

**MASAN GROUP CORPORATION  
AND ITS SUBSIDIARIES**

**CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2023**



**MASAN GROUP CORPORATION**

**CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2023**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Corporate information	1
Consolidated balance sheet (Form B 01a – DN/HN)	2
Consolidated statement of income (Form B 02a – DN/HN)	6
Consolidated statement of cash flow (Form B 03a – DN/HN)	8
Notes to the consolidated financial statements (Form B 09a – DN/HN)	10

## 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 7 September 2023. 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
Mr Nguyen Thi Thu Ha	Member

**Legal representative**

Dr Nguyen Dang Quang	Chairman
Mr Danny Le	Chief Executive Officer

**Registered office**

23 Le Duan Street  
Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 01a – DN/HN

**CONSOLIDATED BALANCE SHEET**

<b>ASSETS</b>	<b>Code</b>	<b>Note</b>	<b>31/12/2023 VND million</b>	<b>1/1/2023 VND million</b>
<b>CURRENT ASSETS</b>	<b>100</b>		<b>43,763,477</b>	<b>47,674,624</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>8</b>	<b>10,124,515</b>	<b>13,853,100</b>
Cash	111		3,290,554	1,718,476
Cash equivalents	112		6,833,961	12,134,624
<b>Short-term financial investments</b>	<b>120</b>	<b>15</b>	<b>6,794,791</b>	<b>3,659,175</b>
Trading securities	121		4,183,054	3,302,172
Held-to-maturity investments	123		2,611,737	357,003
<b>Accounts receivable</b>	<b>130</b>		<b>11,985,015</b>	<b>13,929,560</b>
Accounts receivable	131		2,309,810	2,735,816
Prepayments to suppliers	132		725,077	1,227,666
Loan receivable - short-term	135	9(a)	81,150	-
Other short-term receivables	136	9(b)	8,898,758	10,007,179
Allowance for doubtful debts	137	9	(34,943)	(47,369)
Shortage of assets awaiting resolution	139		5,163	6,268
<b>Inventories</b>	<b>140</b>	<b>10</b>	<b>13,174,868</b>	<b>14,445,345</b>
Inventories	141		13,496,602	14,634,281
Allowance for inventories	149		(321,734)	(188,936)
<b>Other current assets</b>	<b>150</b>		<b>1,684,288</b>	<b>1,787,444</b>
Short-term prepayments	151		327,933	374,120
Deductible value added tax	152		1,208,789	1,253,949
Taxes and other receivables from State Treasury	153		147,566	159,375

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

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 01a – DN/HN

**CONSOLIDATED BALANCE SHEET  
(continued)**

ASSETS (continued)	Code	Note	31/12/2023 VND million	1/1/2023 VND million
<b>LONG-TERM ASSETS</b>	<b>200</b>		<b>103,619,995</b>	<b>93,668,191</b>
<b>Long-term receivables</b>	<b>210</b>		<b>11,210,955</b>	<b>2,113,762</b>
Loan receivable - long-term	215	9(a)	-	81,150
Other long-term receivables	216	9(c)	11,210,955	2,032,612
<b>Fixed assets</b>	<b>220</b>		<b>42,885,823</b>	<b>43,535,355</b>
Tangible fixed assets	221	11	30,468,702	30,611,529
Cost	222		52,985,169	50,465,195
Accumulated depreciation	223		(22,516,467)	(19,853,666)
Finance lease fixed assets	224		310,884	349,310
Cost	225		444,649	472,986
Accumulated depreciation	226		(133,765)	(123,676)
Intangible fixed assets	227	12	12,106,237	12,574,516
Cost	228		16,690,945	16,375,200
Accumulated amortisation	229		(4,584,708)	(3,800,684)
<b>Investment properties</b>	<b>230</b>	<b>13</b>	<b>708,670</b>	<b>729,763</b>
Cost	231		1,216,349	1,148,248
Accumulated depreciation	232		(507,679)	(418,485)
<b>Long-term assets in progress</b>	<b>240</b>	<b>14</b>	<b>3,127,230</b>	<b>3,324,848</b>
Construction in progress	242	14	3,127,230	3,324,848
<b>Long-term financial investments</b>	<b>250</b>	<b>15</b>	<b>33,219,467</b>	<b>31,333,885</b>
Investments in associates	252		30,281,765	28,480,242
Investments in other entities	253		2,937,702	2,853,643
<b>Other long-term assets</b>	<b>260</b>		<b>12,467,850</b>	<b>12,630,578</b>
Long-term prepayments	261	16	7,418,042	7,259,881
Deferred tax assets	262		676,669	302,220
Goodwill	269	17	4,373,139	5,068,477
<b>TOTAL ASSETS</b>	<b>270</b>		<b>147,383,472</b>	<b>141,342,815</b>

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

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

**Form B 01a – DN/HN**

**CONSOLIDATED BALANCE SHEET  
(continued)**

<b>RESOURCES</b>	<b>Code</b>	<b>Note</b>	<b>31/12/2023 VND million</b>	<b>1/1/2023 VND million</b>
<b>LIABILITIES</b>	<b>300</b>		<b>109,146,231</b>	<b>104,706,076</b>
<b>Short-term liabilities</b>	<b>310</b>		<b>50,422,500</b>	<b>65,320,877</b>
Accounts payable	311		6,317,999	7,489,371
Advances from customers	312		861,932	566,330
Tax payables to State Treasury	313	18	1,103,204	536,310
Payable to employees	314		264,300	248,365
Accrued expenses	315	19(a)	4,819,044	4,184,351
Short-term unearned revenue	318		67,059	15,691
Other short-term payables	319	20(a)	8,919,791	11,671,935
Short-term borrowings, bonds and finance lease liabilities	320	21	28,030,197	40,567,379
Provision - short-term	321		7,826	9,997
Bonus and welfare funds	322		31,148	31,148
<b>Long-term liabilities</b>	<b>330</b>		<b>58,723,731</b>	<b>39,385,199</b>
Long-term accounts payables	331		19,289	24,324
Long-term accrued expenses	333	19(b)	31,186	-
Other long-term payables	337	20(b)	8,199,245	752,378
Long-term borrowings, bonds and finance lease liabilities	338	22	41,541,894	30,425,625
Deferred tax liabilities	341		3,406,398	3,541,671
Provision - long-term	342	23	5,525,719	4,641,201

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

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

**Form B 01a – DN/HN**

**CONSOLIDATED BALANCE SHEET  
(continued)**

RESOURCES (continued)	Code	Note	31/12/2023 VND million	1/1/2023 VND million
<b>EQUITY</b>	<b>400</b>		<b>38,237,241</b>	<b>36,636,739</b>
<b>Owners' equity</b>	<b>410</b>	<b>24</b>	<b>38,237,241</b>	<b>36,636,739</b>
Share capital	411	25	14,308,434	14,237,248
Capital surplus	412	25	8,723,078	8,723,128
Other capital	414	26	(8,388,147)	(8,388,147)
Foreign exchange differences	417		(224,222)	(385,158)
Other equity funds	420		342,381	583,625
Undistributed profits	421		11,798,056	11,381,940
- Undistributed profits brought forward	421a		11,381,940	17,656,897
- Net profit/(loss) for the current period	421b		416,116	(6,274,957)
Non-controlling interests	429		11,677,661	10,484,103
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>147,383,472</b>	<b>141,342,815</b>

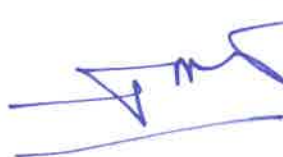
Prepared by:



Nguyen Huy Hung  
Chief Accountant

Approved by:

30-01-2024



Doan Thi My Duyen  
Chief Financial Officer



Danny Le  
Chief Executive Officer

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

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 02a – DN/HN

CONSOLIDATED STATEMENT OF INCOME

	Code	Note	From 1/10/2023 to 31/12/2023 VND million	From 1/10/2022 to 31/12/2022 VND million	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
<b>Total revenue</b>	1	27	20,860,307	20,722,018	78,516,999	76,380,750
<b>Less sales deductions</b>	2	27	78,387	79,237	265,380	191,525
<b>Net sales</b>	10	27	20,781,920	20,642,781	78,251,619	76,189,225
<b>Cost of sales</b>	11	28	15,014,087	15,088,612	56,130,507	55,154,201
<b>Gross profit</b>	20		5,767,833	5,554,169	22,121,112	21,035,024
Financial income	21	29	644,411	654,309	2,405,205	2,575,563
Financial expenses	22	30	1,614,622	1,822,737	8,129,513	6,361,642
- Including: Interest expenses	23		1,669,014	1,486,306	6,946,060	4,847,702
Share of profit in associates	24		945,882	749,326	3,895,982	4,339,650
Selling expenses	25		3,820,368	3,250,042	14,192,355	12,511,539
General and administration expenses	26		1,030,071	922,716	3,750,002	3,854,314
<b>Net operating profit</b>	30		893,065	962,309	2,350,429	5,222,742
Other income	31		84,343	103,036	309,976	279,707
Other expenses	32		29,575	162,040	97,431	355,299
<b>Results of other activities</b>	40		54,768	(59,004)	212,545	(75,592)
<b>Net profit before tax</b>	50		947,833	903,305	2,562,974	5,147,150
Income tax expense - current	51		495,321	199,110	1,288,786	626,750
Income tax expense/(benefit) - deferred	52		(64,264)	(99,359)	(595,739)	(233,984)
<b>Net profit after tax</b>	60		516,776	803,554	1,869,927	4,754,384

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MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 02a – DN/HN

CONSOLIDATED STATEMENT OF INCOME  
(continued)

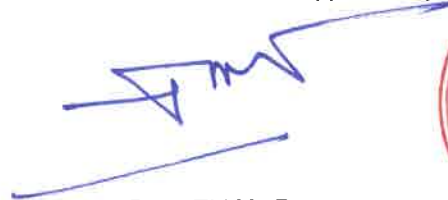
	Code	Note	From 1/10/2023 to 31/12/2023 VND million	From 1/10/2022 to 31/12/2022 VND million	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
<b>Attributable to:</b>						
Equity holders of the Company	61		50,110	447,050	418,695	3,566,996
Non-controlling interests	62		466,666	356,504	1,451,232	1,187,388
<b>Earnings per share</b>						
Basic earnings per share (VND)	70	31	35	314	294	2,511

Prepared by:



Nguyen Huy Hung  
Chief Accountant

Approved by:



Doan Thi My Duyen  
Chief Financial Officer



Danny Le  
Chief Executive Officer

30-01-2024

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

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 03a – DN/HN

**CONSOLIDATED STATEMENT OF CASH FLOW  
(Indirect method)**

	Code	Note	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>	<b>1</b>		<b>2,562,974</b>	<b>5,147,150</b>
<b>Adjustments for</b>				
Depreciation and amortization	2		4,123,663	4,406,523
Negative goodwill on acquisition of a subsidiary	2		(117,107)	-
Allowances and provisions	3		407,345	232,844
Net unrealised foreign exchange losses/(gains)	4		59,093	(40,984)
Gains from investing activities	5		(5,870,297)	(5,848,866)
Interest expenses and others	6		7,422,409	5,340,053
			<hr/>	<hr/>
<b>Operating profit before changes in working capital</b>	<b>8</b>		<b>8,588,080</b>	<b>9,236,720</b>
Change in receivables and other assets	9		452,139	(671,677)
Change in inventories	10		1,076,401	(1,736,144)
Change in payables and other liabilities	11		(442,419)	(1,432,197)
Change in prepayments	12		426,228	95,094
Change in trading securities	13		(880,882)	(3,302,172)
			<hr/>	<hr/>
			<b>9,219,547</b>	<b>2,189,624</b>
Interest paid	14		(7,902,879)	(5,070,517)
Corporate income tax paid	15		(816,207)	(903,262)
Other payments for operating activities	17		-	(4,697)
			<hr/>	<hr/>
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>500,461</b>	<b>(3,788,852)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(2,228,795)	(4,165,321)
Proceeds from disposals of fixed assets and other long-term assets	22		17,461	23,919
Payments for granting loans, term deposits at banks and other investments	23		(28,673,709)	(11,336,453)
Receipts from collecting loans, term deposits at banks and other investments	24		20,544,165	4,750,015
Payments for investments	25		-	(14,163,385)
Business combination, net of cash acquired	25		(11,812)	(2,472,176)
Collections on disposal of investments	26		708,600	283,750
Receipts of interest, dividends and related income from investing activities	27		1,820,418	632,392
			<hr/>	<hr/>
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(7,823,672)</b>	<b>(26,447,259)</b>

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

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 03a – DN/HN

**CONSOLIDATED STATEMENT OF CASH FLOW**  
(Indirect method - continued)

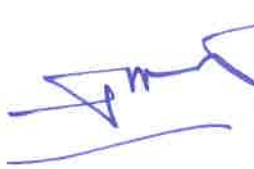
	Code	Note	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from share issuance of the Company and the subsidiaries, net of payments for related transaction costs	31		71,136	(40,387)
Proceeds from borrowings and bonds	33		91,059,079	78,059,927
Payments to settle borrowings and bonds	34		(87,324,894)	(54,956,359)
Payments to settle finance lease liabilities	35		(15,289)	(13,927)
Payments of dividends	36		(243,821)	(1,253,082)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>3,546,211</b>	<b>21,796,172</b>
<b>Net cash flows during the period</b>	<b>50</b>		<b>(3,777,000)</b>	<b>(8,439,939)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>		<b>13,853,100</b>	<b>22,304,822</b>
Effect of exchange rate fluctuation on cash and cash equivalents	61		48,415	(11,783)
<b>Cash and cash equivalents at the end of the period</b>	<b>70</b>	<b>7</b>	<b>10,124,515</b>	<b>13,853,100</b>

Prepared by:



Nguyen Huy Hung  
Chief Accountant

Approved by:



Doan Thi My Duyen  
Chief Financial Officer

30-01-2024



Danny Le  
Chief Executive Officer

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

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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

#### 1 REPORTING ENTITY

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

The consolidated quarterly 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 activity	Percentage of economic interests at	
				31/12/2023	1/1/2023
<b>Direct subsidiaries</b>					
1	The SHERPA Company Limited (“SHERPA”)		Investment holding	100.0%	99.9%
2	Zenith Investment Company Limited (“ZENITH”)		Investment holding	100.0%	99.9%
3	Masan MEATLife Corporation (“MML”)	(b)	Investment holding	-	94.9%
<b>Indirect subsidiaries</b>					
1	The CrownX Corporation (“CrownX”)		Investment holding	84.9%	84.9%
2	MasanConsumerHoldings Company Limited (“MCH”)	(i)	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 (“MBr”)	(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 QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**1 REPORTING ENTITY (continued)**

Number	Name	Note	Principal activity	Percentage of economic interests at	
				31/12/2023	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 QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**1 REPORTING ENTITY (continued)**

Number	Name	Note	Principal activity	Percentage of economic interests at	
				31/12/2023	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	100.0%	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 QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**1 REPORTING ENTITY (continued)**

Number	Name	Note	Principal activity	Percentage of economic interests at	
				31/12/2023	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 utilized 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 QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**1 REPORTING ENTITY (continued)**

Number	Name	Note	Principal activity	Percentage of economic interests at	
				31/12/2023	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	Chemitas GmbH (Germany)	(ii) (Note 7)	Energy supply, waste management and logistic service	86.4%	-
54	Masan MEATLife Corporation ("MML")	(b)	Investment holding	94.9%	-
55	MNS Meat Company Limited ("MNS Meat")	(iii)	Animal protein	94.9%	94.9%
56	MML Farm Nghe An Company Limited ("Farm Nghe An")	(iii)	Breeding swine	94.9%	94.9%
57	MNS Farm Company Limited ("MNS Farm")	(iii)	Investment holding	94.9%	94.9%
58	MNS Meat Processing Company Limited ("MNS Meat Processing")	(iii)	Investment holding	94.9%	94.9%
59	MEATDeli HN Company Limited ("MEATDeli Ha Nam")	(iii)	Meat processing	94.9%	94.9%
60	MEATDeli Sai Gon Company Limited ("MEATDeli Sai Gon")	(iii)	Meat processing	94.9%	94.9%
61	3F Viet Joint Stock Company ("3F Viet")	(iii)	Chicken breeding and trading	48.4%	48.4%
62	3F Viet Food Company Limited ("3F Viet Food")	(iii)	Meat processing and trading	48.4%	48.4%
63	VCM Services and Trading Development Joint Stock Company ("WCM")	(iv)	Investment holding	71.5%	71.5%
64	Wincommerce General Commercial Services Joint Stock Company ("WinCommerce")	(iv)	Trading and distribution	71.5%	71.5%
65	WinEco Agricultural Investment Development and Production LLC ("WinEco")	(v)	Agriculture	100.0%	98.9%



**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 09a – DN/HN

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**1 REPORTING ENTITY (continued)**

Number	Name	Note	Principal activity	Percentage of economic interests at	
				31/12/2023	1/1/2023
66	WinEco – Tam Dao Agricultural Investment Development and Production Limited Liability Company (“WinEco Tam Dao”)	(v)	Agriculture	89.0%	88.1%
67	Dong Nai – WinEco Agricultural Company Limited (“WinEco Dong Nai”)	(v)	Agriculture	77.5%	76.7%
68	The Supra Corporation (“The Supra”)	(iv)	Warehousing and storage services	71.5%	71.5%
69	Dr.Win Corporation (“Dr.Win”)	(iv)	Retail sale of drugs, medical equipment, cosmetics and hygiene products	46.5%	46.5%
70	CX Infra Corporation (“CXI”)	(iv)	Construction	36.4%	36.4%
71	Mobicast Joint Stock Company (“MOB”)	(v)	Telecommunications	70.0%	70.0%
72	Draco Investment Corporation (“DRC”)	(v)	Investment holding	99.9%	99.9%
73	Fornax Investment Corporation (“FOR”)	(v)	Investment holding	99.9%	99.9%
74	Phuc Long Heritage Corporation (“Phuc Long Heritage”)	(v)	Retail food and beverage	85.0%	85.0%
75	The O2 Corporation (“The O2”)	(v)	Market research	50.0%	50.0%
76	Sagitta Investment Corporation (“Sagitta”)	(v)	Investment holding	99.9%	98.0%
77	Masan Agri Company Limited (formerly known as “Masan Agri Corporation”) (“Masan Agri”)	(v)	Investment holding	100.0%	99.9%
78	Lepus Investment Corporation (“Lepus”)	(v)	Investment holding	98.0%	98.0%
79	Eirene Investment Corporation (“Eirene”)	(a) (v)	Investment holding	99.9%	-

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

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

#### 1 REPORTING ENTITY (continued)

##### Associates

Number	Name	Note	Principal activity	Percentage of economic interests at	
				31/12/2023	1/1/2023
<b>Direct associate</b>					
1	Vietnam Technological and Commercial Joint Stock Bank ("Techcombank")		Banking	Note 15(c)	
<b>Indirect associates</b>					
1	Cholimex Food Joint Stock Company ("Cholimex")	(vi)	Seasonings manufacturing and trading	32.8%	32.8%
2	Vissan Joint Stock Company ("Vissan")	(vii)	Food manufacturing and retailing	24.9%	24.9%
3	Jiangwu H.C. Starck Tungsten Products Co., Ltd.(China) ("Jiangwu")	(viii)	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) This entity is an indirect associate of MCH.

(vii) This entity is a direct associate of MML.

(viii) This entity is an indirect associate of MHT.

(b) As a part of the internal restructuring of Masan Group in October 2023, the Company transferred all its equity interests in Masan MEATLife Corporation to Masan Agri. As a result of this transaction, Masan MEATLife Corporation became an indirect subsidiary of the Company.

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 31 December 2023, the Group had 35,895 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.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

#### **2 BASIS OF PREPARATION**

##### **(a) Statement of compliance**

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

##### **(b) Basis of measurement**

These consolidated quarterly 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 quarterly financial statements are prepared for the period ended 31 December 2023.

##### **(d) Accounting and presentation currency**

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

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HH

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 quarterly financial statements. The accounting policies that have been adopted by the Group in the preparation of these consolidated quarterly 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 11 *Business Combination* and in selecting its accounting policy with respect to such transaction, the Group has considered Vietnamese Accounting Standard 01 *Framework* and Vietnamese Accounting Standard 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 of the combining companies as if the group structure had been in existence from the Controlling Shareholders’ perspective throughout the entire periods presented or where the companies were incorporated at a date later than the beginning of the earliest period presented, for the period from the date of incorporation to the end of the relevant reporting periods.

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

Non-common control business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. Under the purchase method, the assets and liabilities of the acquired entity are consolidated using their fair values. Cost of 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 capitalized 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 recognized as an expense when incurred.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 financial statements from the date that control commences until the date that control ceases.

###### (iv) *Associate (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 quarterly 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 quarterly 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 consolidated quarterly 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 of 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 quarterly 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.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HH

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 quarterly 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 financial statements, the financial information of foreign operations are translated to VND as follows:

- Assets and liabilities including goodwill and fair value adjustments arising on acquisition, are translated to VND at the account transfer buying rate (for assets) and the account transfer selling rate (for liabilities) at the end of the accounting period quoted by the commercial bank where the Company most frequently conducts 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 QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 entity**

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

**(e) Accounts receivable**

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

**Factoring**

Depending on market conditions and liquidity requirements, the Group enters into factoring agreements to transfer trade receivables. For factoring transactions, the Group assess 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;

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HH

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 recognizes 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 inventory.

##### (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.



**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 09a – DN/HN

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 VND151,735 million.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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:

	<u>Tonnes of tungsten</u>
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
- mining properties 26 years
- leasehold improvements 3 - 5 years
- machinery and equipment 2 - 25 years
- motor vehicles 3 - 25 years
- office equipment 3 - 25 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 comprise:

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

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

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

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

**(h) Intangible fixed assets (continued)**

**(ii) Software**

Cost 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 capitalized will be finalised successfully and thus the intention to complete the development project should be given;
  - the Group will be able to implement and use the software after its development;
  - adequate technical, financial and personnel resources should be available to complete the software development successfully; and
  - the Group is able to measure expenditure attributable to the software development project reliably.

Self-developed software are amortised on a straight-line basis over period of up to four (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.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

(h) **Intangible fixed assets (continued)**

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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. The estimated useful lives are as follows:

- buildings 20 – 60 years
- infrastructure 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 recognized at their fair values as part of business combination accounting and subsequent development expenditures are capitalized net of proceeds from the sale of ore extracted during the development phase. On completion of development, defined as the time when saleable materials begin to be extracted from the mine, all assets are reclassified to either "machinery or equipment" or "mining properties" in tangible fixed assets or in long-term prepaid expenses.

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 decrease the amortisation charge by VND32,299 million.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 recognized in the consolidated statement of income on a straight-line basis over the term of the lease from 35 to 50 years.

**(iii) Land compensation cost**

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

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

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

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

**(v) Goodwill from equitization**

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

**(vi) Swine breeders**

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 expected useful lives.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (l) Goodwill

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

Goodwill is measured at cost less accumulated amortization. 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 recognized immediately in the consolidated statement of income.

Goodwill arising on acquisition of a subsidiary is amortized 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 equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortized.

##### (m) Trade and other payables

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

##### (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 QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 nine-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group are excluded.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (n) Provisions (continued)

##### (iv) Pension

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 years. The Group's contributions are to be recognised as expenses in the year 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 amortized on a straight-line basis over the term of the bond.

##### (p) Taxation

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

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

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 09a – DN/HH

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 proceeds contributed over the par value of shares issued is recorded as capital surplus. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from capital surplus.

**(ii) *Other capital***

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

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HH

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (r) Revenue

###### (i) *Goods sold*

Revenue from the sale of goods is recognized 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 recognized 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 recognized if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognized 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.

###### (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.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HH

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (t) Operating lease payments

###### (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.

##### (u) Earnings per share

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

##### (v) Segment reporting

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

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

#### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **(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 quarterly 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 period of the prior year.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 31/12/2023	From 1/1/2022 to 31/12/2022	From 1/1/2023 to 31/12/2023	From 1/1/2022 to 31/12/2022	From 1/1/2023 to 31/12/2023	From 1/1/2022 to 31/12/2022	From 1/1/2023 to 31/12/2023	From 1/1/2022 to 31/12/2022	From 1/1/2023 to 31/12/2023	From 1/1/2022 to 31/12/2022	From 1/1/2023 to 31/12/2023	From 1/1/2022 to 31/12/2022	From 1/1/2023 to 31/12/2023	From 1/1/2022 to 31/12/2022
	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	27,500,834	26,819,469	5,001,712	3,004,511	14,093,253	15,549,548	29,894,724	29,237,912	1,761,096	1,577,785	-	-	78,251,619	76,189,225
Internal segment revenue	1,565,647	1,284,020	1,982,731	1,780,060	-	-	159,503	137,016	689,147	38,857	(4,397,028)	(3,239,953)	-	-
Segment gross profit	12,993,895	10,903,130	846,188	321,879	784,276	2,376,906	6,869,451	6,507,907	627,302	925,202	-	-	22,121,112	21,035,024
Segment results	6,589,010	5,517,687	(234,245)	(455,952)	(82,726)	1,349,841	(655,186)	(1,025,947)	2,788,280	3,963,007	-	-	8,405,133	9,348,636
Net unallocated expenses													(6,535,206)	(4,594,252)
Net profit													1,869,927	4,754,384



MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

6 SEGMENT REPORTING (continued)

	Branded consumer products		MEATLife		High-tech materials		Consumer retail		Others		Total	
	31/12/2023 VND million	1/1/2023 VND million	31/12/2023 VND million	1/1/2023 VND million	31/12/2023 VND million	1/1/2023 VND million	31/12/2023 VND million	1/1/2023 VND million	31/12/2023 VND million	1/1/2023 VND million	31/12/2023 VND million	1/1/2023 VND million
Segment assets	37,198,492	28,610,561	9,223,291	9,938,529	39,846,461	40,964,993	21,432,683	20,726,133	33,191,309	28,800,403	140,892,236	129,040,619
Unallocated assets											6,491,236	12,302,196
Total assets											<u>147,383,472</u>	<u>141,342,815</u>
Segment liabilities	14,641,011	11,860,939	7,254,785	7,297,134	21,724,716	24,774,892	12,801,432	15,198,042	3,218,018	867,341	59,639,962	59,998,348
Unallocated liabilities											49,506,269	44,707,728
Total liabilities											<u>109,146,231</u>	<u>104,706,076</u>
	<b>From 1/1/2023 to 31/12/2023 VND million</b>	<b>From 1/1/2022 to 31/12/2022 VND million</b>	<b>From 1/1/2023 to 31/12/2023 VND million</b>	<b>From 1/1/2022 to 31/12/2022 VND million</b>	<b>From 1/1/2023 to 31/12/2023 VND million</b>	<b>From 1/1/2022 to 31/12/2022 VND million</b>	<b>From 1/1/2023 to 31/12/2023 VND million</b>	<b>From 1/1/2022 to 31/12/2022 VND million</b>	<b>From 1/1/2023 to 31/12/2023 VND million</b>	<b>From 1/1/2022 to 31/12/2022 VND million</b>	<b>From 1/1/2023 to 31/12/2023 VND million</b>	<b>From 1/1/2022 to 31/12/2022 VND million</b>
Capital expenditure	589,598	1,372,469	257,285	667,447	842,029	1,330,036	249,472	467,634	288,422	320,871	2,226,806	4,158,457
Unallocated capital expenditure	-	-	-	-	-	-	-	-	1,990	6,864	1,990	6,864
Depreciation	633,041	779,192	371,973	302,436	1,084,475	1,204,204	339,347	604,953	269,393	19,204	2,698,229	2,909,989
Unallocated depreciation	-	-	-	-	-	-	-	-	4,506	5,072	4,506	5,072
Amortization	217,339	263,288	116,281	117,591	516,096	613,953	995,156	1,142,294	716,458	280,071	2,561,330	2,417,197
Unallocated amortization	-	-	-	-	-	-	-	-	3,420	2,383	3,420	2,383

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

6 SEGMENT REPORTING (continued)

(b) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, which is located in Vietnam (“Domestic”) or countries other than Vietnam (“Overseas”).

	Overseas		Domestic		Total	
	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
Net external revenue	13,207,381	15,543,151	65,044,238	60,646,074	78,251,619	76,189,225
	Overseas		Domestic		Total	
	31/12/2023 VND million	1/1/2023 VND million	31/12/2023 VND million	1/1/2023 VND million	31/12/2023 VND million	1/1/2023 VND million
Total assets	12,251,735	13,993,318	135,131,737	127,349,497	147,383,472	141,342,815

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

#### 7 BUSINESS COMBINATION

On 5 July 2023, HCS, an indirect subsidiary of the company, successfully acquired 100% equity in Chemitas GmbH, a company established in Germany, for a total consideration of EUR13 million, including transaction costs, equivalent to VND349,961 million at acquisition date.

On the business combination date, the carrying amount of net identifiable assets and liabilities were as follow:

	Carrying amount VND million
Cash and cash equivalents	338,149
Inventories - net	42,309
Other current assets	171,773
Tangible fixed assets – net	414,793
Intangible fixed assets – net	49,902
Construction in progress	21,071
Other non-current assets	125,766
Current liabilities	(132,564)
Non-current liabilities	(564,131)
	<hr/>
Total net identifiable assets from business combination	467,068
	<hr/>
Share of net assets from business combination	467,068
Negative goodwill on business combination	(117,107)
	<hr/>
Total consideration	349,961
Cash increase from business combination	338,149
	<hr/>
Net cash outflow	(11,812)
	<hr/> <hr/>

#### 8 CASH AND CASH EQUIVALENTS

	31/12/2023 VND million	1/1/2023 VND million
Cash on hand	50,183	101,525
Cash at bank	3,089,519	1,574,013
Cash in transit	150,852	42,938
Cash equivalents	6,833,961	12,134,624
	<hr/>	<hr/>
	10,124,515	13,853,100
	<hr/> <hr/>	<hr/> <hr/>

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 09a – DN/HN

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**9 ACCOUNTS RECEIVABLE**

**(a) Loan receivable – short-term**

Receivable on short-term lending loans to the founding shareholders who are key management personnel of a subsidiary were secured by the shareholders' shares of this subsidiary, earned interest rate at 12% per annum and mature on 31 October 2024.

**(b) Other short-term receivables**

	<b>31/12/2023</b>	<b>1/1/2023</b>
	<b>VND million</b>	<b>VND million</b>
Short-term deposits (*)	5,738,314	9,113,136
Interest income receivable	326,146	407,696
Receivables from disposal of investments	1,606,669	-
Advance to employee	15,218	25,475
Others (**)	1,212,411	460,872
	<u>8,898,758</u>	<u>10,007,179</u>

**(c) Other long-term receivables**

	<b>31/12/2023</b>	<b>1/1/2023</b>
	<b>VND million</b>	<b>VND million</b>
Long-term deposits (*)	9,538,896	429,170
Others (***)	1,672,059	1,603,442
	<u>11,210,955</u>	<u>2,032,612</u>

(\*) Included in short-term deposits and long-term deposits were VND5,510,000 million and VND9,086,740 million respectively of deposits to counterparties for the investments as part of the Group's treasury activities (1/1/2023: VND9,015,000 million and nil respectively).

(\*\*) Included in other short-term receivables was VND788,003 million of receivables for mining rights fee ("MRF") of Nui Phao Mining Project (1/1/2023: VND241,779 million). The receivables of MRF as at reporting date represents additional mining rights fee of the Nui Phao Mining Company Ltd ("NPM") – an indirect subsidiary of the Company, for the period from year 2015 and relevant administrative charges that NPM paid to the authorities based on temporary calculation by the General Department of Geology and Minerals ("GDGM") under the Official Letter No. 3724/DCKS-KTDCKS dated 28 December 2018 ("the Official Letter 3724") and calculation by the Ministry of Natural Resources and Environment ("MONRE") under the Decision 1640/QD-BTNMT dated 23 August 2021 ("The Decision 1640").

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)****9 ACCOUNTS RECEIVABLE (continued)**

NPM does not agree with the amount and basis of the Official Letter 3724 as the 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 prices to calculate the resource royalty. 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 enterprises extracted natural resources undergo further processing instead of being sold, their price is exclusive of

processing cost provided that it must be within the taxable price bracket imposed by the Provincial People's Committee. NPM's products are industrial products, for which the taxable price for resource royalty is determined on the basis of the higher of selling price minus (-) processing cost and the taxable price imposed by the Provincial People's Committee. GDGM did not use the taxable price applied for industrial products, instead they used the taxable price applied for tungsten ore ( $0.1\% < WO_3 < 0.3\%$ ). Before, NPM has made payment for MRF in accordance with Decision 500/QD-BTNMT ("Decision 500") issued by the Ministry of Natural Resources and Environment ("MONRE") on 4 March 2015, which used estimated taxable price for resource royalty for industrial products.

On 23 August 2021, MONRE has issued Decision 1640 to determine the MRF of Nui Phao Mine, 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 taxable price applied to tungsten ore ( $0.1\% < WO_3 < 0.3\%$ ) instead of the taxable price applied to industrial products, the issue of 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 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. The management of NPM assessed that because the 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.

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

As disclosed in Note 32 of this consolidated financial statements, Thai Nguyen PPC, Thai Nguyen Department of Finance and relevant functional agencies are still working together to determine the royalty taxable price applicable to NPM's industrial products.

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

#### 9 ACCOUNTS RECEIVABLE (continued)

Management of NPM believes that it had 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 administrative fees as receivables and has not yet accounted for additional MRF specified in Decision 1640 as liabilities. Management of NPM expects that it will be able to claim back this receivable after the taxable price applied to NPM's industrial products is determined.

(\*\*\*) Included in other long-term receivables was VND1,228,947 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.

Movement of allowance for doubtful debts during the period was as follows:

	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
Opening balance	47,369	33,369
Increase allowance during the period	733	17,394
Allowance utilised during the period	(3,254)	(3,145)
Reversal of allowance during the period	(9,905)	(249)
	<u>34,943</u>	<u>47,369</u>

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

10 INVENTORIES

	31/12/2023		1/1/2023	
	Cost VND million	Allowance VND million	Cost VND million	Allowance VND million
Goods in transit	256,960	-	266,501	-
Raw materials	1,989,099	(87,084)	2,393,413	(35,241)
Tools and supplies	1,098,721	(28,422)	1,114,789	(10,372)
Work in progress	1,517,776	(69,288)	1,631,701	(30,643)
Finished goods	4,545,610	(104,637)	5,131,895	(58,630)
Merchandise inventories	4,048,146	(31,575)	3,947,303	(54,050)
Goods on consignment	40,290	(728)	148,679	-
	<u>13,496,602</u>	<u>(321,734)</u>	<u>14,634,281</u>	<u>(188,936)</u>

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

	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
Opening balance	188,936	134,532
Increase in allowance during the period	271,985	166,848
Allowance utilised during the period	(103,587)	(86,406)
Reversal of allowance during the period	(35,600)	(26,038)
Closing balance	<u>321,734</u>	<u>188,936</u>

## NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

## 11 TANGIBLE FIXED ASSETS

	Buildings and structures VND million	Mining Properties VND million	Leasehold improvements VND million	Machinery and equipment VND million	Motor vehicles VND million	Office equipment and others VND million	Total VND million
<b>Cost</b>							
Opening balance	16,822,833	5,095,927	95,045	27,925,589	178,551	347,250	50,465,195
Increases from business combination	170,957	-	-	314,027	-	-	484,984
Additions/adjustments after finalisation	19,881	-	-	55,314	532	13,307	89,034
Transfers from/(to) construction in progress	333,484	-	-	1,337,536	13,152	83,277	1,767,449
Transfers from/(to) long-term prepayments	(602)	-	-	(1,055)	-	9,468	7,811
Transfers from/(to) short-term prepayments	-	-	-	22	-	-	22
Transfers from finance lease	-	-	-	25,119	3,219	-	28,338
Transfers from inventory tools	-	-	-	76,411	-	1,277	77,688
Disposals/written-off	(9,775)	-	(39,778)	(130,184)	(24,562)	(30,597)	(234,896)
Reclassification	-	-	-	(18,128)	(63)	18,191	-
Currency translation differences	76,739	-	-	222,805	-	-	299,544
Closing balance	17,413,517	5,095,927	55,267	29,807,456	170,829	442,173	52,985,169



NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

11 TANGIBLE FIXED ASSETS (continued)

	Buildings and structures VND million	Mining Properties VND million	Leasehold improvements VND million	Machinery and equipment VND million	Motor vehicles VND million	Office equipment and others VND million	Total VND million
<b>Accumulated depreciation</b>							
Opening balance	4,255,734	1,644,725	89,756	13,597,404	76,090	189,957	19,853,666
Increases from business combination	12,529	-	-	57,662	-	-	70,191
Charge for the period	790,526	120,459	2,781	1,646,070	22,336	31,418	2,613,590
Transfers from/(to) long-term prepayments	-	-	-	(776)	-	(3,088)	(3,864)
Transfers from/(to) short-term prepayments	-	-	-	(7)	-	-	(7)
Transfers from finance lease	-	-	-	13,806	2,161	-	15,967
Disposals/written-off	(7,095)	-	(39,778)	(118,779)	(19,604)	(28,133)	(213,389)
Reclassification	-	-	-	(10,057)	(64)	10,121	-
Currency translation differences	21,676	-	-	158,637	-	-	180,313
Closing balance	5,073,370	1,765,184	52,759	15,343,960	80,919	200,275	22,516,467
<b>Net book value</b>							
Opening balance	12,567,099	3,451,202	5,289	14,328,185	102,461	157,293	30,611,529
Closing balance	12,340,147	3,330,743	2,508	14,463,496	89,910	241,898	30,468,702

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

12 INTANGIBLE FIXED ASSETS

	Land use rights VND million	Software VND million	Development cost VND million	Brand name VND million	Customer relationships VND million	Mineral water resources VND million	Mining rights VND million	Technology VND million	Exploitation rights/ Licences VND million	Others VND million	Total VND million
<b>Cost</b>											
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
Increases from business combination	8,178	29,550	-	-	26,090	-	-	-	-	-	63,818
Additions	4,441	3,258	-	75	-	-	-	706	-	-	8,480
Transfers from construction in progress	-	8,665	-	-	-	-	-	23,618	-	-	32,283
Written off/disposals	-	(4,514)	-	-	-	-	-	-	-	-	(4,514)
Other movement	-	-	-	-	-	-	-	-	(722)	-	(722)
Currency translation differences	(2,587)	18,547	38,083	62,218	12,778	-	-	85,823	-	1,538	216,400
Closing balance	3,829,899	1,061,737	750,735	3,649,931	3,755,597	412,698	792,657	2,214,789	76,235	146,667	16,690,945
<b>Accumulated amortisation</b>											
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
Increases from business combination	-	13,917	-	-	-	-	-	-	-	-	13,917
Amortization for the period	136,378	80,595	35,321	137,784	126,146	19,548	37,767	137,856	2,797	11,398	725,590
Written off/disposals	-	(4,058)	-	-	-	-	-	-	-	-	(4,058)
Currency translation differences	-	18,801	10,265	6,045	1,056	-	-	12,090	-	318	48,575
Closing balance	570,996	941,772	204,243	1,024,476	869,373	180,685	320,564	408,450	33,039	31,110	4,584,708
<b>Net book value</b>											
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	3,258,903	119,965	546,492	2,625,455	2,886,224	232,013	472,093	1,806,339	43,196	115,557	12,106,237

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

13 INVESTMENT PROPERTIES

Investment property held to earn rental comprises:

	Land use rights VND million	Buildings and structures VND million	Total VND million
<b>Cost</b>			
Opening balance	33,285	1,114,963	1,148,248
Currency translation differences	2,085	66,016	68,101
Closing balance	<u>35,370</u>	<u>1,180,979</u>	<u>1,216,349</u>
<b>Accumulated depreciation</b>			
Opening balance	-	418,485	418,485
Charge for the period	-	63,090	63,090
Currency translation differences	-	26,104	26,104
Closing balance	<u>-</u>	<u>507,679</u>	<u>507,679</u>
<b>Net book value</b>			
Opening balance	<u>33,285</u>	<u>696,478</u>	<u>729,763</u>
Closing balance	<u><u>35,370</u></u>	<u><u>673,300</u></u>	<u><u>708,670</u></u>

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

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

14 CONSTRUCTION IN PROGRESS

	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
Opening balance	3,324,848	2,021,827
Addition during the period	2,013,622	3,500,260
Increase from business combination	21,071	35,209
Transfers to tangible fixed assets	(1,767,449)	(1,809,081)
Transfers to intangible fixed assets	(32,283)	(43,247)
Transfers to long-term prepayments	(428,521)	(346,919)
Disposals	(11,171)	(31,258)
Currency translation differences	7,113	(1,943)
Closing balance	<u>3,127,230</u>	<u>3,324,848</u>

15 INVESTMENTS

	31/12/2023 VND million	1/1/2023 VND million
<b>Short-term financial investments</b>		
Trading securities (a)	4,183,054	3,302,172
Held-to-maturity investments – short-term (b)	2,611,737	357,003
	<u>6,794,791</u>	<u>3,659,175</u>
<b>Long-term financial investments</b>		
Investments in associates (c)	30,281,765	28,480,242
Investments in other entities (d)	2,937,702	2,853,643
	<u>33,219,467</u>	<u>31,333,885</u>

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

15 INVESTMENTS (continued)

(a) Trading securities

	31/12/2023				1/1/2023			
	Quantity	Cost VND million	Fair value VND million	Allowance VND million	Quantity	Cost VND million	Fair value VND million	Allowance VND million
● Bond (**)	17,464,600	4,183,054	(*)	-	12,000,000	1,202,172	(*)	-
● Certificate of Deposit	-	-	(*)	-	21,000	2,100,000	(*)	-
		<u>4,183,054</u>				<u>3,302,172</u>		

(\*) The Group has not determined the fair value of trading securities for disclosure in the consolidated 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 value of trading securities may differ from their carrying amount.

(\*\*) The Group purchased these bonds for trading purpose over a short period of time. The bonds earn interest at a fixed margin plus medium and long-term lending rates quoted by selected bank to corporate customers for the remaining interest period. The Group has a commitment from a related party to purchase these bonds.

(b) Held-to-maturity investments

Held-to-maturity investments – short-term represented term deposits in VND in banks with original terms to maturity of more than three months and less than 12 months from their transaction dates.

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

15 INVESTMENTS (continued)

(c) Investments in associates

	31/12/2023				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%	27,649,293	22,224,583	19.9%	19.9%	25,905,197	19,426,431
• Cholimex Food Joint Stock Company ("Cholimex") (ii)	32.8%	32.8%	294,757	(*)	32.8%	32.8%	249,392	(*)
• Vissan Joint Stock Company ("Vissan") (iii)	24.9%	24.9%	2,126,163	(*)	24.9%	24.9%	2,135,490	(*)
• Jiangwu H.C. Starck Tungsten Products Co., Ltd. (China) ("Jiangwu") (iv)	30.0%	30.0%	211,552	(*)	30.0%	30.0%	190,163	(*)
			<u>30,281,765</u>				<u>28,480,242</u>	

(\*) The Group has not determined the fair values of investments in these associates for disclosure in the consolidated financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these equity investments may differ from their carrying values. For the disclosure purpose, the fair values of investments in Techcombank as at the reporting date 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 QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

15 INVESTMENTS (continued)

(c) Investments in associates (continued)

- (i) The Group has 19.9% direct equity holding (1/1/2023: 19.9% direct equity holding and 1.5% economic interest subject to a forward sale agreement).
- (ii) MSC holds 32.8% equity interest in Cholimex.
- (iii) MML holds 24.9% equity interest in Vissan.
- (iv) H.C. Starck Tungsten GmbH (Germany) holds 30.0% equity interest 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 in profit of associates during the period	3,825,839	58,661	1,772	9,710	3,895,982
Dividends declared	-	(13,296)	(11,099)	-	(24,395)
Disposal of investment	(2,081,743)	-	-	-	(2,081,743)
Currency translation differences	-	-	-	11,679	11,679
Closing balance	<u>27,649,293</u>	<u>294,757</u>	<u>2,126,163</u>	<u>211,552</u>	<u>30,281,765</u>

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

15 INVESTMENTS (continued)

(d) Investment in other entities

Details of the Company's investment in other entities were as follows:

	31/12/2023					1/1/2023				
	% of equity owned over charter capital	% of voting rights over charter capital	Carrying value at equity accounted 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	Carrying value at equity accounted 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%	1,426,422	-	(*)	15.0%	15.0%	1,342,363	-	(*)
			<u>2,937,702</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 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 made an equity investment of USD65 million for 25.1% equity interest 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 represents 21.5% of equity owned on total outstanding issued shares or 15% equity interest on a fully diluted basis. The management assessed that the Group does not have significant influences over Nyobolt and thus account for this investment as investments in equity instruments of other entities. The movement of this investment during the period represented currency translation differences.



NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

16 LONG-TERM PREPAYMENTS

	Other mining costs VND million	Prepaid land costs VND million	Land compensation costs VND million	Tools and instruments and set-up costs of new stores VND million	Goodwill from equitization 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	208,557	6,429	1,808	311,914	-	-	601,425	1,130,133
Transfers to tangible fixed assets	-	-	-	(11,675)	-	-	-	(11,675)
Transfers to short-term prepayment	-	-	-	(8,749)	-	-	-	(8,749)
Transfer from/(to) construction in progress	-	(8,587)	1,062	377,753	-	41,334	16,959	428,521
Amortization for the period	(155,321)	(35,137)	(73,485)	(622,334)	(3,135)	(23,792)	(392,236)	(1,305,440)
Disposals/written off	-	-	-	(60,081)	-	(14,203)	(336)	(74,620)
Other movements	-	-	-	399	-	-	(399)	-
Foreign exchange difference	-	-	-	(9)	-	-	-	(9)
Closing balance	<u>1,774,963</u>	<u>1,404,009</u>	<u>1,273,048</u>	<u>1,529,064</u>	<u>6,269</u>	<u>46,246</u>	<u>1,384,443</u>	<u>7,418,042</u>

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

17 GOODWILL

	From 1/1/2023 to 31/12/2023 VND million
<b>Cost</b>	
Opening and closing balance	7,446,614
<b>Accumulated amortization</b>	
Opening balance	2,378,137
Amortization during the period	695,338
Closing balance	3,073,475
<b>Net book value</b>	
Opening balance	5,068,477
Closing balance	4,373,139

18 TAX PAYABLES TO STATE BUDGET

	31/12/2023 VND million	1/1/2023 VND million
Corporate income tax	747,424	252,268
Value added tax	174,196	94,280
Personal income tax	34,747	32,321
Special consumption tax	36,841	82,958
Other taxes	109,996	74,483
	<u>1,103,204</u>	<u>536,310</u>

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 09a – DN/HN

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**19 ACCRUED EXPENSES**

**(a) Short-term accrued expenses**

	<b>31/12/2023</b>	<b>1/1/2023</b>
	<b>VND million</b>	<b>VND million</b>
Interest expense	741,680	967,960
Advertising and promotion expenses	1,568,282	735,517
Sales discounts and customer support fee	45,922	71,727
Logistics expenses	251,074	168,625
Purchase not yet received invoices	167,715	141,341
Accrual for construction work	420,473	335,539
Consultant fee	23,924	20,058
Bonus and 13th month salary	722,727	616,526
Exhibition and market research expenses	131,975	44,713
Natural resources taxes and fees	15,690	138,873
Others	729,582	943,472
	<u>4,819,044</u>	<u>4,184,351</u>

**(a) Long-term accrued expenses**

	<b>31/12/2023</b>	<b>1/1/2023</b>
	<b>VND million</b>	<b>VND million</b>
Interest expense	<u>31,186</u>	<u>-</u>

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 09a – DN/HN

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**20 OTHER PAYABLES**

**(a) Other short-term payables**

	<b>31/12/2023</b> <b>VND million</b>	<b>1/1/2023</b> <b>VND million</b>
Deposit received from third parties for the investments (*)	8,008,238	10,271,238
Payable to domestic banks under letter of credit arrangement (**)	499,635	936,287
Interest expense payable (*)	9,712	178,119
Dividend payables	11,995	10,744
Trade union fees, social, health and unemployment insurance	11,462	15,841
Short-term deposits received	14,175	16,209
Other payables	364,574	243,497
	<u>8,919,791</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 2.9% to 12% per annum (1/1/2023: 4.30% to 13.20% per annum) over the deferred payment period ranging from 3 to 9 months and were secured by number of shares, part of account receivables and part of construction in progress of an indirect subsidiary (1/1/2023: number of 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.

**(b) Other long-term payables**

	<b>31/12/2023</b> <b>VND million</b>	<b>1/1/2023</b> <b>VND million</b>
Deposit received from third parties for the investments (*)	7,803,740	-
Long-term deposits	36,660	38,228
Other payables	358,845	714,150
	<u>8,199,245</u>	<u>752,378</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.

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 09a – DN/HN

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**21 SHORT-TERM BORROWINGS, BONDS AND FINANCE LEASE LIABILITIES**

	<b>31/12/2023</b> VND million	<b>1/1/2023</b> VND million
Unsecured bank loans	15,473,201	11,737,340
Secured bank loans	3,594,325	5,309,734
Current portion of long-term borrowings, bonds and finance leases (Note 22)	8,962,671	23,520,305
	<u>28,030,197</u>	<u>40,567,379</u>

**22 LONG-TERM BORROWINGS, BONDS AND FINANCE LEASE LIABILITIES**

	<b>31/12/2023</b> VND million	<b>1/1/2023</b> VND million
Secured long-term bank borrowings	33,291,631	18,017,651
Unsecured long-term bank borrowings	434,334	426,609
Unsecured bonds	6,552,180	18,975,259
Secured bonds	9,882,869	16,167,569
Finance leases	343,551	358,842
	<u>50,504,565</u>	<u>53,945,930</u>
Repayable within twelve months (Note 21)	(8,962,671)	(23,520,305)
Repayable after twelve months	<u>41,541,894</u>	<u>30,425,625</u>

**23 PROVISION – LONG-TERM**

	<b>31/12/2023</b> VND million	<b>1/1/2023</b> VND million
Pensions	5,009,184	4,138,629
Mining rights fee	379,259	370,321
Mine rehabilitation	119,203	113,831
Severance allowance	18,073	18,420
	<u>5,525,719</u>	<u>4,641,201</u>

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 09a – DN/HN

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**23 PROVISION – LONG-TERM (continued)**

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
Increases from business combination	324,135	-	-	-	324,135
Provision made during the period	168,340	8,938	5,372	(347)	182,303
Provision utilised during the period	(237,638)	-	-	-	(237,638)
Remeasurement of the net defined benefit liability (*)	344,952	-	-	-	344,952
Currency translation differences	270,766	-	-	-	270,766
Closing balance	<u>5,009,184</u>	<u>379,259</u>	<u>119,203</u>	<u>18,073</u>	<u>5,525,719</u>

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

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

24 CHANGES IN OWNERS' EQUITY

	Share capital VND million	Capital surplus VND million	Other capital VND million	Other equity funds VND million	Foreign exchange differences VND million	Undistributed profits VND million	Equity attributable to equity holders of the Group VND million	Non-controlling interest VND million	Total VND million
<b>Balance at 1 January 2022</b>	11,805,347	11,084,247	(8,388,147)	(147,087)	(339,255)	18,795,877	32,810,982	9,525,670	42,336,652
Net profit for the period	-	-	-	-	-	3,566,996	3,566,996	1,187,388	4,754,384
Issued new shares	2,431,901	(2,361,119)	-	-	-	-	70,782	-	70,782
Dividend declared	-	-	-	-	-	(1,138,980)	(1,138,980)	(95,089)	(1,234,069)
Business combination	-	-	-	-	-	-	-	1,065,661	1,065,661
Transaction with NCI	-	-	-	-	-	(9,847,835)	(9,847,835)	(1,309,493)	(11,157,328)
Currency translation differences	-	-	-	-	(45,903)	-	(45,903)	1,644	(44,259)
Remeasurement of the net defined benefit liability, net of tax	-	-	-	730,712	-	-	730,712	115,526	846,238
Other movements	-	-	-	-	-	5,882	5,882	(7,204)	(1,322)
<b>Balance at 31 December 2022</b>	<u>14,237,248</u>	<u>8,723,128</u>	<u>(8,388,147)</u>	<u>583,625</u>	<u>(385,158)</u>	<u>11,381,940</u>	<u>26,152,636</u>	<u>10,484,103</u>	<u>36,636,739</u>

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HH

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

24 CHANGES IN OWNERS' EQUITY (continued)

	Share capital VND million	Capital surplus VND million	Other capital VND million	Other equity funds VND million	Foreign exchange differences VND million	Undistributed profits VND million	Equity attributable to equity holders of the Group VND million	Non-controlling interest VND million	Total VND million
<b>Balance at 1 January 2023</b>	14,237,248	8,723,128	(8,388,147)	583,625	(385,158)	11,381,940	26,152,636	10,484,103	36,636,739
Net profit for the period	-	-	-	-	-	418,695	418,695	1,451,232	1,869,927
Issuance of new shares	71,186	(50)	-	-	-	-	71,136	-	71,136
Dividend declared by a subsidiary	-	-	-	-	-	-	-	(245,072)	(245,072)
Transaction with NCI	-	-	-	-	-	(2,579)	(2,579)	(1,480)	(4,059)
Currency translation differences	-	-	-	-	160,936	-	160,936	25,868	186,804
Remeasurement of the net defined benefit liability, net of tax	-	-	-	(241,244)	-	-	(241,244)	(37,995)	(279,239)
Other movements	-	-	-	-	-	-	-	1,005	1,005
<b>Balance at 31 December 2023</b>	14,308,434	8,723,078	(8,388,147)	342,381	(224,222)	11,798,056	26,559,580	11,677,661	38,237,241



**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 09a – DN/HN

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**25 SHARE CAPITAL AND CAPITAL SURPLUS**

The Company's authorised and issued share capital comprises:

	31/12/2023		1/1/2023	
	Number of shares	VND million	Number of shares	VND million
<b>Authorised share capital</b>	1,430,843,406	14,308,434	1,423,724,783	14,237,248
<b>Issued share capital</b>				
Ordinary shares	1,430,843,406	14,308,434	1,423,724,783	14,237,248
<b>Shares in circulation</b>				
Ordinary shares	1,430,843,406	14,308,434	1,423,724,783	14,237,248
<b>Capital surplus</b>	-	8,723,078	-	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 in share capital during the period were as follows:

	From 1/1/2023 to 31/12/2023		From 1/1/2022 to 31/12/2022	
	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	7,118,623	71,186	7,083,207	70,832
	<u>1,430,843,406</u>	<u>14,308,434</u>	<u>1,423,724,783</u>	<u>14,237,248</u>

## MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

### NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

#### 26 OTHER CAPITAL

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

#### 27 TOTAL REVENUE

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

Net sales comprised:

	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
Total revenue		
▪ Sales of finished goods, merchandises and services rendered	78,516,999	76,380,750
Less sales deductions		
▪ Sales discounts	214,346	73,279
▪ Sales returns	51,034	118,246
Net sales	<u>78,251,619</u>	<u>76,189,225</u>

#### 28 COST OF SALES

	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
Total cost of sales		
▪ Finished goods, merchandises sold and services rendered	55,894,122	55,013,391
▪ Allowance for inventories	236,385	140,810
	<u>56,130,507</u>	<u>55,154,201</u>

MASAN GROUP CORPORATION AND ITS SUBSIDIARIES

Form B 09a – DN/HN

NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)

29 FINANCIAL INCOME

	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
Interest income from deposits, loan, and investing activities	1,733,905	878,418
Gain from revaluation of pre-existing investment	-	642,110
Foreign exchange gains	347,874	512,939
Gain from disposal of investments	233,526	-
Others	89,900	542,096
	<u>2,405,205</u>	<u>2,575,563</u>

30 FINANCIAL EXPENSES

	From 1/1/2023 to 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
Interest expenses on loans, bonds, and investing activities	6,946,060	4,847,702
Bond issuance fee and disposal fee	476,349	498,245
UPAS L/C fees	36,605	29,844
Foreign exchange losses	384,444	799,985
Other financial expenses	286,055	185,866
	<u>8,129,513</u>	<u>6,361,642</u>



**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 09a – DN/HN

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**31 EARNINGS PER SHARE**

The calculation of basic earnings per share for the period ended 31 December 2023 was based on the net profit attributable to ordinary shareholders of VND418,695 million (for the period ended 31 December 2022: the net profit attributable to ordinary shareholders of VND3,566,996 million) of the Company and a weighted average number of ordinary shares outstanding of 1,425,987,140 shares during the period (for the period ended 31 December 2022: 1,420,425,775 shares), calculated as follows:

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

	<b>From 1/1/2023 to 31/12/2023 VND million</b>	<b>From 1/1/2022 to 31/12/2022 VND million</b>
Net profit attributable to shareholders	418,695	3,566,996

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

	<b>From 1/1/2023 to 31/12/2023</b>	<b>From 1/1/2022 to 31/12/2022</b>
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	2,262,357	3,784,179
Weighted average number of ordinary shares during the period	1,425,987,140	1,420,425,755

**(c) Basic earning per share**

	<b>From 1/1/2023 to 31/12/2023 VND</b>	<b>From 1/1/2022 to 31/12/2022 VND</b>
Earning per share	294	2,511

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)****32 CONTINGENT LIABILITIES**

As disclosed in Note 9(\*\*), on 23 August 2021, MONRE has issued Decision 1640/QD/BTNMT ("Decision 1640") to determine the MRF of Nui Phao Mine, 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 mineral resource - tungsten ore (0.1% < WO3 < 0.3%) instead of the royalty taxable price applicable to industrial products, the issue of 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. Accordingly, on 6 October 2021, NPM received Notification No 3937 on payment of MRF issued by the Thai Nguyen Tax Department ("TNTD") to inform the MRF payable following Decision 1640 of which the additional MRF due to different G-price during 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 the year 2021, together with 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 believes that it had adequately provided for its liabilities for MRF based on its interpretation of relevant legislation relating to mining rights and natural resources tax. The Group's management has, therefore, also sent letters to different level of authorities to highlight the issues and seek for proper resolutions of NPM's MRF.

In 2021, as instructed by the Prime Minister under letter 978/VPCP-KTTH dated 8 February 2021 and letter 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. Then, MONRE, Thai Nguyen PPC, Ministry of Industrial and Trade ("MOIT") and General Department of Tax ("GDT") agreed that the royalty taxable price applicable to NPM's industrial products should be determined to calculate the MRF of Nui Phao Mine and are working together to determine the price. In 2022, relevant central and provincial authorities, through a meeting chaired by GDGM, have agreed that there is an inadequacy in the royalty taxable price that use to calculate mining rights fee for Nui Phao project. On that basis, Thai Nguyen PPC has worked with MOF and MONRE for technical advisor, and also instructed the Department of Finance of Thai Nguyen province to coordinate with relevant local departments to complete the procedure for selecting an appropriate consultant to develop a mechanism to determine the royalty calculation price for industrial products of NPM. NPM received further instruction from the Deputy Prime Minister under notification 226/TB-VPCP dated 16 June 2023 ("Notification 226"), the case is continued instructing to be reviewed by MOF, MONRE and Thai Nguyen PPC. Accordingly, MRF for the Nui Phao project will be re-determined after the taxable price applied for NPM's industrial products is finalised and officially issued by Thai Nguyen PPC. By the issuance date of this report, Thai Nguyen PPC and Department of Finance, relevant functional agencies at all levels have been still working together to determine the royalty taxable price applicable to the NPM's industrial products.

The management assessed that because the royalty taxable price applicable to 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 royalty taxable price applicable to NPM's industrial products are available, the official MRF for Nui Phao mine from 2015 onwards will be determined, replacing the MRF amount that stated in Decision 1640. This view of the management has been confirmed in Notification 226.

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

Form B 09a – DN/HN

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**32 CONTINGENT LIABILITIES (continued)**

The ultimate outcome of this 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 price when it is determined. Accordingly, the Group has not recognised the additional MRF as stated in Decision 1640 as liability in the consolidated financial statements.

**33 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES**

In addition to related party balances and transactions disclosed in other notes to these consolidated quarterly 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 31/12/2023 VND million	From 1/1/2022 to 31/12/2022 VND million
<b>Associate</b>			
Techcombank and its subsidiaries	Loans received	3,027,246	4,423,179
	Loans repaid	2,868,121	3,730,817
	Bonds issued (acting as an agent)	7,300,000	2,000,000
	Bonds issuance fees	32,085	39,262
	Purchase of trading securities (acting as an agent)	11,000,658	6,710,550
	Sales of trading securities (acting as an agent)	7,868,014	7,710,854
	Interest expenses on loans received/bonds issued	384,726	525,611
<b>Other related parties</b>			
Key management personnel	Remuneration to Board of Management (*)	173,122	178,968

As at and for the period ended 31 December 2023 and 31 December 2022, the Group had current, term deposit accounts, certificates of deposit, loan and payables balance and agency fee at Techcombank and its subsidiaries at normal market trading terms.

(\*) *No board fees were paid to Board of Directors' and Audit Committee's members in the period ended 31 December 2023 and 31 December 2022.*

**MASAN GROUP CORPORATION AND ITS SUBSIDIARIES**

**Form B 09a – DN/HN**

**NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

**34 SUBSEQUENT EVENTS**

In December 2023, the Board of Directors of Masan Consumer Corporation approved to issue a number of shares to employees under employee stock ownership plan (“ESOP”) upon approval of the Annual General Meeting of Shareholders in April 2023. At the issuance date of these quarterly consolidated financial statements, the share issuance has been completed.

Prepared by:



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Chief Accountant

30 -01- 2024

Approved by:


Doan Thi My Duyen  
Chief Financial Officer

Danny Le  
Chief Executive Officer

