

**Masan Group Corporation  
and its subsidiaries**

Consolidated quarterly financial statements for  
the period ended 30 September 2019



**Masan Group Corporation  
Corporate Information**

<b>Business Registration Certificate No</b>	0303576603	17 July 2019
	The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 17 July 2019. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The initial Business Registration Certificate No. 4103002877 was dated 18 November 2004.	
<b>Board of Directors</b>	Dr Nguyen Dang Quang Ms Nguyen Hoang Yen Mr Nguyen Thieu Nam Mr Woncheol Park  Mr Nguyen Doan Hung  Mr David Tan Wei Ming  Mr Dominic Edward Salter Price  Mr Lars Kjaer	Chairman Member Member Member (from 24 April 2019) Member (from 24 April 2019) Member (from 24 April 2019) Member (to 23 April 2019) Member (to 23 April 2019)
<b>Board of Management</b>	Dr Nguyen Dang Quang Mr Nguyen Thieu Nam Mr Michael Hung Nguyen Mr Nguyen Anh Nguyen	Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer
<b>Legal Representative</b>	Dr Nguyen Dang Quang	Chairman Chief Executive Officer
<b>Registered Office</b>	Suite 802, Central Plaza 17 Le Duan Street Ben Nghe Ward, District 1 Ho Chi Minh City Vietnam	

**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 September 2019**

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

	Code	Note	30/9/2019 VND million	1/1/2019 VND million
<b>ASSETS</b>				
<b>Current assets</b>				
<b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>19,179,419</b>	<b>12,499,618</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>7,359,376</b>	<b>4,585,889</b>
Cash	111		393,876	513,597
Cash equivalents	112		6,965,500	4,072,292
<b>Short-term financial investments</b>	<b>120</b>	<b>12</b>	<b>403,950</b>	<b>375,848</b>
Trading securities	121		141,530	-
Held to maturity investments	123		262,420	375,848
<b>Accounts receivable</b>	<b>130</b>	<b>6</b>	<b>4,187,625</b>	<b>2,412,555</b>
Accounts receivable	131		1,354,951	1,523,385
Prepayments to suppliers	132		997,059	707,242
Other receivables	136		1,947,797	288,063
Allowance for doubtful debts	137		(112,182)	(106,135)
<b>Inventories</b>	<b>140</b>	<b>7</b>	<b>6,002,870</b>	<b>4,333,191</b>
Inventories	141		6,056,751	4,389,589
Allowance for inventories	149		(53,881)	(56,398)
<b>Other current assets</b>	<b>150</b>		<b>1,225,598</b>	<b>792,135</b>
Short-term prepayments	151		141,382	94,291
Deductible value added tax	152		1,062,576	674,894
Taxes and other receivables from State Treasury	153		21,640	22,950

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 September 2019 (continued)**

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

	Code	Note	30/9/2019 VND million	1/1/2019 VND million
<b>Long-term assets</b> (200 = 210 + 220 + 240 + 250 + 260)	<b>200</b>		<b>53,228,683</b>	<b>52,078,995</b>
<b>Accounts receivable – long-term</b>	<b>210</b>	<b>6</b>	<b>1,354,740</b>	<b>1,377,124</b>
Other long-term receivables	216		1,354,740	1,377,124
<b>Fixed assets</b>	<b>220</b>		<b>26,806,452</b>	<b>29,203,764</b>
Tangible fixed assets	221	8	21,809,080	23,798,207
Cost	222		31,400,796	31,906,656
Accumulated depreciation	223		(9,591,716)	(8,108,449)
Finance lease tangible fixed assets	224		-	-
Cost	225		67,300	67,300
Accumulated depreciation	226		(67,300)	(67,300)
Intangible fixed assets	227	9	4,997,372	5,405,557
Cost	228		8,023,345	8,015,798
Accumulated amortization	229		(3,025,973)	(2,610,241)
<b>Long-term assets in progress</b>	<b>240</b>	<b>10</b>	<b>4,182,714</b>	<b>2,171,342</b>
Construction in progress	242		4,182,714	2,171,342
<b>Long-term financial investments</b>	<b>250</b>	<b>11</b>	<b>16,861,529</b>	<b>15,347,915</b>
Investments in associates	252		16,842,425	15,328,811
Investments in other entities	253		21,646	21,646
Allowance for diminution in the value of long-term investments	254		(8,442)	(8,442)
Held-to-maturity investments	255		5,900	5,900
<b>Other long-term assets</b>	<b>260</b>		<b>4,023,248</b>	<b>3,978,850</b>
Long-term prepayments	261	12	3,296,393	3,164,050
Deferred tax assets	262		291,677	295,261
Goodwill	269	13	435,178	519,539
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>72,408,102</b>	<b>64,578,613</b>

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 September 2019 (continued)**

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

	Code	Note	30/9/2019 VND million	1/1/2019 VND million
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>33,891,988</b>	<b>30,498,935</b>
<b>Current liabilities</b>	<b>310</b>		<b>21,695,888</b>	<b>15,795,515</b>
Accounts payable	311		2,107,597	2,668,610
Advances from customers	312		1,103,886	334,553
Taxes payable to State Treasury	313	14	567,121	429,861
Payables to employees	314		69,142	300
Accrued expenses	315	15	2,342,447	2,791,050
Short-term unearned revenue	318		93	-
Other short-term payables	319	16	294,333	296,413
Short-term borrowings and bonds	320	17	15,180,409	9,243,779
Bonus and welfare funds	322		30,860	30,949
<b>Long-term borrowings and liabilities</b>	<b>330</b>		<b>12,196,100</b>	<b>14,703,420</b>
Long-term account payables	331		31,146	36,330
Other long-term payables	337	16	28,786	23,804
Long-term borrowings and bonds	338	18	10,298,452	12,751,649
Deferred tax liabilities	341		1,272,623	1,351,446
Provisions – long-term	342		565,093	540,191

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**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 September 2019 (continued)**

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

	Code	Note	30/9/2019 VND million	1/1/2019 VND million
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>38,516,114</b>	<b>34,079,678</b>
<b>Owners' equity</b>	<b>410</b>	<b>19</b>	<b>38,516,114</b>	<b>34,079,678</b>
Share capital	411	20	11,689,464	11,631,495
Capital surplus	412	20	11,084,357	11,084,417
Other capital	414	21	(9,426,958)	(9,426,958)
Foreign exchange differences	417		7,452	4,402
Undistributed profits	421		20,292,043	16,193,388
<i>Undistributed profit brought forward</i>	<i>421a</i>		<i>16,193,388</i>	<i>12,350,048</i>
<i>Undistributed profit for the current period</i>	<i>421b</i>		<i>4,098,655</i>	<i>3,843,340</i>
Non-controlling interest	429	19	4,869,756	4,592,934
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>72,408,102</b>	<b>64,578,613</b>

30 October 2019

Prepared by:

Doan Thi My Duyen  
*Chief Accountant*

Approved by:

Michael Hung Nguyen  
*Deputy Chief Executive Officer  
 Chief Financial Officer*



Dr Nguyen Dang Quang  
*Chairman  
 Chief Executive Officer*

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of income for the period ended 30 September 2019**

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

	Code	Note	From 1/7/2019 to 30/9/2019 VND million	From 1/7/2018 to 30/9/2018 VND million	From 1/1/2019 to 30/9/2019 VND million	From 1/1/2018 to 30/9/2018 VND million
<b>Total revenue</b>	<b>01</b>	<b>22</b>	<b>9,323,735</b>	<b>9,450,824</b>	<b>27,422,794</b>	<b>27,489,511</b>
<b>Less sales deductions</b>	<b>02</b>	<b>22</b>	<b>355,860</b>	<b>279,470</b>	<b>1,044,394</b>	<b>859,776</b>
<b>Net sales (10 = 01 – 02)</b>	<b>10</b>	<b>22</b>	<b>8,967,875</b>	<b>9,171,354</b>	<b>26,378,400</b>	<b>26,629,735</b>
<b>Cost of sales</b>	<b>11</b>	<b>23</b>	<b>6,536,281</b>	<b>6,397,520</b>	<b>18,816,538</b>	<b>18,286,833</b>
<b>Gross profit (20 = 10 – 11)</b>	<b>20</b>		<b>2,431,594</b>	<b>2,773,834</b>	<b>7,561,862</b>	<b>8,342,902</b>
Financial income	21	24	791,269	125,365	950,230	1,758,896
Financial expenses	22	25	594,563	840,287	1,680,689	2,412,831
<i>In which: Interest expense</i>	23		<i>492,426</i>	<i>782,668</i>	<i>1,397,198</i>	<i>2,196,105</i>
Share of profit in associates	24	26	552,159	442,416	1,532,182	1,429,857
Selling expenses	25		1,063,296	934,405	2,831,810	2,909,523
General and administration expenses	26		472,296	451,403	1,448,489	1,383,098
<b>Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>1,644,867</b>	<b>1,115,520</b>	<b>4,083,286</b>	<b>4,826,203</b>
Other income	31	27	1,219,577	2,671	1,222,175	16,414
Other expenses	32	28	197,156	20,935	221,574	38,262
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>1,022,421</b>	<b>(18,264)</b>	<b>1,000,601</b>	<b>(21,848)</b>
<b>Profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>2,667,288</b>	<b>1,097,256</b>	<b>5,083,887</b>	<b>4,804,355</b>
<b>Income tax expense – current</b>	<b>51</b>		<b>276,054</b>	<b>173,030</b>	<b>542,678</b>	<b>493,829</b>
<b>Income tax expense/(benefit) – deferred</b>	<b>52</b>		<b>(33,626)</b>	<b>6,159</b>	<b>(75,240)</b>	<b>(25,589)</b>
<b>Net profit (60 = 50 - 51 - 52) (carried forward to next page)</b>	<b>60</b>		<b>2,424,860</b>	<b>918,067</b>	<b>4,616,449</b>	<b>4,336,115</b>

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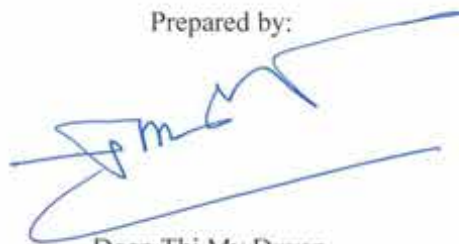
**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of income for the period ended 30 September 2019 (continued)**

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

Code Note		From	From	From	From	
		1/7/2019 to 30/9/2019 VND million	1/7/2018 to 30/9/2018 VND million	1/1/2019 to 30/9/2019 VND million	1/1/2018 to 30/9/2018 VND million	
	<b>Net profit (60 = 50 - 51 - 52) (brought forward from previous page)</b>	<b>60</b>	<b>2,424,860</b>	<b>918,067</b>	<b>4,616,449</b>	<b>4,336,115</b>
<b>Attributable to:</b>						
	Equity holders of the Company	61	2,227,890	748,010	4,109,588	3,778,991
	Non-controlling interest	62	196,970	170,057	506,861	557,124
<b>Earnings per share</b>						
	Basic earnings per share (VND)	70 29	1,916	710	3,533	3,601

30 October 2019

Prepared by:



Doan Thi My Duyen  
Chief Accountant

Approved by:



Michael Hung Nguyen  
Deputy Chief Executive Officer  
Chief Financial Officer




Nguyen Dang Quang  
Chairman  
Chief Executive Officer



**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of cash flow for the period ended 30 September 2019**  
**(Indirect method)**

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

	Code	Note	From 1/1/2019 to 30/9/2019 VND million	From 1/1/2018 to 30/9/2018 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>	<b>01</b>		<b>5,083,887</b>	<b>4,804,355</b>
Adjustments for				
Depreciation and amortization	02		2,066,327	2,005,458
Allowances and provisions	03		71,123	52,319
Net unrealised foreign exchange loss/(gain)	04		(7,403)	19,314
Gain from investing activities	05		(1,731,812)	(3,133,553)
Interest expenses and others	06		1,507,958	2,257,536
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>6,990,080</b>	<b>6,005,429</b>
Increase in receivables and other assets	09		(1,765,978)	(86,096)
Increase in inventories	10		(1,700,334)	(590,164)
Decrease in payables and other liabilities	11		75,564	421,948
Increase in prepayment	12		(136,339)	(59,136)
Increase in trading securities	13		(141,530)	-
			<b>3,321,463</b>	<b>5,691,981</b>
Interest paid	14		(1,562,666)	(2,197,772)
Corporate income tax paid	15		(417,543)	(429,676)
Other payments for operating activities	17		(82)	(4,006)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>1,341,172</b>	<b>3,060,527</b>

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of cash flow for the period ended 30 September 2019**  
**(Indirect method - continued)**

**Form B 03a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
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	Code	Note	From 1/1/2019 to 30/9/2019 VND million	From 1/1/2018 to 30/9/2018 VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(3,280,967)	(1,893,377)
Assets adjustment based on arbitration settlement (Note 31)	21		1,204,832	-
Proceeds from disposals of fixed assets and other long-term assets	22		9,324	9,030
Payments for granting loan and term deposits at banks	23		(889,120)	(1,425,260)
Receipts from collecting loan and term deposits at banks	24		1,002,548	1,248,681
Payments for investment in subsidiaries	25		(171,356)	(2,290,886)
Collections on disposal of investment in a subsidiary	26		22,224	379,584
Receipts of interest, dividends and related income from investing activities	27		243,873	192,187
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(1,858,642)</b>	<b>(3,780,041)</b>

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**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of cash flow for the period ended 30 September 2019**  
**(Indirect method - continued)**

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

	Code	Note	From 1/1/2019 to 30/9/2019 VND million	From 1/1/2018 to 30/9/2018 VND million
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of shares and capital contribution in subsidiaries by non-controlling interest	31		271,422	186,456
Proceeds from borrowings	33		22,058,434	17,822,566
Payments to settle borrowings	34		(18,652,671)	(18,438,330)
Payments to settle finance lease liabilities	35		-	(9,026)
Payment of dividends	36		(390,146)	(1,304,353)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>3,287,039</b>	<b>(1,742,687)</b>
<b>Net cash flows during the period</b> (50 = 20 + 30 + 40)	<b>50</b>		<b>2,769,569</b>	<b>(2,462,201)</b>
Cash and cash equivalents at the beginning of the period	60		4,585,889	7,417,111
Effect of exchange rate fluctuation on cash and cash equivalents	61		3,918	(124)
<b>Cash and cash equivalents at the end of the period</b> (70 = 50 + 60 + 61)	<b>70</b>	<b>5</b>	<b>7,359,376</b>	<b>4,954,786</b>

Prepared by:  
  
 Doan Thi My Duyen  
 Chief Accountant

30 October 2019  
  
 Michael Hung Nguyen  
 Deputy Chief Executive Officer  
 Chief Financial Officer

Approved by:  
  
  
 Dr. Nguyen Dang Quang  
 Chairman  
 Chief Executive Officer

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

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the period ended 30 September 2019**  
**(continued)**

**Form B 09a – DN/HN**  
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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. Reporting entity

Masan Group Corporation (“the Company”) is a joint stock company incorporated in Vietnam. The principal activity of the Company is in investment holding.

The consolidated 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:

### (a) Subsidiaries

#### *Direct subsidiaries*

Number	Name	Principal activity	Percentage of economic interests at	
			30/9/2019	1/1/2019
1	MasanConsumerHoldings Company Limited (“MCH”)	Investment holding	85.7%	85.7%
2	Masan Horizon Company Limited (“MH”)	Investment holding	99.9%	99.9%
3	Masan MEATLife Corporation (previously known as Masan Nutri-Science Corporation) (“MML”) (i)	Investment holding	79.9%	80.8%

#### *Indirect subsidiaries*

Number	Name	Principal activity	Percentage of economic interests at	
			30/9/2019	1/1/2019
1	Masan Brewery Company Limited (“MB”)	Investment holding	57.1%	57.1%
2	Masan Master Brewer Company Limited (“MMBr”)	Beer and beverage trading	57.1%	57.1%
3	Masan Brewery PY One Member Company Limited (“MBPY”)	Beer and beverage manufacturing	57.1%	57.1%
4	Masan Brewery HG One Member Company Limited (“MBHG”)	Beer and beverage trading	57.1%	57.1%



**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the period ended 30 September 2019**  
**(continued)**

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Number	Name	Principal activity	Percentage of economic interests at	
			30/9/2019	1/1/2019
5	Masan Brewery Distribution One Member Company Limited (“MBD”)	Beer and beverage trading	57.1%	57.1%
6	Masan Brewery MB Company Limited (“MBMB”)	Beer and beverage manufacturing	57.1%	57.1%
7	Masan Consumer Corporation (“MSC”)	Trading and distribution	81.1%	81.5%
8	Masan Consumer (Thailand) Limited (“MTH”)	Trading and distribution	81.1%	81.5%
9	Masan Food Company Limited (“MSF”)	Trading and distribution	81.1%	81.5%
10	Masan Industrial One Member Company Limited (“MSI”)	Seasonings, convenience food manufacturing and packaging	81.1%	81.5%
11	Viet Tien Food Technology One member Company Limited (“VTF”)	Seasonings manufacturing	81.1%	81.5%
12	Masan HD One member Company Limited (“MHD”)	Convenience food manufacturing	81.1%	81.5%
13	Ma San PQ Corporation (“MPQ”)	Seasonings manufacturing	81.1%	81.5%
14	Nam Ngu Phu Quoc One Member Company Limited (“NPQ”)	Seasonings manufacturing	81.1%	81.5%
15	Masan Long An Company Limited (“MLA”) (ii)	Seasonings manufacturing	81.1%	-
16	VinaCafé Bien Hoa Joint Stock Company (“VCF”)	Beverage manufacturing and trading	79.9%	80.3%
17	Café De Nam Join Stock Company (“CDN”)	Beverage manufacturing and trading	67.9%	68.3%



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**(continued)**

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Number	Name	Principal activity	Percentage of economic interests at	
			30/9/2019	1/1/2019
18	Vinh Hao Mineral Water Corporation (“VHC”)	Beverage manufacturing and trading and packaging	71.9%	72.2%
19	Kronfa., JSC (“KRP”)	Beverage manufacturing	71.9%	72.2%
20	Masan Beverage Company Limited (“MSB”)	Trading and distribution	81.1%	81.5%
21	Masan MB One Member Company Limited (“MMB”)	Seasonings, convenience food manufacturing and packaging	81.1%	81.5%
22	Masan HG One Member Company Limited (“MHG”)	Seasonings, convenience food manufacturing and packaging	81.1%	81.5%
23	Masan Jinju Joint Stock Company (“MSJ”)	Convenience food manufacturing and trading	60.9%	61.2%
24	Quang Ninh Mineral Water Corporation (“QNW”)	Beverage manufacturing and trading	53.4%	53.7%
25	Mapleleaf Company Limited (“MPL”)	Investment holding	99.9%	99.9%
26	Masan Blue Corporation (“MBL”) (iv)	Trading and distribution	97.9%	-
27	Masan Resources Corporation (“MSR”)	Investment holding	96.0%	96.0%
28	Masan Thai Nguyen Resources Company Limited (“MRTN”)	Investment holding	96.0%	96.0%
29	Thai Nguyen Trading and Investment Company Limited (“TNTI”)	Investment holding	96.0%	96.0%

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**(continued)**

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Number	Name	Principal activity	Percentage of economic interests at	
			30/9/2019	1/1/2019
30	Nui Phao Mining Company Limited (“NPM”)	Exploring and processing mineral	96.0%	96.0%
31	Masan Tungsten Limited Liability Company (“MTC”)	Deep processing of nonferrous metals and precious metals (tungsten)	96.0%	96.0%
32	MNS Feed Company Limited (“MNS Feed”)	Animal protein	79.9%	80.8%
33	Agro Nutrition International Joint Stock Company (“ANCO”)	Animal protein	79.9%	80.8%
34	MNS Feed Vinh Long Company Limited (“MNS Feed Vinh Long”)	Animal protein	79.9%	80.8%
35	Agro Nutrition International Binh Dinh One Member Limited Company (“ANCO Binh Dinh”)	Animal protein	79.9%	80.8%
36	MNS Feed Thai Nguyen Company Limited (“MNS Feed Thai Nguyen”)	Animal protein	79.9%	80.8%
37	MNS Feed Tien Giang Company Limited (“MNS Feed Tien Giang”)	Animal protein	79.9%	80.8%
38	MNS Feed Nghe An Company Limited (“MNS Feed Nghe An”)	Animal protein	79.9%	80.8%
39	MNS Feed Hau Giang Company Limited (“MNS Feed Hau Giang”)	Animal protein	79.9%	80.8%
40	MNS Meat Company Limited (“MNS Meat”)	Animal protein	79.9%	80.8%
41	MNS Farm Nghe An Company Limited (“MNF (NA)”)	Breeding swine	79.8%	80.8%
42	MNS Farm Company Limited (“MNS Farm”)	Investment holding	79.8%	80.8%

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Number	Name	Principal activity	Percentage of economic interests at	
			30/9/2019	1/1/2019
43	MNS Meat Processing Company Limited (“MNS Meat Processing”)	Investment holding	79.8%	80.8%
44	MNS Meat Ha Nam Company Limited (“MNS Meat Ha Nam”)	Meat processing	79.8%	80.8%
45	MNS Meat Sai Gon Company Limited (“MNS Meat Sai Gon”) (iii)	Meat processing	79.9%	-
46	Vietnamese – French Cattle Feed Joint Stock Company (“Proconco”)	Animal protein	60.0%	60.7%
47	Proconco Can Tho Co., Ltd. (“Proconco Can Tho”)	Animal protein	60.0%	60.7%
48	Con Co Binh Dinh Co., Ltd. (“Proconco Binh Dinh”)	Animal protein	60.0%	60.7%
49	Proconco Hung Yen Manufacturing and Trading Company Limited (“Proconco Hung Yen”)	Animal protein	60.0%	60.7%

- (i) In March 2019, the Company bought a 0.4% equity interest in MML from VN Consumer Meat II Pte. Ltd. at the price of VND163 billion. In Q3/2019, the Company sold 1.33% equity interest in MML to non-controlling interests.

As a result of these transaction, equity interest of the Company in MML decrease from 80.8% to 79.9%.

- (ii) Masan Long An Company Limited was established on 23 January 2019 and is indirectly owned by the Company through MCH, MSC and MSF.
- (iii) MNS Meat Sai Gon Company Limited was established on 26 March 2019 and is indirectly owned by the Company through MML, ANCO and MNS Meat Processing.
- (iv) Masan Blue Corporation was established on 23 August 2019 and is indirectly owned by the Company through MH.

All the subsidiaries are incorporated in Vietnam, except for MTH, an indirect subsidiary of the Company through MCH and MSC, is incorporated in Thailand.

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The percentage of economic interests represents the effective percentage of economic interests of the Group both directly and indirectly in the subsidiaries.

**(b) Associates**

*(i) Direct associate*

Number	Name	Principal activity	Percentage of equity over charter capital at	
			30/9/2019	1/1/2019
1	Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”) (*)	Banking	20.0%	20.0%

(\*) Refer to Notes 11(a).

*(ii) Indirect associates*

Number	Name	Principal activity	Percentage of economic interests at	
			30/9/2019	1/1/2019
1	Cholimex Food Joint Stock Company (“Cholimex”)	Food sauce manufacturing and trading	32.8%	32.8%
2	Thuan Phat Packing Joint Stock Company (“Thuan Phat”)	Packaging manufacturing	25.0%	25.0%
3	Abattoir Long Binh Joint Stock Company (“Abattoir”)	Animal protein	25.0%	25.0%
4	Dong Nai Producing, Trading and Service Joint Stock Company (“DN Manu”)	Animal protein	21.3%	21.3%
5	Vissan Joint Stock Company (“Vissan”)	Food manufacturing and trading	24.9%	24.9%

The percentage of economic interests in indirect associates represents the percentage of economic interests of indirect subsidiaries in the associates.

**(c) Normal operating cycle**

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



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**2. Basis of preparation**

**(a) Statement of compliance**

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

**(b) Basis of measurement**

These financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The 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.

**(d) Accounting and presentation currency**

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

**3. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Group and the Company in the preparation of these 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.



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The consolidated statements of income, consolidated statement of cash flows and consolidated movement in owners' equity include the results of operations of the combining companies as if the group structure had been in existence from the Controlling Shareholders' perspective throughout the entire periods presented or where the companies were incorporated at a date later than the beginning of the earliest period presented, for the period from the date of incorporation to the end of the relevant reporting periods.

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

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

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

**(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 financial statements using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the

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date that significant influence commences until the date that significant influence ceases. Gain or loss on disposal of interest in an associate without losing significant influence, including through dilution of interest in the associate as deemed disposal, is recognised in the consolidated statement of income. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

**(v) *Non-controlling interest ("NCI")***

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

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

**(vi) *Transactions eliminated on consolidation***

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

**(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 end of the accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions.

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



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**(ii) Foreign operations**

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

Foreign currency differences arising from the translation of foreign operations are recognised in the consolidated balance sheet under the caption “Foreign exchange differences” in equity.

**(c) Cash and cash equivalents**

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known 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.

**(d) Investments**

**(i) 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 bank, bonds and receivables on lending loans held to maturity. These investments are stated at costs less allowance for doubtful debts.

**(ii) Equity investments in other entity**

Equity investments in other entity are initially recognized at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investment are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Group’s management 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 recognized.

**(e) Accounts receivable**

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

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**(f) Inventories**

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

The Group apply 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, 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 repairs and maintenance and overhaul costs, is normally charged to income in the period in which the costs are 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 capitalized as an additional cost of tangible fixed assets.

Including in the cost of tangible assets of the Group, there are certain costs related to mining properties. They comprise mine rehabilitation assets and fair value of mineral reserves from business combination.

**(ii) Depreciation**

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

Machinery and equipment and fair value of mineral reserves from business combination which are directly related to the mining exploitation activities is depreciated over its mineral reserve on a unit-of-production basis. Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Group's mining properties.

*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:

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▪ mining properties	15 - 20 years
▪ buildings and structures	4 - 30 years
▪ leasehold improvements	3 - 5 years
▪ office equipment	3 - 10 years

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- machinery and equipment            3 - 25 years
- motor vehicles                        3 - 10 years

**(h) Finance lease tangible fixed assets**

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

Depreciation on finance leased assets is computed on a straight-line basis over the estimated useful lives of items of the leased assets which is 5 years.

**(i) Intangible fixed assets**

**(i) Land use rights**

Land use rights comprise:

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

Land use rights are stated at cost less accumulated amortization. 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. Amortization is computed on a straight-line basis over their useful lives ranging from 19 to 50 years.

**(ii) Software**

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

**(iii) Brand name**

Cost of acquisition of brand name is capitalized and treated as an intangible asset.

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



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**(iv) Customer relationships**

Customer relationships that are acquired by the Group on the acquisition of subsidiary is capitalized and presented as an intangible asset.

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

**(v) Mineral water resources**

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

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. The fair value of mineral water resources are amortized on a straight line basis over their useful lives ranging from 10 to 37 years.

**(vi) Mining rights**

The mining rights is calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree 203/2013/ND/CP dated 28 November 2013 which became effective from 20 January 2014. Cost of mining rights are stated at an amount equal to the present value of mining rights fee and is capitalized and treated as an intangible asset. Amortization of mining rights fees is computed on a straight-line basis over the period of the economic life of the mine reserves.

In accordance with Decree 158/2016/ND-CP dated 29 November 2016 (“Decree 158/2016”) which became effective from 15 January 2017, mining rights is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights which is defined under the prices to calculate the resource royalty in accordance with the law on resource royalty at the time of determining the charge for granting mining rights. The Ministry of Natural Resources and Environment (“MONRE”) provided guidelines for the conversion method to determine the charge for granting mining rights in circular 38/2017/TT-BTNMT dated 16 October 2017 in accordance with Decree 158/2016. However, up to date, there are no valid price of resource royalty applicable to specific polymetallic ore resource of the Company’s subsidiary, hence no basis for reliable estimates to be made.

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**(vii) Technology**

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

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

**(viii) Mineral water resources exploitation rights**

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

**(j) Construction in progress**

Construction in progress represents the 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 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.

**(k) Long-term prepayments**

**(i) Mining properties**

In accordance with the letter No. 12727/BTC-TCDN dated 14 September 2015 from the Ministry of Finance which provides guidance that mining related costs could be recognized as long-term prepaid expenses 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’).



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*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 capitalized as part of the cost of mine under construction. All capitalized development stripping included in assets under construction is transferred to mining properties.

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 the inventory produced and the production stripping asset with reference to the average life of mine strip ratio.

The average life of mine strip ratio represents the ratio of the estimated total volume of waste, to the estimated total quantity of economically recoverable ore, over the life of the mine. These costs are capitalized to the production stripping assets where the current period actual stripping ratio is higher than the average life of mine strip ratio.

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

**(ii) *Pre-operating expenses***

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

**(iii) *Prepaid land costs***

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets, and other costs incurred in conjunction with securing the use of leased land. These costs are recognized in the consolidated statement of income on a straight-line basis over the term of the lease from 42 to 50 years.

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**(iv) Land compensation cost**

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

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

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

Tools and instruments include assets held for use by the Company 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 Circular 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance which provides guidance on management, use and depreciation of fixed assets. Cost of tools and instruments are amortized on a straight-line basis not more than 3 years.

**(vi) 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).

**(I) 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.



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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 recognized 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**

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

**(ii) Mine rehabilitation**

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

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

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

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**(iii) Severance allowance**

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more (“eligible employees”) voluntarily terminates their labour contracts, the employer is required to pay the eligible employees severance allowance calculated based on years of service and employees’ compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the 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.

**(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.

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 balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset 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.

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**(q) Equity**

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



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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.

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

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

**(r) Revenue**

***Goods sold***

Revenue from the sale of goods is recognized in the 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.

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

**(i) Financial income**

Financial income comprises interest income from deposits, loans, dividend income, gains from disposal investments and foreign exchange gains. Interest income is recognized on a time proportion basis with reference to the principal outstanding and the applicable interest rate.



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**(ii) Financial expenses**

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

**(t) Operating lease payments**

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

**(u) Earnings per share**

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

**(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 format for segment reporting is based on business segments.

**(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.

Related companies refer to the investors and their subsidiaries and associates.

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

##### **Business segments**

The Group has three (3) 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:

- Food and beverage
- MEATLife: breeding swine, meat processing, animal protein and food manufacturing; and retailing
- Mining and processing
- Others: financial and other services

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**(a) Business segments**

	Food and beverage		ME.ATLife		Mining and Processing		Others		Total	
	From 1/1/2019 to 30/9/2019 VND million	From 1/1/2018 to 30/9/2018 VND million	From 1/1/2019 to 30/9/2019 VND million	From 1/1/2018 to 30/9/2018 VND million	From 1/1/2019 to 30/9/2019 VND million	From 1/1/2018 to 30/9/2018 VND million	From 1/1/2019 to 30/9/2019 VND million	From 1/1/2018 to 30/9/2018 VND million	From 1/1/2019 to 30/9/2019 VND million	From 1/1/2018 to 30/9/2018 VND million
Segment revenue	12,589,395	11,907,010	10,103,730	10,034,825	3,685,275	4,687,900	-	-	26,378,400	26,629,735
Segment gross margin	5,136,570	5,257,470	1,711,036	1,534,231	714,256	1,551,201	-	-	7,561,862	8,342,902
Segment results	1,904,737	2,027,231	299,095	173,033	680,106	525,631	1,514,340	1,410,685	4,398,278	4,136,580
Net unallocated income/(expenses)									218,171	199,535
Net profit									4,616,449	4,336,115





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**(b) Geographical segments**

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

	Overseas		Domestic		Total	
	From	From	From	From	From	From
	1/1/2019 to 30/9/2019	1/1/2018 to 30/9/2018	1/1/2019 to 30/9/2019	1/1/2018 to 30/9/2018	1/1/2019 to 30/9/2019	1/1/2018 to 30/9/2018
	VND million	VND million	VND million	VND million	VND million	VND million
Net revenue	3,901,227	4,709,825	22,477,173	21,919,910	26,378,400	26,629,735

**5. Cash and cash equivalents**

	30/9/2019 VND million	1/1/2019 VND million
Cash on hand	2,481	9,135
Cash in bank	391,153	502,722
Cash in transit	242	1,740
Cash equivalents	6,965,500	4,072,292
	7,359,376	4,585,889

**6. Accounts receivable**

**Other receivables comprised:**

	30/9/2019 VND million	1/1/2019 VND million
Accrued interest receivable	25,693	34,874
Advances	4,040	2,548
Services receivable	-	142,244
Others (*)	1,918,064	108,397
	1,947,797	288,063

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	<b>30/9/2019</b> VND million	<b>1/1/2019</b> VND million
<b>Other long-term receivables</b>		
Long-term deposit	104,740	73,370
Other (**)	1,250,000	1,303,754
	1,354,740	1,377,124

(\*) As at 30 September 2019, the Company transferred to bond agent VND1,500 billion principal and VND68,625 million interest to settle bond payment to bondholders due on 2 October 2019.

(\*\*) Other represents mainly receivables from the State Treasury for the land compensation cost of the Nui Phao Mining Project at Ha Thuong Commune, Dai Tu District, Thai Nguyen Province. The amount can be net off against the annual land rental fee.

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

	<b>From 1/1/2019</b> <b>to 30/9/2019</b> VND million	<b>From 1/1/2018</b> <b>to 30/9/2018</b> VND million
Opening balance	106,135	116,647
Increase in allowance during the period	13,781	6,929
Allowance utilised during the period	(5,926)	(6,856)
Allowance written back during the period	(1,808)	(9,397)
	112,182	107,323



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**7. Inventories**

	<b>30/9/2019</b>	<b>1/1/2019</b>
	VND million	VND million
Goods in transit	248,546	402,381
Raw materials	1,626,119	1,528,618
Tools and supplies	736,225	719,031
Work in progress	395,613	286,469
Finished goods	2,177,632	1,419,285
Merchandise inventories	777,781	22,566
Goods on consignment	94,835	11,239
	<hr/>	<hr/>
	6,056,751	4,389,589
Allowance for inventories	(53,881)	(56,398)
	<hr/>	<hr/>
	6,002,870	4,333,191
	<hr/>	<hr/>

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

	<b>From 1/1/2019</b>	<b>From 1/1/2018</b>
	<b>to 30/9/2019</b>	<b>to 30/9/2018</b>
	VND million	VND million
Opening balance	56,398	14,455
Increase in allowance during the period	35,998	23,340
Allowance utilised during the period	(32,650)	(24,128)
Allowance written back during the period	(5,865)	(2,581)
	<hr/>	<hr/>
Closing balance	53,881	11,086
	<hr/>	<hr/>

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**8. Tangible fixed assets**

	Buildings and structures	Mining Properties	Leasehold improvements	Office equipment	Machinery and equipment	Motor vehicles	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million
<b>Cost</b>							
Opening balance	8,402,718	5,026,292	90,493	148,333	18,140,112	98,708	31,906,656
Additions	35,742	69,634	-	2,015	18,750	3,644	129,785
Transfers from construction in progress	254,901	-	-	20,106	400,544	1,721	677,272
Transfers to long-term prepayments	(88)	-	-	(63)	(361)	(58)	(570)
Disposals/written-off	(27,637)	-	(3,182)	(1,504)	(61,981)	(13,211)	(107,515)
Assets adjustment based on arbitration settlement	(129,799)	-	-	-	(1,075,033)	-	(1,204,832)
Reclassifications	158	-	-	-	(158)	-	-
Closing balance	8,535,995	5,095,926	87,311	168,887	17,421,873	90,804	31,400,796
<b>Accumulated depreciation</b>							
Opening balance	1,525,182	921,462	58,972	93,517	5,461,186	48,130	8,108,449
Charge for the period	373,693	153,411	9,723	12,270	1,003,038	13,523	1,565,658
Transfers to long-term prepayments	(88)	-	-	(63)	(196)	(1)	(348)
Disposals/written-off	(14,911)	-	(3,181)	(1,468)	(50,033)	(12,450)	(82,043)
Closing balance	1,883,876	1,074,873	65,514	104,256	6,413,995	49,202	9,591,716
<b>Net book value</b>							
Opening balance	6,877,536	4,104,830	31,521	54,816	12,678,926	50,578	23,798,207
Closing balance	6,652,119	4,021,053	21,797	64,631	11,007,878	41,602	21,809,080

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**9. Intangible fixed assets**

	Land use rights	Software	Brand	Customer	Mineral water	Mining rights	Technology	Exploitation	Total
	VND million	VND million	name VND million	relationships VND million	resources VND million	VND million	VND million	rights VND million	VND million
<b>Cost</b>									
Opening balance	332,769	450,578	2,413,459	3,074,214	412,698	588,373	669,433	74,274	8,015,798
Additions	-	-	1,000	-	-	-	-	613	1,613
Transfers from construction in progress	-	8,698	-	-	-	-	-	-	8,698
Other decrease	-	-	-	-	-	-	-	(2,764)	(2,764)
Closing balance	332,769	459,276	2,414,459	3,074,214	412,698	588,373	669,433	72,123	8,023,345
<b>Accumulated amortization</b>									
Opening balance	56,074	207,542	762,690	858,626	73,398	127,569	506,526	17,816	2,610,241
Amortization for the period	7,541	41,737	113,567	107,878	16,450	22,914	103,607	2,614	416,308
Other decrease	-	-	-	-	-	-	-	(576)	(576)
Closing balance	63,615	249,279	876,257	966,504	89,848	150,483	610,133	19,854	3,025,973
<b>Net book value</b>									
Opening balance	276,695	243,036	1,650,769	2,215,588	339,300	460,804	162,907	56,458	5,405,557
Closing balance	269,154	209,997	1,538,202	2,107,710	322,850	437,890	59,300	52,269	4,997,372



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**10. Construction in progress**

	<b>From 1/1/2019 to 30/9/2019</b>	<b>From 1/1/2018 to 31/12/2018</b>
	VND million	VND million
Opening balance	2,171,342	1,838,001
Addition during the period	2,742,638	2,396,998
Transfers to tangible fixed assets	(677,272)	(2,031,131)
Transfers to intangible fixed assets	(8,698)	(2,456)
Transfers to long-term prepayments	(44,950)	(29,279)
Written off	(346)	(791)
	<hr/>	<hr/>
Closing balance	4,182,714	2,171,342
	<hr/>	<hr/>

**11. Investments**

	<b>30/9/2019</b>	<b>1/1/2019</b>
	VND million	VND million
<b>Long-term financial investments</b>		
Investment in associates (a)	16,842,425	15,328,811
Investments in other entities (c)	21,646	21,646
Held-to-maturity investments (d)	5,900	5,900
Allowance for diminution in the value of long-term investments	(8,442)	(8,442)
	<hr/>	<hr/>
	16,861,529	15,347,915
	<hr/>	<hr/>
<b>Short-term financial investments</b>		
Trading securities (e)	141,530	-
Held-to-maturity investment – short-term (b)	262,420	375,848
	<hr/>	<hr/>
	403,950	375,848
	<hr/>	<hr/>



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

	Techcombank VND million	Cholimex VND million	Thuan Phat VND million	Abattoir VND million	DN Manu VND million	Vissan VND million	Total VND million
Opening balance	12,918,583	249,392	7,893	6,752	10,701	2,135,490	15,328,811
Share in post-acquisition profit/(loss) of associates during the period	1,514,340	7,978	(2,143)	391	1,526	10,090	1,532,182
Dividends	-	(7,978)	-	(500)	-	(10,090)	(18,568)
Closing balance	14,432,923	249,392	5,750	6,643	12,227	2,135,490	16,842,425

(\*) The Group's percentage of equity over charter capital of Techcombank was 20.0% (1/1/2018: 20.0%).

As of 30 September 2019 and 1 January 2019, the Group has 20% direct equity holding and 1.5% economic interest that is subject to a forward sale agreement.

(\*\*) MSC holds 32.8% equity interest in Cholimex.

(\*\*\*) Proconco holds 25.0% equity interest in Thuan Phat, 25.0% equity interest in Abattoir and 21.3% equity interest in DN Manu.

(\*\*\*\*) ANCO holds 24.9% equity interest in Vissan.

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

**(b) Short-term financial investments**

Short-term financial investments includes 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 and interest bearing financial investments.



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**(c) Equity investments in other entity**

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

	30/9/2019		1/1/2019		Allowance for diminution in value VND million
	% of equity owned	% of voting rights	% of equity owned	% of voting rights	
PTSC Dinh Vu Port Company	5.4%	5.4%	5.4%	5.4%	21,646 (8,442)
					21,646 (8,442)

**(d) Long-term held-to-maturity investments**

Long-term held-to-maturity investments includes term deposits in VND in banks with the remaining term of more than 12 months from balance sheet dates.

**(e) Trading securities**

	30/9/2019		1/1/2019		Allowance for diminution in value VND million
	Quantity	Cost VND million	Quantity	Cost VND million	
Bonds investment	14,153	141,530 (*)	-	- (*)	-

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(\*) The Company has not determined the fair value of the trading securities for disclosure in the separate financial statements because information about their market prices are not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair value of the trading securities may differ from their carrying amounts.

**12. Long-term prepayments**

	Mining properties	Prepaid land costs	Land compensation costs	Printing axles, tools and supplies	Goodwill from equitization	Swine breeders	Others	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Opening balance	1,428,326	458,075	1,031,623	65,095	21,941	57,697	101,293	3,164,050
Additions	131,460	3,619	-	25,951	-	51,252	59,803	272,085
Transfer from long-term receivables	-	-	49,061	-	-	-	-	49,061
Transfers from tangible fixed assets	-	-	-	193	-	-	29	222
Transfer from construction in progress	-	3,872	-	34,695	-	-	6,383	44,950
Transfers (to)/from short-term prepayment	-	-	-	(378)	-	-	588	210
Amortization for the period	(72,683)	(8,203)	(55,746)	(40,689)	(2,351)	(21,075)	(22,055)	(222,802)
Foreign exchange translation	-	-	-	47	-	-	-	47
Disposals/written off	-	-	-	(669)	-	(10,761)	-	(11,430)
Reclassifications	-	(377)	-	(2)	-	-	379	-
Closing balance	1,487,103	456,986	1,024,938	84,243	19,590	77,113	146,420	3,296,393

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**13. Goodwill**

	<b>30/9/2019</b> VND million
<b>Cost</b>	
Opening balance/closing balance	1,115,851
<b>Accumulated amortization</b>	
Opening balance	596,312
Amortization for the period	84,361
Closing balance	680,673
<b>Net book value</b>	
Opening balance	519,539
Closing balance	435,178

**14. Taxes payable to State Treasury**

	<b>30/9/2019</b> VND million	<b>1/1/2019</b> VND million
Corporate income tax	397,834	272,640
Value added tax	77,506	92,151
Personal income tax	72,112	49,272
Special consumption tax	16,522	12,206
Other taxes	3,147	3,592
	567,121	429,861

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**15. Accrued expenses**

	<b>30/9/2019</b>	<b>1/1/2019</b>
	VND million	VND million
Accrued interest expense	328,705	423,557
Advertising and promotion expenses	445,437	699,938
Sales discount	302,873	400,892
Transportation expenses	127,993	121,386
Accruals for inventories purchased	206,822	87,051
Accrual for construction work	93,273	110,873
Consultant fee	13,924	10,754
Bonus and 13 <sup>th</sup> month salary	289,735	420,873
Exhibition and market research expenses	41,359	57,612
Natural resources taxes and fees	59,204	10,034
Others	433,122	448,080
	<hr/> 2,342,447	<hr/> 2,791,050

**16. Other payables**

	<b>30/9/2019</b>	<b>1/1/2019</b>
	VND million	VND million
<b>Other short-term payables</b>		
Trade union fees, social and health insurance	19,177	11,927
Short-term deposits from customers	3,800	4,897
Dividend payables	5,263	29,123
Others	266,093	250,466
	<hr/> 294,333	<hr/> 296,413
<b>Other long-term payables</b>		
Long-term payables	23,319	2,002
Long-term deposits	5,467	21,802
	<hr/> 28,786	<hr/> 23,804



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**17. Short-term borrowings and finance lease liabilities**

	<b>30/9/2019</b> VND million	<b>1/1/2019</b> VND million
Short-term borrowings	8,586,773	6,132,408
Current portion of long-term borrowings (*) (Note 18)	6,593,636	3,111,371
	15,180,409	9,243,779

(\*) On 2 October 2019, the Company completed payment to bondholders VND1,500 billion principal and VND68,625 million interest.

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

	<b>30/9/2019</b> VND million	<b>1/1/2019</b> VND million
Bank borrowings:		
VND denominated	6,930,211	4,473,648
USD denominated	1,656,562	1,658,760
	8,586,773	6,132,408

**18. Long-term borrowings and finance lease liabilities**

	<b>30/9/2019</b> VND million	<b>1/1/2019</b> VND million
Long-term borrowings (a)	1,559,387	841,621
Secured bonds	15,332,701	15,021,399
	16,892,088	15,863,020
Repayable within twelve months (Note 17)	(6,593,636)	(3,111,371)
Repayable after twelve months	10,298,452	12,751,649

**(a) Long-term borrowings**

	<b>30/9/2019</b> VND million	<b>1/1/2019</b> VND million
Bank borrowings:		
VND denominated	1,559,387	841,621

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19. Changes in owners' equity

	Share capital VND million	Capital surplus VND million	Other capital VND million	Treasury shares VND million	Foreign exchange differences VND million	Undistributed profits 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 2018</b>	11,573,740	6,855,539	(9,426,958)	(6,518,087)	2,431	12,350,048	14,836,713	5,388,482	20,225,195
Net profit for the period	-	-	-	-	-	4,916,497	4,916,497	705,008	5,621,505
Issuance of new shares	57,755	(50)	-	-	-	-	57,705	-	57,705
Sales of treasury shares	-	4,228,928	-	6,518,087	-	-	10,747,015	-	10,747,015
Currency translation differences	-	-	-	-	1,971	-	1,971	476	2,447
Transaction with non-controlling interest in subsidiaries	-	-	-	-	-	(1,073,157)	(1,073,157)	(726,935)	(1,800,092)
Dividend declared by subsidiaries	-	-	-	-	-	-	-	(774,097)	(774,097)
<b>Balance at 31 December 2018</b>	11,631,495	11,084,417	(9,426,958)	-	4,402	16,193,388	29,486,744	4,592,934	34,079,678

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	Share capital VND million	Capital surplus VND million	Other capital 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 2019</b>	11,631,495	11,084,417	(9,426,958)	4,402	16,193,388	29,486,744	4,592,934	34,079,678
Net profit for the period	-	-	-	-	4,109,588	4,109,588	506,861	4,616,449
Issuance of new shares	57,969	(60)	-	-	-	57,909	-	57,909
Currency translation differences	-	-	-	3,050	-	3,050	735	3,785
Transaction with non- controlling interest in subsidiaries	-	-	-	-	(10,933)	(10,933)	135,512	124,579
Dividend declared by subsidiaries	-	-	-	-	-	-	(366,286)	(366,286)
<b>Balance at 30 September 2019</b>	11,689,464	11,084,357	(9,426,958)	7,452	20,292,043	33,646,358	4,869,756	38,516,114

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**20. Share capital and capital surplus**

The Company's authorised and issued share capital comprises:

	30/9/2019		1/1/2019	
	Number of shares	VND million	Number of shares	VND million
<b>Authorised share capital</b>	1,168,946,447	11,689,464	1,163,149,548	11,631,495
<b>Issued share capital</b>				
Ordinary shares	1,168,946,447	11,689,464	1,163,149,548	11,631,495
<b>Shares in circulation</b>				
Ordinary shares	1,168,946,447	11,689,464	1,163,149,548	11,631,495
Capital surplus	-	11,084,357	-	11,084,417

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

On 2 October 2018 (the "Closing Date"), the Company successfully reissued 109,899,932 treasury shares to SK Investment Vina I Pte.Ltd ("SK Group") at VND100,000 per share with a total consideration of approximately VND11 trillion. The Company also provided the option to SK Group to require the Company or a party nominated by the Company to acquire all treasury shares sold to SK Group from the fifth year to the sixth year after the Closing Date at price VND100,000 per share (to be adjusted accordingly for any share split, share bonus, sub-division, reverse share split, consolidation or similar transaction) in the event that SK Group in its absolute discretion determines that the Company and SK Group fail to materialize the value creation and synergies from this partnership or disagree on the strategic directions of the Company. This option will lapse if SK Group sells any of treasury shares unless agreed otherwise between the Company and SK Group.

Movements in share capital during the period were as follows:

	From 1/1/2019 to 30/9/2019		From 1/1/2018 to 31/12/2018	
	Number of shares	Par value VND million	Number of shares	Par value VND million
Balance at beginning of the period	1,163,149,548	11,631,495	1,157,373,974	11,573,740
Issuance of new shares	5,796,899	57,969	5,775,574	57,755
Balance at the end of the period	1,168,946,447	11,689,464	1,163,149,548	11,631,495



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**21. 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.

**22. Total revenue**

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

Net sales comprised:

	<b>From 1/1/2019 to 30/9/2019</b>	<b>From 1/1/2018 to 30/9/2018</b>
	VND million	VND million
Total revenue		
▪ Sales of finished goods	27,422,794	27,489,511
Less sales deductions		
▪ Sales discounts	1,007,552	832,707
▪ Sales returns	36,842	27,069
Net sales	26,378,400	26,629,735

**23. Cost of sales**

	<b>From 1/1/2019 to 30/9/2019</b>	<b>From 1/1/2018 to 30/9/2018</b>
	VND million	VND million
Total cost of sales		
▪ Finished goods sold	18,786,405	18,266,074
▪ Allowance for inventories	30,133	20,759
	18,816,538	18,286,833

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**24. Financial income**

	<b>From 1/1/2019 to 30/9/2019 VND million</b>	<b>From 1/1/2018 to 30/9/2018 VND million</b>
Interest income from:		
▪ Deposits	170,269	197,725
▪ Other investing activities	42,609	3,073
Foreign exchange gains	98,941	40,225
Other financial income	638,411	1,517,873
	950,230	1,758,896

**25. Financial expenses**

	<b>From 1/1/2019 to 30/9/2019 VND million</b>	<b>From 1/1/2018 to 30/9/2018 VND million</b>
Interest expenses on loans/bonds from:		
▪ Banks	344,331	251,052
▪ Bondholders and others	1,052,866	1,877,257
Issuance fees	110,760	129,227
Foreign exchange losses	74,959	81,604
Other financial expenses	97,773	73,691
	1,680,689	2,412,831

**26. Share of profit in associates**

	<b>From 1/1/2019 to 30/9/2019 VND million</b>	<b>From 1/1/2018 to 30/9/2018 VND million</b>
Share of profit in associates	1,532,182	1,429,857

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**27. Other income**

	<b>From 1/1/2019 to 30/9/2019</b>	<b>From 1/1/2018 to 30/9/2018</b>
	VND million	VND million
Gain on disposal of fixed assets and long-term assets	1,874	5,509
Others	1,220,301	10,905
	<hr/>	<hr/>
	1,222,175	16,414
	<hr/>	<hr/>

**28. Other expenses**

	<b>From 1/1/2019 to 30/9/2019</b>	<b>From 1/1/2018 to 30/9/2018</b>
	VND million	VND million
Loss from disposal of fixed assets and long-term assets	18,368	15,678
Others	203,206	22,584
	<hr/>	<hr/>
	221,574	38,262
	<hr/>	<hr/>

**29. Earnings per share**

The calculation of basic earnings per share at 30 September 2019 was based on the profit attributable to ordinary shareholders of VND4,109,588 million (30/9/2018: VND3,778,991 million ) of the Group and a weighted average number of ordinary shares outstanding of 1,163,341,710 shares during the period (30/9/2018: 1,049,547,325 shares), calculated as follows:

*(i) Net profit attributable to ordinary shareholders*

	<b>From 1/1/2019 to 30/9/2019</b>	<b>From 1/1/2018 to 30/9/2018</b>
	VND million	VND million
Net profit attributable to ordinary shareholders	4,109,588	3,778,991
	<hr/>	<hr/>

**Masan Group Corporation and its subsidiaries**  
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**(ii) Weighted average number of ordinary shares**

	<b>From 1/1/2019 to 30/9/2019</b>	<b>From 1/1/2018 to 30/9/2018</b>
Issued ordinary shares at the beginning of the period	1,163,149,548	1,047,474,042
Effect of shares issued for cash	192,162	2,073,283
Weighted average number of ordinary shares at the end of the period	1,163,341,710	1,049,547,325

**30. Significant transactions with related parties**

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

<b>Related Party</b>	<b>Nature of transaction</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>	<b>From 1/1/2018 to 30/9/2018 VND million</b>
<b>Associate</b>			
Techcombank and its subsidiaries	Loans and bonds received	3,009,002	3,365,547
	Loans and bonds paid	1,147,207	2,240,822
	Interest expenses on loans/bonds received	69,795	106,527
<b>Key management personnel</b>	Remuneration to Board of Management (*)	127,452	119,814

As at and for the period ended 30 September 2019 and 30 September 2018, the Group have current, term deposit accounts and agency fee at Techcombank and its subsidiaries at normal trading terms.

(\*) *No board fees were paid to Board of Directors members in the period ended 30 September 2019 and 30 September 2018.*



### 31. Other disclosure

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

In addition to the Partial Final Award, the Arbitral Tribunal also had claims before it in relation to interest and cost. In August 2019, NPM and Jacobs settled the international arbitration case and Jacobs completed its payment obligation of USD130 million to NPM in September 2019. As a part of the settlement, Nui Phao has unconditionally waived its right to the Partial Final Award and all claims and actions in relation to the international arbitration case.

A part of this settled amount corresponding additional construction and cectification costs caused by Jacob has been recognized as a reduction in the cost of NPM relating fixed assets.

### 32. Explanation of the net profit movement

The Group net profit after tax (“NPAT”) during 3Q2019 was VND2,425 billion compared to VND918 billion during similar period last year. The main reasons were:

- Lower financial expense from paying down approximately VND12,500 billion in debt at the end of 2018.
- Income related to the settlement of international Arbitration Case of NPM.

Prepared by:



Doan Thi My Duyen  
Chief Accountant

30 October 2019

Approved by:



Michael Hung Nguyen  
Deputy Chief Executive Officer  
Chief Financial Officer

Dr. Nguyen Dang Quang  
Chairman  
Chief Executive Officer