	-	-	25,119	2,747	-	-	27,866
Transfers from inventories	-	-	31,928	-	1,277	-	33,205
Disposals/Written off	(7,740)	(138)	(72,508)	(11,801)	(18,195)	-	(110,382)
Reclassification	-	-	(16,813)	(63)	16,876	-	-
Currency translation differences	9,831	-	4,410	-	-	-	14,241
Closing balance	16,930,666	94,907	28,414,400	172,329	413,646	5,095,927	51,121,875

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

10 TANGIBLE FIXED ASSETS (continued)

	Buildings and structures VND million	Leasehold improvements VND million	Machinery and equipment VND million	Motor vehicles VND million	Office equipment and others VND million	Other mining properties VND million	Total VND million
Accumulated depreciation							
Opening balance	4,255,734	89,756	13,597,404	76,090	189,957	1,644,725	19,853,666
Charge for the period	387,839	1,742	796,912	10,508	15,816	58,616	1,271,433
Transfers from/(to) long-term prepayments	-	-	(11)	-	(1,272)	-	(1,283)
Transfers from/(to) short-term prepayments	-	-	(7)	-	-	-	(7)
Transfers from finance lease fixed assets	-	-	13,472	2,259	-	-	15,731
Disposals/Written off	(6,178)	(138)	(65,627)	(10,212)	(17,069)	-	(99,224)
Reclassification	-	-	(9,719)	(63)	9,782	-	-
Currency translation differences	3,245	-	19,438	-	-	-	22,683
Closing balance	4,640,640	91,360	14,351,862	78,582	197,214	1,703,341	21,062,999
Net book value							
Opening balance	12,567,099	5,289	14,328,185	102,461	157,293	3,451,202	30,611,529
Closing balance	12,290,026	3,547	14,062,538	93,747	216,432	3,392,586	30,058,876

Included in tangible fixed assets were assets costing VND3,408,643 million which were fully depreciated as of 30 June 2023 (1/1/2023: VND3,315,662 million), but are still in active use.

As at 30 June 2023, tangible fixed assets with net book value of VND14,286,267 million (1/1/2023: VND14,739,139 million) were pledged with banks as security for loans granted to and bonds issued by the subsidiaries (Note 21 and Note 22).

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

11 INTANGIBLE FIXED ASSETS

	Land use rights VND million	Software VND million	Development costs VND million	Brand name VND million	Customer relationships VND million	Mineral water resources VND million	Mining rights VND million	Technology VND million	Mineral water resources exploitation rights VND million	Others VND million	Total VND million
Cost											
Opening balance	3,819,867	1,006,231	712,652	3,587,638	3,716,729	412,698	792,657	2,104,642	76,957	145,129	16,375,200
Additions	-	1,224	-	-	-	-	-	-	-	-	1,224
Transfers from construction in progress	-	1,924	-	-	-	-	-	21,944	-	-	23,868
Disposals/ Written off	-	(2,873)	-	-	-	-	-	-	-	-	(2,873)
Other movement	-	-	-	-	-	-	-	-	(632)	-	(632)
Currency translation differences	(536)	4,419	10,187	16,641	3,417	-	-	22,956	-	517	57,601
Closing balance	3,819,331	1,010,925	722,839	3,604,279	3,720,146	412,698	792,657	2,149,542	76,325	145,646	16,454,388
Accumulated amortisation											
Opening balance	434,618	832,517	158,657	880,647	742,171	161,137	282,797	258,504	30,242	19,394	3,800,684
Charge for the period	63,605	46,932	17,334	68,542	62,567	9,883	18,884	68,099	1,404	4,852	362,102
Disposals/ Written off	-	(2,487)	-	-	-	-	-	-	-	-	(2,487)
Currency translation differences	(93)	4,322	2,361	1,239	213	-	-	2,482	-	-	10,524
Closing balance	498,130	881,284	178,352	950,428	804,951	171,020	301,681	329,085	31,646	24,246	4,170,823
Net book value											
Opening balance	3,385,249	173,714	553,995	2,706,991	2,974,558	251,561	509,860	1,846,138	46,715	125,735	12,574,516
Closing balance	3,321,201	129,641	544,487	2,653,851	2,915,195	241,678	490,976	1,820,457	44,679	121,400	12,283,565

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)**11 INTANGIBLE FIXED ASSETS (continued)**

Included in intangible fixed assets were assets costing VND1,384,672 million which were fully amortised as of 30 June 2023 (1/1/2023: VND1,032,579 million), but are still in active use.

As at 30 June 2023, intangible fixed assets with net book value of VND534,866 million (1/1/2023: VND585,151 million) were pledged with banks as security for loans granted to and bonds issued by subsidiaries (Note 21 and Note 22).

12 INVESTMENT PROPERTY

Investment property held to earn rental comprises:

	Land use rights VND million	Buildings and infrastructures VND million	Total VND million
Cost			
Opening balance	33,285	1,114,963	1,148,248
Currency translation differences	558	18,680	19,238
Closing balance	33,843	1,133,643	1,167,486
Accumulated depreciation			
Opening balance	-	418,485	418,485
Charge for the period	-	31,466	31,466
Currency translation differences	-	6,806	6,806
Closing balance	-	456,757	456,757
Net book value			
Opening balance	33,285	696,478	729,763
Closing balance	33,843	676,886	710,729

Included in investment property of the Group were assets costing VND9,447 million which were fully depreciated as of 30 June 2023 (1/1/2023: VND6,854 million), but are still in active use.

As at 30 June 2023, investment property with net book value of VND630,153 million (1/1/2023: VND648,733 million) were pledged with banks as security for loans granted to subsidiaries (Note 21 and Note 22).

The fair value of investment property held to earn rental has not been determined as the Group has not performed a valuation.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

13 CONSTRUCTION IN PROGRESS

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Opening balance	3,324,848	2,021,827
Additions during the period	1,277,840	1,449,920
Increase from business combination	-	35,209
Transfers to tangible fixed assets	(711,666)	(753,005)
Transfers to intangible fixed assets	(23,868)	(23,581)
Transfers to long-term prepayments	(262,137)	(56,163)
Transfers to long-term receivables	-	(24,216)
Disposals/Written off	(2,964)	(18,454)
Currency translation differences	1,514	(5,379)
Closing balance	<u>3,603,567</u>	<u>2,626,158</u>

Major constructions in progress as at the end of the accounting period were as follows:

	30/6/2023 VND million	1/1/2023 VND million
Buildings and structures	371,729	404,356
Land compensation	613,663	376,944
Machinery and equipment	2,123,783	1,816,335
Software	35,223	36,110
Others	459,169	691,103
	<u>3,603,567</u>	<u>3,324,848</u>

As at 30 June 2023, construction in progress with carrying value of VND2,480,388 million (1/1/2023: VND1,947,552 million) were pledged with banks as security for loans granted to and bonds issued by the subsidiaries (Note 21 and Note 22).

During the period, borrowing costs amounting to VND74,616 million were capitalised into construction in progress (for the six-month period ended 30 June 2022: VND19,059 million).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

14 INVESTMENTS

	30/6/2023 VND million	1/1/2023 VND million
Short-term financial investments		
Trading securities (a)	2,643,381	3,302,172
Held-to-maturity investments – short-term (b)	1,979,959	357,003
	<u>4,623,340</u>	<u>3,659,175</u>
Long-term financial investments		
Investments in associates (c)	30,371,193	28,480,242
Investments in other entities (d)	2,876,127	2,853,643
	<u>33,247,320</u>	<u>31,333,885</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

14 INVESTMENTS (continued)

(a) Trading securities

	Quantity	30/6/2023			Quantity	1/1/2023		
		Cost VND million	Fair value VND million	Allowance VND million		Cost VND million	Fair value VND million	Allowance VND million
• Certificates of deposits (**)	14,261	1,426,837	(*)	-	21,000	2,100,000	(*)	-
• Bonds (***)	12,000,000	1,216,544	(*)	-	12,000,000	1,202,172	(*)	-
		<u>2,643,381</u>		<u>-</u>		<u>3,302,172</u>		<u>-</u>

(*) The Group has not determined the fair value of trading securities for disclosure in the consolidated interim financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnam Accounting Standard or the Vietnam Accounting System for enterprises. The fair values of trading securities may differ from their carrying amounts.

(**) The Group purchased these certificates of deposits with the aim of holding them for a short period of time (less than 12 months). These certificates of deposits earn interest rate at of 7% per annum.

(***) The Group purchased these bonds with the aim of holding them for a short period of time (less than 12 months). The bonds have remaining term to maturity date being more than 12 months from the end of the accounting period and earn interest rates of 9.03% per annum for the first-four interest period and 1.8% per annum plus medium and long-term lending rates quoted by selected banks to corporate customers for the remaining interest periods. These bonds are secured by assets of a third party. The Group has a commitment from a related party to purchase these bonds before 29 December 2023.

(b) Held-to-maturity investments – short term

Held-to-maturity investments – short-term represented term deposits in VND at banks with original terms to maturity of more than three months and less than 12 months from their transaction dates. As at 30 June 2023, term deposits with carrying value of VND152,520 million were pledged with banks as security for issued bonds and loans granted to the Group (1/1/2023: VND100,000 million) (Note 21 and Note 22).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

14 INVESTMENTS (continued)

(c) Investments in associates

	30/6/2023				1/1/2023			
	% of equity owned over charter capital	% of voting rights over charter capital	Carrying value at equity accounted VND million	Fair value VND million	% of equity owned over charter capital	% of voting rights over charter capital	Carrying value at equity accounted VND million	Fair value VND million
• Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") (i)	19.9%	19.9%	27,758,365	24,311,220	19.9%	19.9%	25,905,197	19,426,431
• Cholimex Food Joint Stock Company ("Cholimex") (ii)	32.8%	32.8%	269,859	(*)	32.8%	32.8%	249,392	(*)
• Vissan Joint Stock Company ("Vissan") (iii)	24.9%	24.9%	2,143,717	(*)	24.9%	24.9%	2,135,490	(*)
• Jiangwu H.C. Starck Tungsten Products Co., Ltd. (China) ("Jiangwu") (iv)	30.0%	30.0%	199,252	(*)	30.0%	30.0%	190,163	(*)
			<u>30,371,193</u>				<u>28,480,242</u>	

- (*) The Group has not determined the fair values of investments in these associates for disclosure in the consolidated interim financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these equity investments may differ from their carrying values. For the disclosure purpose, the fair values of investments in Techcombank as at 30 June 2023 and 1 January 2023 were determined by reference to the quoted prices at these respective dates on Ho Chi Minh City Stock Exchange.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

14 INVESTMENTS (continued)

(c) Investments in associates (continued)

- (i) The Group has 19.9% direct equity holding and 1.5% economic interests in Techcombank that is subject to a forward sale agreement (1/1/2023: 19.9% direct equity holding and 1.5% economic interests subject to a forward sale agreement). The forward transaction has not been completed and is subject to the terms of the agreement.
- (ii) MSC holds 32.8% equity interests in Cholimex.
- (iii) MML holds 24.9% equity interests in Vissan.
- (iv) H.C. Starck Tungsten GmbH (Germany) holds 30.0% equity interests in Jiangwu.

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

	Techcombank VND million	Cholimex VND million	Vissan VND million	Jiangwu VND million	Total VND million
Opening balance	25,905,197	249,392	2,135,490	190,163	28,480,242
Share of profits in associates during the period	1,853,168	33,763	8,227	5,965	1,901,123
Dividends declared	-	(13,296)	-	-	(13,296)
Currency translation differences	-	-	-	3,124	3,124
Closing balance	27,758,365	269,859	2,143,717	199,252	30,371,193



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

14 INVESTMENTS (continued)

(d) Investments in other entities

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

	30/6/2023					1/1/2023				
	% of equity owned over charter capital	% of voting rights over charter capital	Cost VND million	Allowance for diminution in value VND million	Fair value VND million	% of equity owned over charter capital	% of voting rights over charter capital	Cost VND million	Allowance for diminution in value VND million	Fair value VND million
• Trusting Social Joint Stock Company ("TSVN") (i)	25.1%	25.1%	1,511,280	-	(*)	25.1%	25.1%	1,511,280	-	(*)
• Nyobolt Limited ("Nyobolt") (ii)	15.0%	15.0%	1,364,847	-	(*)	15.0%	15.0%	1,342,363	-	(*)
			<u>2,876,127</u>	<u>-</u>				<u>2,853,643</u>	<u>-</u>	

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

(i) In April 2022, SHERPA, a direct subsidiary of the Company, made an equity investment of USD65 million for 25.1% equity interests in TSVN. Under the agreement among SHERPA, Trust IQ Pte Ltd ("TSSG") (the parent company of TSVN) and TSVN, SHERPA has certain rights in TSVN and TSSG.

(ii) This represented 21.5% of equity owned on total outstanding issued shares or 15% equity interests on a fully diluted basis. Movements of this investment during the period represented the currency translation differences.

Management assessed that the Group does not have significant influences over TSVN and Nyobolt and thus accounted for these investments as investments in other entities.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

14 INVESTMENTS (continued)**(e) Significant transactions with non-controlling interests in subsidiaries in prior years****(i) Transactions with non-controlling interests in The CrownX Corporation (“CrownX”)**

In connection with CrownX’s issuance of 7,611,593 ordinary shares in June 2021 and December 2021, the Company, SHERPA and CrownX entered into agreements (“Shareholder Agreements”) with Alibaba.Com Singapore E-Commerce Private Limited, Thunbergia Pte. Limited, Credit Suisse AG, Singapore Branch, TCX Madrid Holdings Pte.Ltd and Seatown Master Fund (collectively referred to as “Investors”) pursuant to which the Group undertakes with the Investors that they shall use best effort to procure an initial public offering (“IPO”) of the shares of CrownX by 11 June 2026 (which may be extended for a maximum of one year at the discretion of the Group) (the “IPO Deadline”). In the event that CrownX fails to achieve the IPO on the agreed conditions, each of the Investors will have an option to require SHERPA, the parent company of CrownX or its nominee, to purchase the shares subscribed by the Investors in this round at the agreed price in the agreement. This option shall be exercisable after the IPO Deadline and remains exercisable until the date that is 9 years and one month from the closing date – ie: 11 June 2021. It can only be exercised once with respect to all of the aforementioned shares.

SK Investment Vina Pte. Ltd (“SK”) also entered into the above Shareholder Agreements and entitled benefits same as above Investors on 3,636,521 ordinary shares of CrownX which SK acquired from a third party in December 2021.

During 2022, the Board of Directors of CrownX approved a share option program for the employees of CrownX, its subsidiaries and employees of Masan Group Corporation and its subsidiaries who have contributed to the development of CrownX (the “ESOP Program”). Total number of approved shares under this ESOP Program granted to employees is up to 7,743,652 CrownX shares (to be adjusted accordingly in the event of consolidation, share-split, subdivision, bonus shares, reclassification or other similar process). During the period, the vesting event has not been incurred and no ESOP shares have been issued.

(ii) Transactions with non-controlling interests in Masan High-Tech Materials Corporation (“MHT”)

In relation to MHT’s issuance of 109,915,542 of ordinary shares issued to Mitsubishi Material Corporation (“the Investor”) on 26 October 2020 for the consideration of VND2,094,331 million, MHT also granted a put option to the Investor. Parties in the first supplemental and amending agreement dated 24 May 2022, and the second supplemental and amending agreement dated 21 June 2023 agreed that in the put option event that (i) MHT and the Investor (or their affiliate) fail to establish a joint operation of midstream tungsten business within 33 months after closing date of the above share issuance (i.e. August 2023) or (ii) if there is a change in control in MHT or (iii) such other period agreed in writing between the parties, the Investor will have an irrevocable right to request MHT or its nominee to purchase all shares issued above at the amount equal to consideration of VND2,094,331 million less the aggregate of any proceeds received by the Investor from disposing the MHT’s shares, dividends and distributions paid by the MHT subject to customary adjustments from dilutive events. The deadline to take actions necessary to effect the completion of the put option is 18 months from the date that the MHT receives put option exercise notice from the Investor. The exercise of the put option will be subject to approval of the Board of Directors, shareholders and Vietnamese regulators.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

15 LONG-TERM PREPAYMENTS

	Other mining costs VND million	Prepaid land costs VND million	Land compensation costs VND million	Tools and supplies VND million	Goodwill from equitisation VND million	Swine breeders VND million	Others VND million	Total VND million
Opening balance	1,721,727	1,441,304	1,343,663	1,541,846	9,404	42,907	1,159,030	7,259,881
Additions	193,360	1,293	-	(10,845)	-	-	320,831	504,639
Transfers to tangible fixed assets	-	-	-	(7,993)	-	-	-	(7,993)
Transfers to short-term prepayments	-	-	-	(1,906)	-	-	-	(1,906)
Transfers from/(to) construction in progress	-	(3,985)	1,062	242,755	-	17,461	4,844	262,137
Amortisation for the period	(97,888)	(17,069)	(40,662)	(314,805)	(1,568)	(11,534)	(177,419)	(660,945)
Disposals/Written off	-	-	-	(4,582)	-	(6,127)	(299)	(11,008)
Closing balance	<u>1,817,199</u>	<u>1,421,543</u>	<u>1,304,063</u>	<u>1,444,470</u>	<u>7,836</u>	<u>42,707</u>	<u>1,306,987</u>	<u>7,344,805</u>

As at 30 June 2023, long-term prepayments with carrying value of VND474,064 million (1/1/2023: VND554,470 million) were pledged with banks as security for loans granted to the subsidiaries (Note 21 and Note 22).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

16 DEFERRED TAX ASSETS AND LIABILITIES

(a) Recognised deferred tax assets and liabilities

	30/6/2023 VND million	1/1/2023 VND million
Deferred tax assets:		
Accrued expenses and provisions (*)	274,050	211,488
Remeasurement of the net defined benefit liability (**)	216,485	225,807
Unrealised profits on intra-group transactions	67,293	70,370
Tax losses carried forward	514,992	279,542
Tangible fixed assets	257	408
Net off (*)	(590,802)	(536,209)
Others	69,190	50,814
Total deferred tax assets	551,465	302,220
Deferred tax liabilities:		
Tangible fixed assets (*)	(723,854)	(663,481)
Intangible fixed assets	(2,943,320)	(3,039,978)
Unrealised losses on intra-group transactions	(84,783)	(36,154)
Provisions and others	(13,658)	(15,008)
Investments in associates	(349,212)	(346,477)
Net off (*)	612,529	559,427
Total deferred tax liabilities	(3,502,298)	(3,541,671)
Net deferred tax liabilities	(2,950,833)	(3,239,451)



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

16 DEFERRED TAX ASSETS AND LIABILITIES (continued)

(b) Movements of temporary differences during the period

	1/1/2023 VND million	Recognised in consolidated statement of income VND million	Recognised in equity VND million	30/6/2023 VND million
Accrued expenses, provisions and others	153,512	198,389	(592)	351,309
Remeasurement of the net defined benefit liability (**)	225,807	(3,270)	(6,052)	216,485
Unrealised profits/(losses) on intra-group transactions	34,216	(51,859)	153	(17,490)
Tax losses carried forward	279,542	232,602	2,848	514,992
Tangible fixed assets	(595,073)	(122,672)	(5,852)	(723,597)
Intangible fixed assets	(3,039,978)	108,998	(12,340)	(2,943,320)
Investments in associates	(297,477)	(51,121)	(614)	(349,212)
	<u>(3,239,451)</u>	<u>311,067</u>	<u>(22,449)</u>	<u>(2,950,833)</u>

(*) Deferred tax assets and liabilities include items mainly arose from HCS and its subsidiaries. These items were presented on a net basis because the subsidiaries have a legally enforceable right to net off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authorities on the same taxable entities.

(**) Deferred tax recognised in equity also included the relevant deferred tax of the remeasurement of the net defined benefit liability - provision for pensions. As disclosed in Note 3(n), these amounts are recognised in equity under the caption "Other equity funds" in accordance with a ruling from the Ministry of Finance.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

17 GOODWILL

	From 1/1/2023 to 30/6/2023 VND million
Cost	
Opening balance/Closing balance	7,446,614
Accumulated amortisation	
Opening balance	2,378,137
Charge for the period	353,239
Closing balance	2,731,376
Net book value	
Opening balance	5,068,477
Closing balance	4,715,238

18 TAXES PAYABLE TO STATE TREASURY

	1/1/2023 VND million	Incurred VND million	Paid VND million	Net-off/ Reclassified VND million	30/6/2023 VND million
Corporate income tax	252,268	474,665	(278,915)	(4,717)	443,301
Value added tax	94,280	4,690,811	(564,071)	(3,821,233)	399,787
Special consumption tax	82,958	229,653	(273,971)	-	38,640
Import-export tax	-	123,705	(122,453)	7	1,259
Personal income tax	32,321	243,608	(227,165)	(26,628)	22,136
Other taxes	74,483	559,324	(549,984)	(499)	83,324
	536,310	6,321,766	(2,016,559)	(3,853,070)	988,447

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

19 ACCRUED EXPENSES

	30/6/2023 VND million	1/1/2023 VND million
Interest expense	1,325,735	967,960
Advertising and promotion expenses	1,076,098	735,517
Sale discounts and customer support fee	41,607	71,727
Logistic expenses	191,710	168,625
Purchases not yet received invoices	189,947	141,341
Accrual for construction work	178,738	335,539
Consultant fee	6,671	20,058
Bonus and 13th month salary	314,028	616,526
Exhibition and market research expenses	62,250	44,713
Natural resource taxes and fees	30,065	138,873
Others	1,059,961	943,472
	<u>4,476,810</u>	<u>4,184,351</u>

20 OTHER PAYABLES

(a) Other short-term payables

	30/6/2023 VND million	1/1/2023 VND million
Deposits received from third parties for the investments (*)	12,621,238	10,271,238
Payable to domestic banks under letter of credit arrangement (**)	209,733	936,287
Interest expense payable (*)	238,343	178,119
Dividends payable	10,662	10,744
Trade union fees, social, health and unemployment insurance	16,441	15,841
Short-term deposits received	20,767	16,209
Other payables	336,702	243,497
	<u>13,453,886</u>	<u>11,671,935</u>

(*) In accordance with the business corporation contracts, the Group is committed to provide returns on the deposits received from the third parties as stipulated in the business corporation contracts.

(**) These were payables to domestic banks under letter of credit arrangements. The outstanding balances bore fixed fees at rates ranging from 6.0% to 13.2% per annum (1/1/2023: 4.3% to 13.2% per annum) over the deferred payment period ranging from 4 to 9 months and were secured by 110 million shares of an indirect subsidiary (1/1/2023: 110 million shares of an indirect subsidiary). In the event that, the Group misses payment when the term is due, these payables will be converted to borrowings.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

20 OTHER PAYABLES (continued)

(a) Other short-term payables (continued)

Movements of these payables during the period were as follows:

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Opening balance	936,287	1,404,689
Additions	189,214	1,753,999
Payments	(915,768)	(1,405,256)
Closing balance	<u>209,733</u>	<u>1,753,432</u>

(b) Other long-term payables

	30/6/2023 VND million	1/1/2023 VND million
Long-term deposits	37,228	38,228
Other payables	580,688	714,150
	<u>617,916</u>	<u>752,378</u>

21 SHORT-TERM BORROWINGS, BONDS AND FINANCE LEASE LIABILITIES

	30/6/2023 VND million	1/1/2023 VND million
Short-term borrowings	17,566,052	17,047,074
Current portion of long-term borrowings, bonds and finance lease liabilities (Note 22)	13,478,963	23,520,305
	<u>31,045,015</u>	<u>40,567,379</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

21 SHORT-TERM BORROWINGS, BONDS AND FINANCE LEASE LIABILITIES (continued)

	1/1/2023 Carrying amounts/ Amounts within repayment capacity VND million	Movements during the period			30/6/2023 Carrying amounts/ Amounts within repayment capacity VND million
		Additions VND million	Repayments VND million	Revaluation VND million	
Short-term borrowings	17,047,074	26,007,738	(25,526,453)	37,693	17,566,052
Current portion of long-term borrowings, bonds and finance lease liabilities (Note 22)	23,520,305	2,966,105	(13,001,343)	(6,104)	13,478,963
	<u>40,567,379</u>	<u>28,973,843</u>	<u>(38,527,796)</u>	<u>31,589</u>	<u>31,045,015</u>

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

	Currency	Annual interest rate	30/6/2023 VND million	1/1/2023 VND million
Secured bank loans	VND	5.5% - 13.6%	1,563,071	2,123,280
Secured bank loans	USD	3.9% - 10.4%	3,034,817	2,407,234
Secured bank loans	EUR	3.2%	790,170	779,220
Unsecured bank loans	VND	5.0% - 13.0%	11,443,396	11,559,264
Unsecured bank loans	USD	3.1% - 7.3%	701,250	142,777
Unsecured bank loans	CNY	4.4%	33,348	35,299
			<u>17,566,052</u>	<u>17,047,074</u>

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

- (i) certain shares of indirect subsidiaries ;
- (ii) certain fixed assets of subsidiaries ;
- (iii) certain inventories and short-term receivables of a subsidiary;
- (iv) certain current bank accounts; and
- (v) corporate guarantee of the Company and subsidiaries.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

22 LONG-TERM BORROWINGS, BONDS AND FINANCE LEASE LIABILITIES

	30/6/2023 VND million	1/1/2023 VND million
Long-term borrowings	27,121,594	18,444,260
Straight bonds	23,030,618	35,142,828
Finance lease liabilities	350,898	358,842
	<u>50,503,110</u>	<u>53,945,930</u>
Amounts payable within 12 months (Note 21)	(13,478,963)	(23,520,305)
	<u>37,024,147</u>	<u>30,425,625</u>

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

	Currency	Annual interest rate	Year of maturity	30/6/2023 VND million	1/1/2023 VND million
Long-term borrowings (*)					
Secured bank loans	VND	4.6% - 12.5%	2023 - 2028	4,041,635	3,761,651
Secured bank loans	USD	7.6% - 8.6%	2027	22,969,050	14,256,000
Unsecured bank loans	CNY	4.7%	2024	96,708	-
Unsecured bank loans	VND	8.1%	2024	14,201	426,609
				<u>27,121,594</u>	<u>18,444,260</u>
Amounts payable within 12 months				(1,369,752)	(1,317,816)
				<u>25,751,842</u>	<u>17,126,444</u>
Straight bonds (**)					
Unamortised issuance costs	VND	8.7% - 12.1%	2023 - 2027	23,196,230	35,413,775
				(165,612)	(270,947)
				<u>23,030,618</u>	<u>35,142,828</u>
Amounts payable within 12 months				(12,094,234)	(22,187,234)
				<u>10,936,384</u>	<u>12,955,594</u>
Finance lease liabilities (***)					
	VND	8.6% - 11.2%	2035	350,898	358,842
Amounts payable within 12 months				(14,977)	(15,255)
				<u>335,921</u>	<u>343,587</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

22 LONG-TERM BORROWINGS, BONDS AND FINANCE LEASE LIABILITIES (continued)

(*) Long-term borrowings

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

- (i) certain fixed assets of subsidiaries ;
- (ii) certain construction in progress of subsidiaries;
- (iii) certain long-term prepayments of subsidiaries;
- (iv) certain shares of an indirect subsidiary;
- (v) certain issued share capital of an indirect subsidiary and all related benefits; and
- (vi) corporate guarantee by the Company and subsidiaries.

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

22 LONG-TERM BORROWINGS, BONDS AND FINANCE LEASE LIABILITIES (continued)

(**) Straight bonds

Underwriter	30/6/2023 VND million	1/1/2023 VND million	Maturity date	Interest rate	Collateral
Techcom Securities Joint Stock Company					
▪ Secured bonds	8,303,000	11,261,434	2023-2027	From 9.2% to 10.2% per annum in the first year, and from 2.5% to 4.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods	(i), (iii), (iv), (v)
▪ Unsecured bonds	8,142,980	17,452,341	2023-2026	From 9.3% to 10.0% per annum in the first year, and from 2.5% to 4.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods	Nil
VPS Securities Joint Stock Company					
▪ Secured bonds	3,000,000	3,000,000	2025	9.9% per annum in the first year, 10.9% per annum in the second year and 3.9% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods	(ii), (v)
MB Securities Joint Stock Company					
▪ Secured bonds	1,500,000	1,500,000	2026	9.2% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods	(i), (v)
▪ Unsecured bonds	50,250	-	2028	11.65% per annum in the first year and 4.1% per annum plus amalgamated average 12 months deposit rates of selected major banks in the remaining periods	Nil
Vietcombank Securities Company Limited					
▪ Unsecured bonds	1,700,000	1,700,000	2027	4.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods	Nil
VPB Securities Corporation					
▪ Secured bonds	500,000	500,000	2027	9.3% per annum in the first year and 4.24% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods	(iii), (vi)
Total long-term straight bonds at par	23,196,230	35,413,775			
Amounts payable within 12 months	(12,094,234)	(22,187,234)			
Unamortised bond issuance costs	(165,612)	(270,947)			
Amounts payable after 12 months	10,936,384	12,955,594			

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

22 LONG-TERM BORROWINGS, BONDS AND FINANCE LEASE LIABILITIES (continued)**(**) Straight bonds (continued)**

The outstanding bonds were secured by the following assets of the Group:

- (i) certain shares of indirect subsidiaries;
- (ii) certain shares of a direct subsidiary;
- (iii) certain long-term assets of subsidiaries;
- (iv) term deposits of a subsidiary;
- (v) guarantee by Credit Guarantee and Investment Facility; and
- (vi) corporate guarantee by the Company.

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

(*) Finance lease liabilities**

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

	30/6/2023 VND million	1/1/2023 VND million
Within 1 year	46,838	47,886
From 2 to 5 years	187,096	187,267
More than 5 years	364,755	388,009
	<u>598,689</u>	<u>623,162</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

23 PROVISION – LONG-TERM

	30/6/2023 VND million	1/1/2023 VND million
Pensions	4,155,107	4,138,629
Mining rights fee	374,790	370,321
Mine rehabilitation	116,517	113,831
Severance allowance	18,049	18,420
	<u>4,664,463</u>	<u>4,641,201</u>

Movements of provisions during the period were as follows:

	Pensions VND million	Mining rights fee VND million	Mine rehabilitation VND million	Severance allowance VND million	Total VND million
Opening balance	4,138,629	370,321	113,831	18,420	4,641,201
Provision made/(reverted) during the period	77,272	4,469	2,686	(371)	84,056
Provision utilised during the period	(118,241)	-	-	-	(118,241)
Remeasurement of the net defined benefit liabilities (*)	599	-	-	-	599
Currency translation differences	56,848	-	-	-	56,848
Closing balance	<u>4,155,107</u>	<u>374,790</u>	<u>116,517</u>	<u>18,049</u>	<u>4,664,463</u>

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

24 CHANGES IN OWNERS' EQUITY

	Share capital VND million	Capital surplus VND million	Other capital VND million	Foreign exchange differences VND million	Other equity funds VND million	Undistributed profits after tax VND million	Equity attributable to equity holders of the Company VND million	Non- controlling interests VND million	Total VND million
Balance as at 1 January 2022	11,805,347	11,084,247	(8,388,147)	(339,255)	(147,087)	18,795,877	32,810,982	9,525,670	42,336,652
Net profit for the period	-	-	-	-	-	2,576,791	2,576,791	533,055	3,109,846
Issuance of new shares	2,431,901	(2,361,119)	-	-	-	-	70,782	-	70,782
Business combination	-	-	-	-	-	-	-	193,376	193,376
Transaction with NCI	-	-	-	-	-	(6,910,034)	(6,910,034)	(781,828)	(7,691,862)
Currency translation differences	-	-	-	(105,940)	-	-	(105,940)	13,643	(92,297)
Remeasurement of the net defined benefit liabilities, net of tax	-	-	-	-	757,347	-	757,347	119,299	876,646
Other movements	-	-	-	-	-	803	803	(7,706)	(6,903)
Balance as at 30 June 2022	14,237,248	8,723,128	(8,388,147)	(445,195)	610,260	14,463,437	29,200,731	9,595,509	38,796,240
Net profit for the period	-	-	-	-	-	990,205	990,205	654,333	1,644,538
Dividends declared by the Company	-	-	-	-	-	(1,138,980)	(1,138,980)	(95,089)	(1,234,069)
Business combination	-	-	-	-	-	-	-	872,285	872,285
Transaction with NCI	-	-	-	-	-	(2,937,801)	(2,937,801)	(527,665)	(3,465,466)
Currency translation differences	-	-	-	60,037	-	-	60,037	(11,999)	48,038
Remeasurement of the net defined benefit liabilities, net of tax	-	-	-	-	(26,635)	-	(26,635)	(3,773)	(30,408)
Other movements	-	-	-	-	-	5,079	5,079	502	5,581
Balance as at 31 December 2022	14,237,248	8,723,128	(8,388,147)	(385,158)	583,625	11,381,940	26,152,636	10,484,103	36,636,739

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

24 CHANGES IN OWNERS' EQUITY (continued)

	Share capital	Capital surplus	Other capital	Foreign exchange differences	Other equity funds	Undistributed profits after tax	Equity attributable to equity holders of the Company	Non- controlling interests	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Balance as at 1 January 2023	14,237,248	8,723,128	(8,388,147)	(385,158)	583,625	11,381,940	26,152,636	10,484,103	36,636,739
Net profit for the period	-	-	-	-	-	320,209	320,209	548,429	868,638
Transaction with NCI	-	-	-	-	-	-	-	10	10
Currency translation differences	-	-	-	28,643	-	-	28,643	(5,021)	23,622
Other movements	-	-	-	-	(4,058)	-	(4,058)	(648)	(4,706)
Balance as at 30 June 2023	<u>14,237,248</u>	<u>8,723,128</u>	<u>(8,388,147)</u>	<u>(356,515)</u>	<u>579,567</u>	<u>11,702,149</u>	<u>26,497,430</u>	<u>11,026,873</u>	<u>37,524,303</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

25 SHARE CAPITAL AND CAPITAL SURPLUS

The Company's authorised and issued share capital comprises:

	30/6/2023		1/1/2023	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital	1,423,724,783	14,237,248	1,423,724,783	14,237,248
Issued share capital				
Ordinary shares	1,423,724,783	14,237,248	1,423,724,783	14,237,248
Shares in circulation				
Ordinary shares	1,423,724,783	14,237,248	1,423,724,783	14,237,248
Capital surplus	-	8,723,128	-	8,723,128

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

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

Movements of share capital during the period were as follows:

	From 1/1/2023 to 30/6/2023		From 1/1/2022 to 30/6/2022	
	Number of shares	Par value VND million	Number of shares	Par value VND million
Opening balance	1,423,724,783	14,237,248	1,180,534,692	11,805,347
Issuance of new shares from owners' equity	-	-	236,106,884	2,361,069
Issuance of new shares for cash	-	-	7,083,207	70,832
Closing balance	1,423,724,783	14,237,248	1,423,724,783	14,237,248

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

26 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.

27 OFF BALANCE SHEET ITEMS**(a) Operating lease commitments**

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

	30/6/2023 VND million	1/1/2023 VND million
Within 1 year	2,282,526	2,190,574
Within 2 to 5 years	4,217,429	4,286,169
More than 5 years	1,576,275	1,477,263
	<u>8,076,230</u>	<u>7,954,006</u>

(b) Capital expenditure

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

	30/6/2023 VND million	1/1/2023 VND million
Approved and contracted	3,513,204	4,030,749
Approved but not contracted	446,970	1,327,625
	<u>3,960,174</u>	<u>5,358,374</u>

(c) Foreign currencies

	30/6/2023		1/1/2023	
	Original currency	VND million equivalent	Original currency	VND million equivalent
USD	26,146,824	612,737	36,733,406	859,859
EUR	21,122,751	533,772	9,992,304	248,768
JPY	389,361,886	62,088	463,833,343	81,653
THB	54,323,075	34,984	45,255,027	29,823
CNY	39,680,119	120,628	13,688,957	41,614
CAD	1,863,653	32,683	1,058,111	18,117
		<u>1,396,892</u>		<u>1,279,834</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)**28 TOTAL REVENUE**

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

Net revenue comprised:

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Total revenue		
▪ Sale of finished goods, merchandises and services rendered	37,411,883	36,080,905
Less revenue deductions		
▪ Sale discounts	89,026	21,316
▪ Sale returns	8,069	36,200
	97,095	57,516
Net revenue	37,314,788	36,023,389

29 COST OF SALES

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Total cost of sales		
▪ Finished goods and merchandises sold and services rendered	26,644,157	25,950,520
▪ Allowance for inventories	256,987	16,322
	26,901,144	25,966,842

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

30 FINANCIAL INCOME

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Interest income from deposits, loans and other investing activities	818,191	408,739
Gain from revaluation of pre-existing investment	-	516,370
Foreign exchange gains	416,075	245,249
Gains from trading securities	73,201	18,464
Others	32,350	402,238
	<u>1,339,817</u>	<u>1,591,060</u>

31 FINANCIAL EXPENSES

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Interest expense on loans, bonds and other investing activities	3,532,525	2,235,155
Borrowing and bond issuance costs and disposal fee	196,397	200,383
UPAS L/C fees	4,054	28,688
Foreign exchange losses	218,453	336,099
Others	177,279	71,938
	<u>4,128,708</u>	<u>2,872,263</u>

32 SHARE OF PROFITS IN ASSOCIATES

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Share of profits in associates	<u>1,901,123</u>	<u>2,445,498</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

33 SELLING EXPENSES

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Promotion and advertising expenses	1,962,276	1,379,213
Logistic expense	733,906	665,819
Staff costs	1,671,230	1,709,577
Exhibition expense	52,469	66,230
Outside services	1,492,443	1,419,552
Others	836,057	737,024
	<u>6,748,381</u>	<u>5,977,415</u>

34 GENERAL AND ADMINISTRATION EXPENSES

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Staff costs	716,519	757,501
Amortisation of fair value uplift on assets arising in business combinations	57,574	52,641
Amortisation of goodwill	353,239	369,555
Depreciation and amortisation	96,147	110,613
Research and development expenses	33,019	36,665
System lease line and information technology services	38,992	54,727
Office rental	58,155	62,790
Outside services	262,147	293,307
Others	147,327	208,564
	<u>1,763,119</u>	<u>1,946,363</u>

35 OTHER INCOME

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Income from insurance claims	-	40,880
Gain on disposals of fixed assets and other long-term assets	2,610	3,382
Others	59,788	97,035
	<u>62,398</u>	<u>141,297</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

36 OTHER EXPENSES

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Loss from disposals of fixed assets and other long-term assets	5,368	26,260
Others	39,170	77,148
	<u>44,538</u>	<u>103,408</u>

37 INCOME TAX

(a) Recognised in the consolidated statement of income

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Current tax expense		
Current period	473,799	270,034
Under/(over) provision in prior periods	866	(73,233)
	<u>474,665</u>	<u>196,801</u>
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	(83,390)	121,543
Benefit of tax losses recognised	(232,602)	-
Recognition of previously unrecognised temporary differences	-	(48,579)
Reversal of write down of deferred tax assets and others	4,925	(44,658)
	<u>(311,067)</u>	<u>28,306</u>
Income tax expense	<u>163,598</u>	<u>225,107</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

37 INCOME TAX (continued)

(b) Reconciliation of effective tax rate

	From 1/1/2023 to 30/6/2023		From 1/1/2022 to 30/6/2022	
	%	VND million	%	VND million
Accounting profit before tax	100.0%	1,032,236	100.0%	3,334,953
Tax at the Company's income tax rate	20.0%	206,447	20.0%	666,991
Effect of different tax rates in subsidiaries	(25.4%)	(261,728)	(6.6%)	(220,450)
Effect of consolidation transactions	0.1%	914	(2.2%)	(73,590)
Non-deductible expenses	1.2%	11,962	0.5%	17,045
Effect of share of profits in associates, net of tax	(36.6%)	(377,386)	(14.7%)	(489,100)
Unrecognised deferred tax assets	60.2%	621,420	15.5%	516,137
Under/(over) provision in prior periods	0.1%	866	(2.2%)	(73,233)
Tax losses utilised	(4.2%)	(43,822)	(0.8%)	(25,456)
Recognition of previously unrecognised temporary differences	0%	-	(1.5%)	(48,579)
Reversal of write down of deferred tax assets and others	0.5%	4,925	(1.3%)	(44,658)
	15.8%	163,598	6.7%	225,107

(c) Applicable tax rates

Under the prevailing corporate income tax law, the Company has an obligation to pay corporate income tax to the government at usual income tax rate of 20% of taxable profits.

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

(d) Tax contingencies

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)**38 EARNINGS PER SHARE**

The calculation of basic earnings per share for the six-month period ended 30 June 2023 was based on the net profit attributable to ordinary shareholders of VND320,209 million (for the six-month period ended 30 June 2022: the net profit attributable to ordinary shareholders of VND2,576,791 million) of the Company and a weighted average number of ordinary shares outstanding of 1,423,724,783 shares during the period (for the six-month period ended 30 June 2022: 1,417,072,047 shares), calculated as follows:

(a) Net profit attributable to ordinary shareholders

	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Net profit attributable to shareholders	320,209	2,576,791

(b) Weighted average number of ordinary shares

	From 1/1/2023 to 30/6/2023	From 1/1/2022 to 30/6/2022
Issued ordinary shares at the beginning of the period	1,423,724,783	1,180,534,692
Effect of shares issued from owner equity	-	236,106,884
Effect of shares issued for cash	-	430,471
Weighted average number of ordinary shares during the period	1,423,724,783	1,417,072,047

(c) Basic earnings per share

	From 1/1/2023 to 30/6/2023 VND	From 1/1/2022 to 30/6/2022 VND
Earnings per share	225	1,818

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)**39 CONTINGENT LIABILITIES**

As disclosed in Note 8(**), on 23 August 2021, MONRE has issued Decision 1640 to determine the MRF of Nui Phao Mining Project, replacing the temporary MRF calculation in Decision 500 and Official Letter 3724 despite that the taxable price applied to NPM's industrial products has not yet been determined. In issuing this Decision 1640, MONRE continued using the royalty taxable price applied to mineral resources – tungsten ore ($0.1\% < \text{WO}_3 < 0.3\%$) instead of the royalty taxable price applied to industrial products, which had been highlighted by NPM before. The official price used to calculate MRF – G-price according to Decision 1640 is VND1,831,085 per ton whereas the temporary G-price according to Decision 500 is VND775,026 per ton. On 6 October 2021, NPM received Notification No. 3937/TB-CTTNG on payment of MRF issued by the Thai Nguyen Tax Department ("TNTD"). This notification was to inform NPM of additional MRF payable following Decision 1640 in which the additional MRF due to application of difference G-prices for the period from 2015 to 2021 is VND394.5 billion. On 8 December 2021, TNTD issued Official Letter No. 4883/CTTNG-QLN requesting NPM to make payment of MRF of VND125.8 billion equivalent to the shortage of MRF payment for 2021, together with an interest on late payment of VND4.1 billion.

After the issuance of Decision 1640, NPM submitted several petition letters to the Prime Minister, MONRE to request for delaying the implementation of Decision 1640 and re-determining the MRF price which is applicable to NPM's industrial products.

Management of NPM believes that NPM had adequately provided for its liabilities for MRF based on its interpretation of relevant legislation relating to mining rights and natural resources tax. Management of NPM has, therefore, also sent letters to different level of authorities to highlight the issues and seek for proper resolutions for NPM's MRF issue.

In 2021, as instructed by the Prime Minister under Letter No. 978/VPCP-KTTH dated 8 February 2021 and Letter No. 5987/VPCP-KTTH dated 28 August 2021, the case is under review by MOF, MONRE, Thai Nguyen PPC and Thai Nguyen Department of Finance ("TN DOF"), subject to report to the Prime Minister and National Assembly Committee on Economy. In 2022, relevant central and provincial authorities, through a meeting chaired by GDGM, have agreed that there is inadequacy in the royalty taxable price which is served as basis to calculate mining rights fee for Nui Phao Mining Project. On that basis, Thai Nguyen PPC has been working with MOF and MONRE to source a technical advisor, and also instructed the Thai Nguyen Department of Finance to coordinate with relevant local departments to complete the procedures for selecting an appropriate technical advisor to develop a mechanism to determine the royalty taxable price applicable to NPM's industrial products. NPM received further instructions from the Deputy Prime Minister under Notification 226, according to which, MRF for the Nui Phao Mining Project will be re-determined by MONRE after (1) the royalty taxable price applicable to NPM's industrial products is finalised and officially issued by Thai Nguyen PPC; and (2) the royalty taxable price bracket for tungsten ore of Nui Phao Mine is issued by MOF and the royalty taxable price applicable to NPM's tungsten ore is issued by Thai Nguyen PPC. By the issuance date of this report, Thai Nguyen PPC and Thai Nguyen Department of Finance, relevant functional agencies at different levels have been still working together to determine the royalty taxable price applicable to the NPM's industrial products.

Management of NPM assessed that because the royalty taxable price applied for NPM's industrial products has not yet been determined by Thai Nguyen PPC, the G-price which serves as the basis for computation of MRF under Decision 1640 is not in accordance with the prevailing laws and regulations. It, therefore, believes that once the taxable price applied for NPM's industrial products are available, the official MRF for Nui Phao Mine from year 2015 to year 2024 will be re-determined, replacing amount as stated in Decision 1640.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)**39 CONTINGENT LIABILITIES (continued)**

The ultimate outcome of this MRF matter is presently not determined and may be subject to the determination of the royalty taxable price applicable to NPM's industrial products and whether MONRE agrees to recalculate the MRF in Decision 1640 using that royalty taxable price when it is determined. Accordingly, the Group has not recognised the additional MRF as stated in Decision 1640 as liabilities in the consolidated interim financial statements.

40 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

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

Related Party	Nature of transaction	From 1/1/2023 to 30/6/2023 VND million	From 1/1/2022 to 30/6/2022 VND million
Associate			
Techcombank and its subsidiaries	Loans received	1,188,292	1,660,151
	Loans repaid	1,440,788	2,134,037
	Bonds issued (acting as an agent)	4,100,000	-
	Bonds issuance fees	17,573	-
	Purchase of trading securities	2,190,632	2,606,973
	Sale of trading securities	1,098,069	2,623,469
	Interest expense on loans received/bonds issued	130,220	261,359
Other related parties			
Key management personnel	Remuneration to key management personnel (*)	75,038	105,805

As at and for the six-month period ended 30 June 2023 and 2022, the Group had current and term deposit accounts, certificates of deposits, loans and payables balances and agency fee with Techcombank and its subsidiaries at normal trading terms.

As at 30 June 2023, the associates of the Group held VND364,567 million (1/1/2023: VND1,270,359 million) of the issued bonds.

As at 30 June 2023, VND10,703,750 million (1/1/2023: VND2,986,205 million) of the issued bonds were held by the Company and Company's subsidiaries and are eliminated in the consolidated interim financial statements.

(*) No board fees were paid to the Board of Directors' and Audit Committee's members of the Company for the six-month period ended 30 June 2023 and 2022.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (continued)

41 SUBSEQUENT EVENTS

- (i) On 5 July 2023, H.C. Starck GmbH (Germany), an indirect subsidiary, successfully completed the acquisition of Chemitas GmbH, a services provider in energy supply, waste management and logistics based in Goslar, Germany, for a consideration of approximately EUR18.4 million, including transaction costs.
- (ii) On 19 July 2023, the Company's Board of Directors approved resolution to increase its share capital from VND14,237 billion to VND14,308 billion as part of its employee stock ownership plans.

Beside the events described above, there have been no other significant events occurred after the balance sheet date which would require adjustments or disclosures to be made in these consolidated interim financial statements.

4 August 2023

Prepared by:



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Do Thi Quynh Trang
Chief Financial Officer



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