

**Masan Group Corporation
and its subsidiaries**

Quarterly financial statements for the
period ended 30 September 2015

**Masan Group Corporation
Corporate Information**

Business Registration Certificate No

0303576603

6 August 2015

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 6 August 2015. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The initial Business Registration Certificate No. 4103002877 was dated 18 November 2004.

Board of Directors

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

Registered Office

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

Masan Group Corporation and its subsidiaries
Balance sheets as at 30 September 2015

Form B 01a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	<u>Group</u>		<u>Company</u>	
			30/9/2015 VND million	1/1/2015 VND million Reclassified	30/9/2015 VND million	1/1/2015 VND million Reclassified
ASSETS						
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		17,607,864	16,428,327	1,747,172	7,247,661
Cash and cash equivalents	110	4	7,332,367	5,166,415	1,294,400	517,251
Cash	111		894,519	302,970	9,910	9,901
Cash equivalents	112		6,437,848	4,863,445	1,284,490	507,350
Short-term financial investments	120	11	1,591,406	4,042,212	66,956	239,614
Held to maturity investments	123		1,591,406	4,042,212	66,956	239,614
Accounts receivable	130	5	3,691,963	5,227,550	311,982	6,420,798
Accounts receivable	131		1,745,455	4,346,998	19,455	3,072,190
Prepayments to suppliers	132		1,278,892	341,231	134,663	134,636
Receivables on short-term lending loans	135		-	-	-	2,172,320
Other receivables	136		693,162	527,770	157,864	1,041,652
Allowance for doubtful debts	137		(26,492)	(2,064)	-	-
Shortage of assets awaiting for resolution	139		946	13,615	-	-
Inventories	140	6	4,480,974	1,604,854	-	-
Inventories	141		4,502,436	1,627,172	-	-
Allowance for inventories	149		(21,462)	(22,318)	-	-
Other current assets	150		511,154	387,296	73,834	69,998
Short-term prepayments	151		84,700	70,227	2,355	396
Deductible value added tax	152		406,678	295,726	52,247	50,380
Taxes and other receivables from State Treasury	153		19,776	21,343	19,232	19,222

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

Masan Group Corporation and its subsidiaries
Balance sheets as at 30 September 2015 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	<u>Group</u>		<u>Company</u>	
			30/9/2015 VND million	1/1/2015 VND million Reclassified	30/9/2015 VND million	1/1/2015 VND million Reclassified
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		51,482,557	36,536,773	21,469,973	17,399,699
Accounts receivable – long-term	210	5	8,681,837	1,447,633	6,945,384	5,025,630
Receivables on long-term lending loans	215		7,029,614	-	3,959,874	2,283,927
Other long-term receivables	216		1,652,223	1,447,633	2,985,510	2,741,703
Fixed assets	220		24,910,962	20,253,476	5,075	9,443
Tangible fixed assets	221	7	18,507,647	18,409,913	3,632	7,172
Cost	222		20,807,721	19,887,100	20,888	20,759
Accumulated depreciation	223		(2,300,074)	(1,477,187)	(17,256)	(13,587)
Finance lease tangible fixed assets	224	8	34,772	44,867	-	-
Cost	225		67,300	67,300	-	-
Accumulated depreciation	226		(32,528)	(22,433)	-	-
Intangible fixed assets	227	9	6,368,543	1,798,696	1,443	2,271
Cost	228		7,135,309	2,262,894	4,532	4,532
Accumulated amortisation	229		(766,766)	(464,198)	(3,089)	(2,261)
Long-term assets in progress	240	10	5,749,881	3,811,051	-	-
Construction in progress	242		5,749,881	3,811,051	-	-
Long-term financial investments	250	11	9,024,626	8,745,176	14,515,029	12,322,338
Investments in subsidiaries	251		-	-	5,582,605	3,389,914
Investments in associates	252		9,003,892	8,601,126	8,932,424	8,932,424
Investments in other entities	253		21,646	-	-	-
Allowance for diminution in the value of long-term investments	254		(912)	-	-	-
Held to maturity investments	255		-	144,050	-	-
Other long-term assets	260		3,115,251	2,279,437	4,485	42,288
Long-term prepayments	261	12	1,843,455	1,369,592	4,485	42,288
Deferred tax assets	262		206,831	117,491	-	-
Goodwill	269	13	1,064,965	792,354	-	-
TOTAL ASSETS (270 = 100 + 200)	270		69,090,421	52,965,100	23,217,145	24,647,360

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

Masan Group Corporation and its subsidiaries
Balance sheets as at 30 September 2015 (continued)

Form B 01a – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Group		Company	
			30/9/2015 VND million	1/1/2015 VND million	30/9/2015 VND million	1/1/2015 VND million
			Reclassified		Reclassified	
RESOURCES						
LIABILITIES (300 = 310 + 330)	300		43,679,048	31,039,961	6,088,120	7,116,242
Current liabilities	310		13,139,227	11,796,756	777,273	2,341,101
Accounts payable	311		1,990,746	999,340	390	1,451
Advances from customers	312		215,675	35,786	-	-
Taxes payable to State Treasury	313	14	386,294	962,550	-	1,127
Payables to employees	314		207,538	258	-	-
Accrued expenses	315	15	2,612,704	1,862,531	120,229	215,239
Other payables	319	16	273,794	1,866,738	88,694	1,555,324
Short-term borrowings and finance lease liabilities	320	17	7,417,989	6,042,278	567,960	567,960
Bonus and welfare funds	322		34,487	27,275	-	-
Long-term borrowings and liabilities	330		30,539,821	19,243,205	5,310,847	4,775,141
Long-term account payables	331		66,663	-	-	-
Other long-term payables	337	16	54,385	177,901	-	75,141
Long-term borrowings and finance lease liabilities	338	18	28,009,786	17,521,970	5,310,847	4,700,000
Deferred tax liabilities	341		1,572,687	932,787	-	-
Provisions – long-term	342		836,300	610,547	-	-
EQUITY (400 = 410)	400		25,411,373	21,925,139	17,129,025	17,531,118
Owners' equity	410	19	25,411,373	21,925,139	17,129,025	17,531,118
Share capital	411	20	7,467,179	7,358,081	7,467,179	7,358,081
Capital surplus	412	20	9,631,106	9,631,164	9,631,106	9,631,164
Other capital	414	21	(9,045,049)	(9,045,049)	(1,488,972)	(1,488,972)
Undistributed profits after tax	421		7,643,148	7,071,887	1,519,712	2,030,845
Non-controlling interest	429	19	9,714,989	6,909,056	-	-
TOTAL RESOURCES (440 = 300 + 400)	440		69,090,421	52,965,100	23,217,145	24,647,360

12 November 2015

Prepared by:
by:



Doan Thi My Duyen
Chief Accountant



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Approved



Nguyen Dang Quang
Chairman

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

Masan Group Corporation and its subsidiaries
Statements of income for the period ended 30 September 2015

Form B 02a – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Group

	Code	Note	From 1/7/2015 to 30/9/2015 VND million	From 1/7/2014 to 30/9/2014 VND million Reclassified	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million Reclassified
Total revenue	01	22	8,928,167	4,065,065	19,552,684	11,020,575
Less sales deductions	02	22	213,356	62,296	424,045	166,579
Net sales (10 = 01 – 02)	10	22	8,714,811	4,002,769	19,128,639	10,853,996
Cost of sales	11	23	6,118,824	2,423,302	13,008,393	6,703,439
Gross profit (20 = 10 – 11)	20		2,595,987	1,579,467	6,120,246	4,150,557
Financial income	21	24	348,478	80,324	899,855	352,791
Financial expenses	22	25	818,888	404,682	1,987,928	1,286,445
Share of profit/(loss) in associates	24	26	126,979	(48,552)	378,760	(7,058)
Selling expenses	25		1,096,706	588,093	2,637,845	1,861,336
General and administration expenses	26		445,715	258,302	1,152,424	764,158
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		710,135	360,162	1,620,664	584,351
Other income	31	27	8,787	22,703	32,106	39,751
Other expenses	32	28	36,074	36,997	60,640	41,925
Results of other activities (40 = 31 - 32)	40		(27,287)	(14,294)	(28,534)	(2,174)
Profit before tax (50 = 30 + 40)	50		682,848	345,868	1,592,130	582,177
Income tax expense – current	51		204,128	42,237	501,124	371,725
Income tax (benefit)/expense – deferred	52		(14,526)	70,919	(75,078)	21,762
Net profit (60 = 50 - 51 - 52) (carried forward to next page)	60		493,246	232,712	1,166,084	188,690

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Masan Group Corporation and its subsidiaries
Statements of income for the period ended 30 September 2015 (continued)

Form B 02a – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Group

Code	Note	From	From	From	From
		1/7/2015 to 30/9/2015 VND million	1/7/2014 to 30/9/2014 VND million Reclassified	1/1/2015 to 30/9/2015 VND million	1/1/2014 to 30/9/2014 VND million Reclassified
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Net profit (60 = 50 - 51 - 52) (brought forward from previous page)	60	493,246	232,712	1,166,084	188,690
Attributable to:					
Equity holders of the Company	61	220,542	28,024	584,368	(305,306)
Non-controlling interest	62	272,704	204,688	581,716	493,996
Earnings/(loss) per share					
Basic earnings/(loss) per share	70 29	294	38	779	(409)

12 November 2015

Prepared by:
by:



Doan Thi My Duyen
Chief Accountant

Approved




Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Nguyen Dang Quang
Chairman

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

Masan Group Corporation and its subsidiaries
Statements of income for the period ended 30 September 2015 (continued)

<u>Group</u>	Code	Proforma ⁽¹⁾			
		From 1/7/2015 to 30/9/2015 VND million	From 1/7/2014 to 30/9/2014 VND million Reclassified	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million Reclassified
Total revenue	01	8,928,167	4,065,065	19,552,684	11,020,575
Less sales deductions	02	213,356	62,296	424,045	166,579
Net sales (10 = 01 – 02)	10	8,714,811	4,002,769	19,128,639	10,853,996
Cost of sales	11	6,074,393	2,325,648	12,891,723	6,577,084
Gross profit (20 = 10 – 11)	20	2,640,418	1,677,121	6,236,916	4,276,912
Financial income	21	350,025	80,324	901,402	352,791
Financial expenses	22	818,888	409,485	1,987,928	1,231,763
Share of profit in associates	24	125,432	117,275	377,213	490,422
Selling expenses	25	1,096,706	588,093	2,637,845	1,861,336
General and administration expenses	26	272,880	294,203	773,038	596,341
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30	927,401	582,939	2,116,720	1,430,685
Other income	31	8,787	22,703	32,106	39,751
Other expenses	32	36,074	31,751	60,640	36,679
Results of other activities (40 = 31 - 32)	40	(27,287)	(9,048)	(28,534)	3,072
Profit before tax (50 = 30 + 40)	50	900,114	573,891	2,088,186	1,433,757
Income tax expense – current	51	204,128	42,237	501,124	371,725
Income tax expense/(benefit) – deferred	52	14,063	74,747	(10,296)	47,420
Net profit (60 = 50 - 51 - 52) (carried forward to next page)	60	681,923	456,907	1,597,358	1,014,612

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

Masan Group Corporation and its subsidiaries
Statements of income for the period ended 30 September 2015 (continued)

Group

	Code	Proforma ⁽¹⁾			
		From 1/7/2015 to 30/9/2015 VND million	From 1/7/2014 to 30/9/2014 VND million Reclassified	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million Reclassified
Net profit (60 = 50 - 51 - 52) (brought forward from previous page)	60	681,923	456,907	1,597,358	1,014,612
Attributable to:					
Equity holders of the Company	61	287,312	224,575	901,534	393,450
Non-controlling interest	62	394,611	232,332	695,824	621,162
Earnings per share					
Basic earnings per share	70	383	301	1,201	527

(1) *Proforma numbers, for each of the reporting periods and its respective comparative period, have been computed by reversing impact from the amortization of goodwill, tangible assets and intangible assets as a result of the Group's M&A transactions in the past.*

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Masan Group Corporation and its subsidiaries
Statements of income for the period ended 30 September 2015 (continued)

Form B 02a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Company

	Code	Note	From 1/7/2015 to 30/9/2015 VND million	From 1/7/2014 to 30/9/2014 VND million Reclassified	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million Reclassified
Total revenue	01	22	-	-	-	-
Less sales deductions	02	22	-	-	-	-
Net sales (10 = 01 – 02)	10	22	-	-	-	-
Cost of sales	11	23	-	-	-	-
Gross profit (20 = 10 – 11)	20		-	-	-	-
Financial income	21	24	159,713	158,745	517,271	3,811,286
Financial expenses	22	25	159,546	176,747	470,518	750,397
General and administration expenses	26		144,229	19,797	566,949	89,675
Net operating (loss)/gain {30 = 20 + (21 - 22) - 26}	30		(144,062)	(37,799)	(520,196)	2,971,214
Other income	31	27	1,575	42	9,113	8,421
Other expenses	32	28	-	-	50	1,433
Results of other activities (40 = 31 - 32)	40		1,575	42	9,063	6,988
(Loss)/profit before tax (50 = 30 + 40)	50		(142,487)	(37,757)	(511,133)	2,978,202
Income tax expense – current	51		-	-	-	-
Income tax expense – deferred	52		-	-	-	-
Net (loss)/profit (60 = 50 - 51 - 52)	60		(142,487)	(37,757)	(511,133)	2,978,202

12 November 2015

Prepared by:
by: 
Doan Thi My Duyen
Chief Accountant

Approved: 
Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Approved: 
Nguyen Dang Quang
Chairman


CÔNG TY
CỔ PHẦN
TẬP ĐOÀN
MASAN
QUẬN 1 - TP. HỒ CHÍ MINH

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

Masan Group Corporation and its subsidiaries
Statements of cash flow for the period ended 30 September 2015

Form B 03a – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Code	Note	<u>Group</u>		<u>Company</u>		
		From 1/1/2015 to 30/9/2015	From 1/1/2014 to 30/9/2014	From 1/1/2015 to 30/9/2015	From 1/1/2014 to 30/9/2014	
		VND million	VND million	VND million	VND million	
CASH FLOWS FROM OPERATING ACTIVITIES						
	Profit/(loss) before tax	01	1,592,130	582,177	(511,133)	2,978,202
	Adjustments for					
	Depreciation and amortisation	02	1,301,926	1,101,083	4,497	27,822
	Allowances and provisions	03	98,695	31,435	-	-
	Net unrealised foreign exchange loss/(gain)	04	25,636	32,958	(61)	(676)
	Loss on disposal, write - off of fixed assets and other long-term assets	05	11,730	11,743	-	1,433
	Interest, dividend income and related income from investing activities	05	(829,549)	(314,051)	(515,400)	(3,810,603)
	Interest and facility expense	06	1,479,022	1,086,860	469,185	746,896
	Share of (profit)/loss in associates	07	(378,760)	7,058	-	-
	Operating profit/(loss) before changes in working capital	08	3,300,830	2,539,263	(552,912)	(56,926)
	Change in receivables and other assets	09	(706,018)	(1,163,508)	543,493	(10,430)
	Change in inventories	10	211,831	(709,452)	-	-
	Change in payables and other liabilities	11	860,520	277,984	150,074	(125,435)
	Change in prepayment	12	182,810	-	11,983	-
			3,849,973	944,287	152,638	(192,791)
	Interest paid	13	(1,605,219)	(1,432,767)	(750,460)	(718,688)
	Corporate income tax paid	14	(1,004,738)	(500,026)	-	-
	Other payments for operating activities	16	(10,102)	(55,285)	-	-
	Net cash flows from operating activities	20	1,229,914	(1,043,791)	(597,822)	(911,479)

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

Masan Group Corporation and its subsidiaries
Statements of cash flow for the period ended 30 September 2015 (continued)

Form B 03a – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Code	Note	<u>Group</u>		<u>Company</u>	
		From 1/1/2015 to 30/9/2015	From 1/1/2014 to 30/9/2014	From 1/1/2015 to 30/9/2015	From 1/1/2014 to 30/9/2014
		VND million	VND million	VND million	VND million
CASH FLOWS FROM INVESTING ACTIVITIES					
	21	(3,057,282)	(1,361,350)	(129)	(8,428)
	22	1,960	2,159	-	-
	23	(8,385,000)	(235,799)	(3,196)	(1,778,985)
	23	(26,475,715)	(19,601,972)	(66,956)	(265,780)
	24	1,355,386	-	289,569	606,777
	24	29,648,071	19,982,046	239,614	-
	25	(2,245,595)	(440,447)	(3,694,751)	-
	26	(1,040,193)	57,987	-	-
	26	3,086,943	-	3,035,143	-
	27	869,095	470,774	837,667	557,735
Net cash flows from investing activities	30	(6,242,330)	(1,126,602)	636,961	(888,681)

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Masan Group Corporation and its subsidiaries
Statements of cash flow for the period ended 30 September 2015 (continued)

Form B 03a – DN/HN
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dated 22 December 2014 of the Ministry of Finance)*

Code Note	<u>Group</u>		<u>Company</u>	
	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of new shares	31	109,040	-	109,040
Proceeds from issuance of new shares in subsidiaries to non-controlling interest	31	38,472	119,620	-
Proceeds from short-term and long-term borrowings	33	30,874,488	15,360,631	819,000
Payments to settle debts to banks and other entities	34	(23,148,789)	(14,607,437)	(190,000)
Payment for borrowing fee	34	-	(170,211)	-
Payment of dividends to non-controlling interest by subsidiaries	36	(709,765)	(1,335,151)	-
Net cash flows from financing activities	40	7,163,446	(632,548)	738,040
Net cash flows during the period (50=20 + 30 + 40)	50	2,151,030	(2,802,941)	777,179
Cash and cash equivalents at the beginning of the period	60	5,166,415	5,698,563	517,251
Effect of exchange rate fluctuation on cash and cash equivalents	61	14,922	1,713	(30)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	7,332,367	2,897,335	1,294,400

by:

Prepared by:



Doan Thi My Duyen
Chief Accountant

12 November 2015



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Approved



Nguyen Dang Quang
Chairman

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

Masan Group Corporation and its subsidiaries
Notes to the financial statements for the period ended 30 September 2015

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
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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 an associate.

The principal activities of the subsidiaries are described as follows:

Name	Principal activity	Percentage of economic interests at	
		30/9/2015	1/1/2015
MasanConsumerHoldings Company Limited	Investment holding	100%	100%
Masan Brewery Company Limited	Investment holding	100%	100%
Masan Master Brewer Company Limited (formerly known as LamKa One Member Company Limited)	Beer and beverage trading	100%	100%
Masan Brewery PY One Member Company Limited (formerly known as Phu Yen Beer and Beverage Joint Stock Company)	Beer and beverage manufacturing	100%	99.9%
Masan Brewery HG One Member Company Limited (*)	Beer and beverage trading	100%	-
Masan Brewery Distribution One Member Company Limited (*)	Beer and beverage trading	100%	-
Masan Consumer Corporation (formerly known as Ma San Consumer Corporation)	Trading and distribution	77.8%	78.4%
Masan Food Company Limited	Food Trading	77.8%	78.4%
Masan Industrial One Member Company Limited (formerly known as Ma San Industrial One Member Company Limited)	Food sauce and instant noodle manufacturing	77.8%	78.4%
Viet Tien Food Technology One member Company Limited	Food sauce manufacturing	77.8%	78.4%

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Masan Group Corporation and its subsidiaries
Notes to the financial statements for the period ended 30 September 2015 (continued)

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Name	Principal activity	Percentage of economic interests at	
		30/9/2015	1/1/2015
Masan HD One member Company Limited (formerly known as Ma San HD One Member Company Limited)	Food sauce and instant noodle manufacturing	77.8%	78.4%
Ma San PQ Corporation	Food sauce manufacturing	73.5%	74.0%
VinaCafe Bien Hoa Joint Stock Company	Beverage manufacturing	41.4%	41.7%
Vinh Hao Mineral Water Corporation	Beverage manufacturing	49.7%	50.1%
Kronfa., JSC	Beverage manufacturing	77.8%	50.1%
Masan Beverage Company Limited	Beverage trading and manufacturing	77.8%	78.4%
Masan DN One Member Company Limited	Food sauce, instant noodle manufacturing and beverage manufacturing	77.8%	78.4%
Masan MB One Member Company Limited	Instant noodle and beverage manufacturing	77.8%	78.4%
Masan HG One Member Company Limited (*)	Seasonings, convenience food manufacturing and trading	77.8%	-
Saigon Nutri Food Joint Stock Company (**)	Convenience food manufacturing	77.8%	-
Masan Horizon Corporation (formerly known as Ma San Horizon Corporation)	Investment holding	100%	100%
Ma San Resources Corporation	Investment holding	72.7%	74.1%
Ma San Thai Nguyen Resources Company Limited	Investment holding	72.7%	74.1%
Thai Nguyen Trading and Investment Company Limited	Investment holding	72.7%	74.1%
Nui Phao Mining Company Limited	Exploring and processing mineral	72.7%	74.1%
Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing LLC	Processing mineral	37.1%	37.8%

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Name	Principal activity	Percentage of economic interests at	
		30/9/2015	1/1/2015
Masan Nutri-Science Company Limited (“MNS”) (formerly known as Sam Kim Company Limited) (***)	Investment holding	99.9%	-
Shika Company Limited (“Shika”) (***)	Investment holding	99.9%	-
Kenji Company Limited (“Kenji”) (***)	Investment holding	99.9%	-
Meiji Corporation (“Meiji”) (formerly known as Masan Agri Corporation) (***)	Investment holding	99.9%	-
Agro Nutrition International Joint Stock Company (“Anco”) (***)	Animal protein	70.0%	-
Aqua Nutrition International Joint Venture Co., Ltd (“Anco Vinh Long”) (***)	Animal protein	70.0%	-
Agro Nutrition International Binh Dinh One Member Limited Company (“Anco Binh Dinh”) (***)	Animal protein	70.0%	-
Agro Nutrition International Thai Nguyen Limited Company (“Anco Thai Nguyen”) (***)	Animal protein	70.0%	-
Agro Nutrition International Tien Giang One Member Limited Company (“Anco Tien Giang”) (***)	Animal protein	70.0%	-
Agro Nutrition International Nghe An Company Limited (“Anco Nghe An”) (***)	Animal protein	70.0%	-
Agro Nutrition International Hau Giang One Member Limited Liability Company (“Anco Hau Giang”) (***)	Animal protein	70.0%	-
Vietnamese – French Cattle Feed Joint Stock Company (“Proconco”) (***)	Animal protein	65.8%	-
Proconco Can Tho Co., Ltd. (“Proconco Can Tho”) (***)	Animal protein	65.8%	-
Con Co Binh Dinh Co., Ltd. (“Proconco Binh Dinh”) (***)	Animal protein	65.8%	-
Toan Loi Manufacturing and Trading Company Limited (“Toan Loi”) (***)	Animal protein	65.8%	-

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(*) During the period, these new subsidiaries were completed to establish and indirectly owned by the Group.

(**) On 14 January 2015, the Group completed the acquisition of 99.99% equity interest in Saigon Nutri Food Joint Stock Company (“SNF”) through MSF for a cash consideration of VND200,000 million excluding transactions costs. Such transaction resulted in SNF became a subsidiary indirectly owned by the Group through MSF.

(***) In April 2015, the Company acquired 99.9% equity interest of MNS from other third parties for a consideration of VND2,192,690 million including transaction costs. MNS holds 99.9% equity interest in Kenji, 99.9% equity interest in Shika, 99.9% equity interest in Meiji, 70.0% equity interest in Anco and 52.1% equity interest in Proconco. As a result of this transaction, Kenji, Shika, Meiji, Anco and Proconco became subsidiaries indirectly owned by the Company through MNS.

Anco, a subsidiary, holds 100.0% equity interest in Anco Vinh Long, Anco Binh Dinh, Anco Thai Nguyen, Anco Tien Giang, Anco Hau Giang and Anco Nghe An. As a result of this transaction, Anco Vinh Long, Anco Binh Dinh, Anco Thai Nguyen, Anco Tien Giang, Anco Hau Giang and Anco Nghe An are indirectly owned by the Company through Anco.

Proconco, a subsidiary, holds 100.0% equity interest in Proconco Can Tho, Proconco Binh Dinh and Toan Loi. As a result of this transaction, Proconco Can Tho, Proconco Binh Dinh and Toan Loi are indirectly owned by the Company through Proconco.

In August and September 2015, Proconco repurchased treasury shares from non-controlling interest. As a result of this transaction, economic interests of the Group in Proconco increased from 52.1% to 65.8% as of September.

All the subsidiaries are incorporated in Vietnam.

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

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2. Adoption of new guidance on accounting system

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises (“Circular 200”). Circular 200 replaces previous guidance on Vietnamese Accounting System for enterprises under Decision No. 15/2006-QD/BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009. Circular 200 is effective from 15 February 2015 and applicable for annual accounting periods beginning on or after 1 January 2015.

On the same date of 22 December 2014, the Ministry of Finance also issued Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements (“Circular 202”). Circular 202 replaces previous guidance on preparation and presentation of consolidated financial statements provided in Part XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance. Circular 202 is also effective from 15 February 2015 and applicable for annual accounting periods beginning on or after 1 January 2015.

The Group has adopted the applicable requirements of Circular 200 and Circular 202 effective from 1 January 2015 on a prospective basis. The significant changes to the Group’s accounting policies and the effects on the consolidated financial statements, if any, are disclosed in the following notes to the financial statements.

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 financial statement preparation

(i) General basis of accounting

The financial statements, expressed in Vietnam Dong rounded to the nearest million (“VND million”), have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements.

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

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(ii) Basis of consolidation

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 treated as a deemed distribution to or contribution from shareholders and recorded directly in undistributed profits after tax under equity.

The consolidated income statements, consolidated statements of changes in equity and consolidated cash flow statements 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).

Non-common control business combination

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

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

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

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(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) and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated amortisation on the goodwill. The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) Non-controlling interest

For changes in the Group's ownership interest in a subsidiary that do not result in change in control, the difference between the cost of acquisition or proceeds on disposal of the interest and the proportionate carrying amount of net assets acquired or disposed at the date of exchange is recorded directly in undistributed profits after tax under equity.

(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) Annual accounting period

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

(c) Foreign currency transactions

Transactions in currencies other than VND during the period have been translated into VND at actual rates of exchange ruling at the transaction dates. The actual rates of exchange applied to account for foreign currency transaction are determined as follows:

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- Exchange rate applied to buying or selling foreign currency is the exchange rate stipulated in the currency exchange contract between the Company or its subsidiaries and the bank.
- Exchange rate applied to capital contribution transaction is the foreign currency buying rate at the transaction date quoted by the bank through which the investor transfers funds for the capital contribution.
- Exchange rate applied to recognise accounts receivable from customers, receivables on lending loans and other receivables is the foreign currency buying rate at the transaction date quoted by the bank through which the Company or its subsidiaries receive money from the customer or counterparty.
- Exchange rate applied to recognise accounts payable to suppliers and other payables is the foreign currency selling rate at the transaction date quoted by the bank through which the Company or its subsidiaries intend to make payment for the liability.

For asset acquisitions or expenses that are settled with immediate payment, the exchange rate applied is the foreign currency buying rate at the transaction date quoted by the bank through which the Company or its subsidiaries make payment.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at actual rates of exchange ruling at the balance sheet date. The actual rates of exchange applied to retranslate monetary items denominated in foreign currency at reporting date are determined as follows:

- For monetary assets (cash on hand and receivables): the foreign currency buying rate at the reporting date quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions. Cash at bank and bank deposits are retranslated using the foreign currency buying rate of the bank where the Company or its subsidiaries deposits the money or maintains those bank accounts.
- For monetary liabilities (payables and borrowings): the foreign currency selling rate at reporting date quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions.

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

Prior to 1 January 2015, all foreign exchange differences are recorded in the statement of income, except when they relate to the construction of tangible fixed assets or the translation of foreign currency monetary items during the Company's and/or its subsidiaries' pre-operating stage, in which case they are recorded in the Foreign Exchange Difference Account in equity until the Company or the subsidiaries commence operations. Once the Company or the subsidiaries commence operations and the tangible fixed assets are put into use, the net related foreign exchange gain or loss is transferred to Unearned Revenue Account or Long-term Prepayment Account respectively. The net gain or loss is then amortised on a straight line basis over five years.

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(d) 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.

(e) 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) Investments in subsidiaries and associates

For the purpose of separate financial statements, investments in subsidiaries and associates are initially recognised at cost which includes 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 value 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 recognised.

(iii) Equity investments in other entity

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

(f) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

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(g) 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.

(h) 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. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure have resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure are capitalised as an additional cost of tangible fixed assets.

(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:

▪ buildings and structures	4 - 30 years
▪ leasehold improvements	3 - 5 years
▪ office equipment	3 - 10 years
▪ machinery and equipment	3 - 25 years
▪ motor vehicles	3 - 10 years

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(i) 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.

(j) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

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

(ii) Software

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

(iii) Brand name

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

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

(iv) Customer relationships

Customer relationships that are acquired by the Group on the acquisition of subsidiary is capitalised and presented as an intangible asset. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationship is amortised on a straight line basis ranging from 5 to 15 years.

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(v) Mineral water resources

Mineral water resources that are acquired by the Group on the acquisition of subsidiary is capitalised and presented as an intangible asset. The fair value of mineral water resources acquired in a business combination is determined using the direct comparison 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. The fair value of mineral water resources are amortised on a straight line basis over 10 – 19 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 2013/2013/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 capitalised and treated as an intangible asset. Amortisation of mining rights fees is computed on a straight-line basis over the period of the economic life of the mine reserves.

(vii) Mineral water resources exploitation rights

Mineral water resources exploitation rights are stated at cost less accumulated amortisation. The initial cost of mineral water resources exploitation rights comprises expenditure on obtaining exploitation rights for mineral water resources and any directly attributable costs incurred in conjunction with securing the rights. Amortisation is computed on a straight-line basis over their useful lives ranging from 18 to 30 years.

(k) 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 and installation.

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

(l) Long-term prepayments

(i) Mining properties

Mining properties comprise:

- Capitalised exploration, evaluation and development expenditure (including development stripping); and

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- Capitalised 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 capitalised as part of the cost of mine under construction. All capitalised 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 capitalised 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 amortised over the life of the proven and probable reserves of the relevant components on a systematic basis.

(ii) Pre-operating expenses

Pre-operating expenses are recorded in the statement of income, except for establishment costs and expenditures on training, advertising and promotional activities incurred from the incorporation date to the commercial operation date. These expenses are recognised as long-term prepayments, initially stated at cost, and are amortised 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 and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease from 47 to 50 years.

(iv) Land compensation cost

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

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(v) Printing axles and tools and supplies

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

(vi) Borrowing fees

Loan origination costs are incurred in conjunction with the arrangement of long-term borrowings and are amortised on a straight-line basic over the tenure of the borrowings.

(m) Goodwill

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

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

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

Prior to 1 January 2015, goodwill included in the carrying amount of the investment in associates were amortised on a straight-line basis over 10 years. Effective from 1 January 2015, as a result of the adoption of Circular 202, amortisation of goodwill which is included in the carrying amount of investment in associates had ceased. This change in accounting policy has been applied prospectively.

(n) Trade and other payables

Trade and other payables are stated at their cost.

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(o) Provisions

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

Mining rights

In accordance with the Law on Minerals 2010, a subsidiary of the Company has an obligation to pay the government fees for mining rights grant. The mining rights fees is calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree 2013/2013/ND/CP dated 28 November 2013 which became effective from 20 January 2014. Mining rights grant fees are recognised as intangible fixed assets.

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 dependant on the life and nature of the mine.

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

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

Sales discounts

The provision for long-term promotion program relates mainly to goods sold during the accounting period. The program would be finalised over 2 years and paid in the third year. Provision for sales discount has been provided based on actual accumulated sales and certain offered discount rate.

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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 current salary level.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Group and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees’ basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of the unemployment insurance scheme, the Group is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to existing eligible employees as of 30 June 2015 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

(p) Bonds issued

Straight bonds

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

(q) Taxation

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

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted 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 recognised 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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(r) 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 recognised as a deduction from capital surplus.

(ii) *Other capital*

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

Equity movements resulting from common-control business combination, acquisition or disposal to minority interests and transactions involving equity instruments were previously recorded in “Other reserves” in equity. This other reserves has been reclassified to other capital.

(s) Revenue

(i) *Goods sold*

Revenue from the sale of goods is recognised 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 recognised based on the estimated fair value of the total consideration receivable. In cases where the terms of the executed contractual sales agreement allow for an adjustment to the sales price based on a survey of the goods by the customer, assay results issued by a third party are preferable, unless customer’s survey is within executed contractual tolerance, then sales is based on the most recently determined of product specifications.

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

(ii) *Services rendered*

Revenue from services rendered is recognised in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed as certified by the customers following the contract terms. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

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(t) Financial income and financial expenses

(i) Financial income

Financial income comprises dividend income, interest income from deposits and loans, interest income from subsidiaries, income from disposal of equity interests and foreign exchange gains. Dividend income is recognised when the right to receive dividend is established. Interest income is recognised as it accrues in the statement of income.

(ii) Financial expenses

Financial expenses comprise interest expenses on borrowings and foreign exchange losses. 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 fixed assets concerned.

(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) 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.

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4. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	30/9/2015	1/1/2015	30/9/2015	1/1/2015
	VND million	VND million	VND million	VND million
Cash on hand	5,535	1,432	152	124
Cash in bank	873,733	301,538	9,758	9,777
Cash in transit	15,251	-	-	-
Cash equivalents	6,437,848	4,863,445	1,284,490	507,350
	<hr/> 7,332,367	<hr/> 5,166,415	<hr/> 1,294,400	<hr/> 517,251

5. Accounts receivable

Other receivables comprised:

	<u>Group</u>		<u>Company</u>	
	30/9/2015	1/1/2015	30/9/2015	1/1/2015
	VND million	VND million	VND million	VND million
		Reclassified		Reclassified
Receivables on short-term lending loans				
Receivables from subsidiaries	-	-	-	2,172,320
Receivables on long-term lending loans				
Receivables from other loan investing activities	7,029,614	-	-	-
Receivables from subsidiaries	-	-	3,959,874	2,283,927
Other short-term receivables				
Receivables from sales of insurance claims	256,200	256,200	-	-
Non-trade receivables from related companies	142,244	142,244	142,244	996,348
Accrued interest receivable	26,086	64,972	3,985	3,398
Advances	7,187	31,992	-	-
Short-term deposits	32,282	5,036	57	-
Services receivable	11,547	11,547	11,547	11,547
Others	217,616	15,779	31	30,359
	<hr/> 693,162	<hr/> 527,770	<hr/> 157,864	<hr/> 1,041,652

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	<u>Group</u>		<u>Company</u>	
	30/9/2015 VND million	1/1/2015 VND million Reclassified	30/9/2015 VND million	1/1/2015 VND million Reclassified
Other long-term receivables				
Long-term deposit	46,457	59,835	-	9,381
Long-term interest receivables from deposit	1,939	4,712	1,939	-
Other long-term receivables from related companies	-	-	2,983,571	2,732,322
Other long-term receivables from other loan investing activities	220,446	-	-	-
Other (*)	1,383,381	1,383,086	-	-
	<u>1,652,223</u>	<u>1,447,633</u>	<u>2,985,510</u>	<u>2,741,703</u>

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

Other receivables include the following amounts due from related parties:

	<u>Group</u>		<u>Company</u>	
	30/9/2015 VND million	1/1/2015 VND million Reclassified	30/9/2015 VND million	1/1/2015 VND million Reclassified
Amounts due from Masan Corporation - parent company				
Non-trade – short-term	142,244	142,244	142,244	142,244
Amounts due from other related companies				
Loans – short-term	-	-	-	2,172,320
Loans – long-term	-	-	3,959,874	2,283,927
Non-trade – short-term	-	-	-	854,104
Non-trade – long-term	-	-	2,983,571	2,732,322

The short-term non-trade amounts of the Group due from Masan Corporation were unsecured, interest-free and receivable in demand.

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

	<u>Group</u>	
	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 31/12/2014 VND million
Opening balance	2,064	1,784
Acquisition of subsidiary	24,864	-
Increase in allowance during the period/year	-	501
Allowance utilised during the period/year	(52)	(151)
Allowance written back during the period/year	(384)	(70)
	<hr/>	<hr/>
Closing balance	26,492	2,064
	<hr/>	<hr/>

6. Inventories

	<u>Group</u>		<u>Company</u>	
	30/9/2015 VND million	1/1/2015 VND million	30/9/2015 VND million	1/1/2015 VND million
Goods in transit	115,673	64,148	-	-
Raw materials	2,639,130	599,438	-	-
Tools and supplies	633,709	511,941	-	-
Work in progress	141,933	76,624	-	-
Finished goods	894,356	366,480	-	-
Merchandise inventories	62,243	5,097	-	-
Goods on consignment	15,392	3,444	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,502,436	1,627,172	-	-
Allowance for inventories	(21,462)	(22,318)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,480,974	1,604,854	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

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

	<u>Group</u>	
	<u>From</u> <u>1/1/2015 to</u> <u>30/9/2015</u> <u>VND million</u>	<u>From</u> <u>1/1/2014 to</u> <u>31/12/2014</u> <u>VND million</u>
Opening balance	22,318	20,739
Increase in allowance during the period/year	73,796	67,433
Allowance utilised during the period/year	(74,290)	(61,739)
Allowance written back during the period/year	(362)	(3,488)
Disposal of a subsidiary	-	(627)
Closing balance	21,462	22,318

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7. Tangible fixed assets

<u>Group</u>	Buildings and structures VND million	Mining Properties VND million	Leasehold improvements VND million	Office equipment VND million	Machinery and equipment VND million	Motor vehicles VND million	Total VND million
Cost							
Opening balance	2,805,492	5,800,051	25,760	77,484	11,123,071	55,242	19,887,100
Addition on business combination	433,163	-	-	1,597	491,590	71,203	997,553
Additions	376	-	41	780	9,709	1,669	12,575
Transfers from construction in progress	200,434	-	-	20,066	507,448	2,955	730,903
Transfers to long-term prepayments	(52)	(773,759)	-	-	(9,685)	-	(783,496)
Disposals	(5,745)	-	-	(317)	(26,413)	(4,439)	(36,914)
Reclassifications	(2,689)	-	(39)	415	17,448	(15,135)	-
Closing balance	3,430,979	5,026,292	25,762	100,025	12,113,168	111,495	20,807,721
Accumulated depreciation							
Opening balance	183,107	171,419	19,076	36,627	1,040,564	26,394	1,477,187
Charge for the period	136,289	130,856	3,549	10,378	597,252	13,170	891,494
Transfer to long-term prepayments	-	(33,842)	-	-	(9,685)	-	(43,527)
Disposals	(2,054)	-	-	(317)	(18,431)	(4,278)	(25,080)
Reclassifications	(2,354)	(1)	(4)	(3,872)	11,602	(5,371)	-
Closing balance	314,988	268,432	22,621	42,816	1,621,302	29,915	2,300,074
Net book value							
Opening balance	2,622,385	5,628,632	6,684	40,857	10,082,507	28,848	18,409,913
Closing balance	3,115,991	4,757,860	3,141	57,209	10,491,866	81,580	18,507,647

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Company

	Leasehold improvements VND million	Office equipment VND million	Total VND million
Cost			
Opening balance	15,098	5,661	20,759
Addition	41	88	129
Closing balance	15,139	5,749	20,888
Accumulated depreciation			
Opening balance	11,353	2,234	13,587
Depreciation for the period	2,425	1,244	3,669
Closing balance	13,778	3,478	17,256
Net book value			
Opening balance	3,745	3,427	7,172
Closing balance	1,361	2,271	3,632

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8. Finance lease tangible fixed assets

	Machinery and equipment VND million
Cost	
Opening balance/closing balance	67,300
Accumulated depreciation	
Opening balance	22,433
Charge for the period	10,095
Closing balance	32,528
Net book value	
Opening balance	44,867
Closing balance	34,772

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9. Intangible fixed assets

Group

	Land use rights VND million	Software VND million	Mineral water resources			Customer relationships VND million	Mineral resources VND million	Mining rights VND million	Technology VND million	Total VND million
			exploitation rights VND million	Brand name VND million	Brand name relationships VND million					
Cost										
Opening balance	170,254	111,350	-	712,471	375,110	305,336	588,373	-	2,262,894	
Addition on business combination	124,464	878	-	1,729,230	2,646,073	-	-	93,444	4,594,089	
Additions	-	-	74,845	-	-	-	-	-	74,845	
Transfers from construction in progress	-	237,538	-	-	-	-	-	-	237,538	
Transfers to long-term prepayments	(32,297)	(1,760)	-	-	-	-	-	-	(34,057)	
Closing balance	262,421	348,006	74,845	2,441,701	3,021,183	305,336	588,373	93,444	7,135,309	
Accumulated amortisation										
Opening balance	24,053	30,304	-	188,375	211,107	4,990	5,369	-	464,198	
Amortisation for the period	4,902	18,518	1,840	122,043	128,093	1,952	22,913	7,919	308,180	
Transfers to long-term prepayments	(3,852)	(1,760)	-	-	-	-	-	-	(5,612)	
Closing balance	25,103	47,062	1,840	310,418	339,200	6,942	28,282	7,919	766,766	
Net book value										
Opening balance	146,201	81,046	-	524,096	164,003	300,346	583,004	-	1,798,696	
Closing balance	237,318	300,944	73,005	2,131,283	2,681,983	298,394	560,091	85,525	6,368,543	

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Company

	Software VND million
Cost	
Opening balance/closing balance	4,532
Accumulated amortisation	
Opening balance	2,261
Charge for the period	828
Closing balance	3,089
Net book value	
Opening balance	2,271
Closing balance	1,443

10. Long-term work in progress

	<u>Group</u>		<u>Company</u>	
	30/9/2015	1/1/2015	30/9/2015	1/1/2015
	VND million	VND million	VND million	VND million
Opening balance	3,811,051	20,042,933	-	10,021
Addition on business combination	223,192	2,799	-	-
Additions during the period/year	2,682,995	3,356,972	-	1,093
Transfers to tangible fixed assets	(730,903)	(17,154,847)	-	(4,313)
Transfers to intangible fixed assets	(237,538)	(67,048)	-	-
Transfers from/(to) long-term prepayments	5,475	(972,598)	-	(63)
Transfers to short-term prepayments	(3,535)	(6,594)	-	-
Disposals	(856)	(5,263)	-	(4,521)
Written off	-	(2,217)	-	(2,217)
Reclassify to other long-term receivables	-	(1,383,086)	-	-
Closing balance	5,749,881	3,811,051	-	-

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11. Financial investments

	<u>Group</u>		<u>Company</u>	
	30/9/2015 VND million	1/1/2015 VND million Reclassified	30/9/2015 VND million	1/1/2015 VND million
Long-term financial investments				
Investments in subsidiaries	-	-	5,582,605	3,389,914
Investment in associates (a)	9,003,892	8,601,126	8,932,424	8,932,424
Investments in other entities	21,646	-	-	-
Allowance for diminution in the value of long-term financial investments	(912)	-	-	-
Held to maturity investments	-	144,050	-	-
	<hr/> 9,024,626	8,745,176	14,515,029	12,322,338
Short-term financial investments (b)	1,591,406	4,042,212	66,956	239,614

Details of the Company's investments in subsidiaries are as follows:

	30/9/2015 VND million	1/1/2015 VND million
MasanConsumerHoldings Company Limited	516,600	516,600
Masan Horizon Corporation (formerly known as Ma San Horizon Corporation)	2,873,315	2,873,314
Masan Nutri-Science Company Limited (formerly known as Sam Kim Company Limited)	2,192,690	-
	<hr/> 5,582,605	3,389,914

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(a) Investment in associates

Group

	30/9/2015			1/1/2015				
	% of equity owned	% of voting rights	Carrying value at equity accounted VND million	Allowance for diminution in value VND million	Fair value VND million	Carrying value at equity accounted VND million	Allowance for diminution in value VND million	Fair value VND million
Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") (*)	19.5%	19.5%	8,724,222	-	(****)	8,357,101	-	(****)
Cholimex Food Joint Stock Company ("Cholimex")	32.8%	32.8%	251,067	-	(****)	240,425	-	(****)
Vinh Hao Spirulina Algae Corporation ("Vinh Hao Seaweed") (formerly known as Vinh Hao Seaweed) (***)	-	-	-	-	(****)	3,600	-	(****)
Thuan Phat Packing Joint Stock Company ("Thuan Phat") (**)	25.0%	25.0%	7,962	-	(****)	-	-	-
Loc Khang Joint Stock Company ("Loc Khang") (**)	26.2%	26.2%	5,470	-	(****)	-	-	-
Abattoir Long Binh Joint Stock Company ("Abattoir") (**)	25.0%	25.0%	6,708	-	(****)	-	-	-
Dong Nai Manufacture, Service and Trading Joint Stock Company ("DN Manu") (**)	21.3%	21.3%	8,463	-	(****)	-	-	-
			9,003,892	-	(****)	8,601,126	-	(****)

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Movements of investment in associates as at 30 September 2015 were as follows:

	Techcombank VND million	Cholimex VND million	Vinh Hao Seaweed VND million	Thuan Phat VND million	Loc Khang VND million	Abattoir VND million	DN Manu VND million	Total VND million
Opening balance – as reclassified	8,357,101	240,425	3,600	-	-	-	-	8,601,126
Acquisition on business combination (**)	-	-	-	7,684	5,070	6,286	8,566	27,606
Share in post-acquisition profit/(loss) of associates during the period	367,121	10,642	-	278	400	422	(103)	378,760
Disposal of investment in an associate (***)	-	-	(3,600)	-	-	-	-	(3,600)
Closing balance	8,724,222	251,067	-	7,962	5,470	6,708	8,463	9,003,892

(*) Investment in Techcombank represents investment in 30.4% (1/1/2015; 30.4%) of the effective economic interest in Techcombank as of 30 September 2015. The Group's effective economic interest includes 15.6% through direct equity interest (net of dilutive impact of convertible bonds on current equity interest of 19.5%) and 14.7% through 10 year convertible bonds issued by Techcombank which the Company has agreed to irrevocably and mandatorily convert during the conversion period of the convertible bonds, subject to regulatory and other customary approvals.

(**) In April 2015, the Company acquired 99.9% equity interest in MNS which hold 52.1% equity interest in Proconco. Proconco hold 25.0% equity interest in Thuan Phat, 25.0% equity interest in Abattoir, 21.3% equity interest in DN Manu and 26.2% equity interest in Loc Khang. As a result of this transaction, the Company has significant influence on these companies through MNS.

(***) In July 2015, Vinh Hao Mineral Water Corporation ("VHC") has completely transferred its 30% equity interests in Vinh Hao Spirulina Algae Corporation ("TVH"), an associate. Such transaction resulted in MSN no longer holding any equity interest in TVH.

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

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Company

Details of the Company's cost of investment in associates were as follows:

	30/9/2015		1/1/2015				
	% of equity owned	% of voting rights	Cost VND million	Allowance for diminution in value VND million	Cost VND million	Allowance for diminution in value VND million	Fair value VND million
Techcombank (*)	19.5%	19.5%	8,932,424	-	8,932,424	-	(**)

(*) Investment in Techcombank represents investment in 30.4% (1/1/2015: 30.4%) of the effective economic interest in Techcombank as of 30 September 2015. The Group's effective economic interest includes 15.6% through direct equity interest (net of dilutive impact of convertible bonds on current equity interest of 19.5%) and 14.7% through 10 year convertible bonds issued by Techcombank which the Company has agreed to irrevocably and mandatorily convert during the conversion period of the convertible bonds, subject to regulatory and other customary approvals.

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

(b) Short-term financial investments

Mainly term deposits in banks represent deposits with original terms to maturity of more than three months and less than 12 months from their transaction dates.

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12. Long-term prepayments

Group

	Consulting and survey fee	Prepaid land costs	Printing axes	Tools and supplies	Borrowing fees	Arrangement fees	Pre- operating expenses	Others	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Opening balance	632,994	2,171	46	12,434	230,665	155,379	284,985	50,918	1,369,592
Addition on business combination	-	93,572	-	11,825	-	-	-	15,260	120,657
Additions	-	2,762	-	31,848	-	489	93,338	28,874	157,311
Transfer to long-term borrowings	-	-	-	-	(229,975)	-	-	-	(229,975)
Transfers to short-term prepayment	-	-	-	(77)	-	-	-	-	(77)
Transfers from tangible fixed assets	-	-	-	-	-	-	739,969	-	739,969
Transfer from/(to) construction in progress	-	-	-	-	-	-	-	-	-
Amortisation for the period	(24,769)	(2,769)	(46)	16,285	-	-	21,209	(42,969)	(5,475)
Transfers from intangible fixed assets	-	28,444	-	(28,724)	(690)	(149,776)	(107,101)	(23,940)	(337,815)
Disposals	-	-	-	(606)	-	-	-	-	28,444
Reclassification from short-term prepayment	-	-	-	1,430	-	-	-	-	(606)
Reclassification	-	-	-	-	-	(3)	(14,837)	14,840	1,430
Closing balance	608,225	124,180	-	44,415	-	6,089	1,017,563	42,983	1,843,455

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Company

	Borrowing fees VND million	Others VND million	Total VND million
Opening balance	35,969	6,319	42,288
Additions	-	211	211
Transfer to long-term borrowings	(35,278)	-	(35,278)
Amortisation for the period	(691)	(2,045)	(2,736)
Closing balance	-	4,485	4,485

13. Goodwill

	<u>Group</u> VND million
Cost	
Opening balance	942,834
Addition	364,768
Closing balance	1,307,602
Accumulated amortisation	
Opening balance	150,480
Amortisation for the period	92,157
Closing balance	242,637
Net book value	
Opening balance	792,354
Closing balance	1,064,965

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14. Taxes payable to State Treasury

	<u>Group</u>		<u>Company</u>	
	30/9/2015 VND million	1/1/2015 VND million	30/9/2015 VND million	1/1/2015 VND million
Corporate income tax	270,838	736,517	-	-
Value added tax	62,134	78,677	-	-
Import-export tax	1,211	7,457	-	-
Personal income tax	25,354	32,669	-	-
Special consumption tax	22,861	27,451	-	-
Other taxes	3,896	79,779	-	1,127
	386,294	962,550	-	1,127

15. Accrued expenses

	<u>Group</u>		<u>Company</u>	
	30/9/2015 VND million	1/1/2015 VND million	30/9/2015 VND million	1/1/2015 VND million
Accrued interest payable	586,738	507,510	96,684	192,767
Accrual for construction work	148,613	192,614	-	-
Advertising and promotion expenses	741,465	476,995	-	-
Consultant fee	45,279	55,044	21,442	21,328
Bonus and 13 th month salary	88,666	112,489	-	-
Sales discount	247,369	70,622	-	-
Transportation expenses	134,259	103,563	-	-
Accrued withholding tax	2,638	79,257	731	334
Natural resources taxes and fees	173,474	77,125	-	-
Accruals for inventories purchased	115,945	10,401	-	-
Exhibition and market research expenses	48,775	15,193	-	-
Others	279,483	161,718	1,372	810
	2,612,704	1,862,531	120,229	215,239

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16. Other payables

	<u>Group</u>		<u>Company</u>	
	30/9/2015 VND million	1/1/2015 VND million	30/9/2015 VND million	1/1/2015 VND million
Other short-term payables				
Social and health insurance	13,947	104	-	-
Short-term deposits from customers	1,119	935	482	155
Dividend payables	63,967	54,672	-	-
Purchase of shares	-	1,739,738	-	1,500,558
Obligation to issue shares	60,561	-	60,561	-
Others	134,200	71,289	27,651	54,611
	273,794	1,866,738	88,694	1,555,324
Other long-term payables				
Long-term payables	2,585	93,043	-	14,580
Obligation to issue shares	-	60,561	-	60,561
Long-term deposits	25,551	24,297	-	-
Long-term dividend payable	26,249	-	-	-
	54,385	177,901	-	75,141

17. Short-term borrowings and finance lease liabilities

	<u>Group</u>		<u>Company</u>	
	30/9/2015 VND million	1/1/2015 VND million	30/9/2015 VND million	1/1/2015 VND million
Short-term borrowings	6,777,385	5,329,970	-	-
Current portion of long-term borrowings (Note 18)	640,604	712,308	567,960	567,960
	7,417,989	6,042,278	567,960	567,960

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

	<u>Group</u>		<u>Company</u>	
	30/9/2015 VND million	1/1/2015 VND million	30/9/2015 VND million	1/1/2015 VND million
Bank borrowings:				
VND denominated	5,444,512	4,255,258	-	-
USD denominated	1,332,873	1,074,712	-	-
	6,777,385	5,329,970	-	-

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18. Long-term borrowings and finance lease liabilities

	<u>Group</u>		<u>Company</u>	
	30/9/2015	1/1/2015	30/9/2015	1/1/2015
	VND million	VND million	VND million	VND million
Long-term borrowings (a)	663,226	4,015,513	629,000	-
Convertible loan	567,960	567,960	567,960	567,960
Secured bonds	27,377,578	13,600,000	4,681,847	4,700,000
Finance lease liabilities	41,626	50,805	-	-
	28,650,390	18,234,278	5,878,807	5,267,960
Repayable within twelve months (Note 17)	(640,604)	(712,308)	(567,960)	(567,960)
Repayable after twelve months	28,009,786	17,521,970	5,310,847	4,700,000

(a) Long-term borrowings

	<u>Group</u>		<u>Company</u>	
	30/9/2015	1/1/2015	30/9/2015	1/1/2015
	VND million	VND million	VND million	VND million
Bank borrowings:				
▪ VND denominated	663,226	276,639	-	-
▪ USD denominated	-	3,738,874	-	-
Loan from a subsidiary:				
▪ VND denominated	-	-	629,000	-
	663,226	4,015,513	629,000	-

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19. Changes in owners' equity
Group

	Share capital VND million	Capital surplus VND million	Other capital VND million	Foreign exchange differences VND million	Undistributed profits after tax VND million	Equity attributable to equity holders of Company VND million	Non-controlling interest VND million	Total VND million
Balance at 1 January 2014	7,349,113	9,601,627	(8,832,067)	(43,098)	6,357,394	14,432,969	8,828,528	23,261,497
Issuance of new shares due to conversion of debt instruments	8,968	29,537	-	-	-	38,505	-	38,505
Transactions with non-controlling interest in subsidiaries	-	-	14,161	-	-	14,161	(1,074,566)	(1,060,405)
Increase in non-controlling interest from share capital issued by subsidiaries	-	-	(192,216)	-	-	(192,216)	581,896	389,680
Decrease in non-controlling interest from share capital issued by subsidiaries	-	-	(34,927)	-	-	(34,927)	74,832	39,905
Disposal of investment in subsidiaries	-	-	-	-	(349,327)	(349,327)	(1,152,733)	(1,502,060)
Foreign exchange differences in subsidiaries	-	-	-	43,098	-	43,098	16,909	60,007
Net profit for the year	-	-	-	-	1,080,169	1,080,169	956,873	2,037,042
Dividend paid	-	-	-	-	-	-	(1,304,830)	(1,304,830)
Transfer to funds	-	-	-	-	(16,349)	(16,349)	(17,853)	(34,202)
Balance at 31 December 2014	7,358,081	9,631,164	(9,045,049)	-	7,071,887	15,016,083	6,909,056	21,925,139

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Group

	Share capital	Capital surplus VND	Other capital	Undistributed profits after tax	Equity attributable to equity holders of Company	Non-controlling interest	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Balance at 1 January 2015	7,358,081	9,631,164	(9,045,049)	7,071,887	15,016,083	6,909,056	21,925,139
Transaction with non-controlling interest in subsidiaries	-	-	-	(11,030)	(11,030)	(1,090,628)	(1,101,658)
Issuance of new shares	109,098	(58)	-	-	109,040	-	109,040
Business combination in MNS	-	-	-	-	-	3,982,267	3,982,267
Net profit for the period	-	-	-	584,368	584,368	581,716	1,166,084
Dividend paid	-	-	-	-	-	(666,846)	(666,846)
Transfer to funds	-	-	-	(2,077)	(2,077)	(576)	(2,653)

Balance at 30 September 2015

	7,467,179	9,631,106	(9,045,049)	7,643,148	15,696,384	9,714,989	25,411,373
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Company:

	Share capital VND million	Capital Surplus VND million	Other capital VND million	Undistributed profits after tax VND million	Total VND million
Balance at 1 January 2014	7,349,113	9,601,627	(1,488,972)	(1,206,546)	14,255,222
Issuance of new shares due to conversion of debt instruments	8,968	29,537	-	-	38,505
Net profit for the year	-	-	-	3,237,391	3,237,391
Balance at 31 December 2014	7,358,081	9,631,164	(1,488,972)	2,030,845	17,531,118
Balance at 1 January 2015	7,358,081	9,631,164	(1,488,972)	2,030,845	17,531,118
Issuance of new shares	109,098	(58)	-	-	109,040
Net loss for the period	-	-	-	(511,133)	(511,133)
Balance at 30 September 2015	7,467,179	9,631,106	(1,488,972)	1,519,712	17,129,025

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20. Share capital and capital surplus

The Company's authorised and issued share capital comprises:

	30/9/2015		1/1/2015	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital	746,717,861	7,467,179	735,808,140	7,358,081
Issued share capital				
Ordinary shares	746,717,861	7,467,179	735,808,140	7,358,081
Capital surplus	-	9,631,106	-	9,631,164

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.

Capital surplus represents the excess of the proceeds on issuance of shares over the par value.

Movements in issued share capital during the period/year were as follows:

	From 1/1/2015 to 30/9/2015		From 1/1/2014 to 31/12/2014	
	Number of shares	VND million	Number of shares	VND million
Balance at beginning of the period/year	735,808,140	7,358,081	734,911,338	7,349,113
Issuance of new shares due to conversion of debt instruments	-	-	896,802	8,968
Issuance of new shares	10,909,721	109,098	-	-
Balance at the end of the period/year	746,717,861	7,467,179	735,808,140	7,358,081

21. Other capital

Other capital represents the fair value of the Company's fixed number of shares to be issued at a future date. Equity movements resulting from common-control business combination and acquisition of/disposal to non-controlling interest and the excess arising on redemption of other capital over the carrying amount are recorded in other reserves in equity.

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22. Total revenue

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

Net sales comprised:

	<u>Group</u>		<u>Company</u>	
	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million Reclassified	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million
Total revenue				
▪ Sales of finished goods	19,450,542	10,911,285	-	-
▪ Services and other sales	102,142	109,290	-	-
Less sales deductions				
▪ Sales discounts	(350,696)	(135,780)	-	-
▪ Sales returns	(73,349)	(30,799)	-	-
Net sales	19,128,639	10,853,996	-	-

23. Cost of sales

	<u>Group</u>		<u>Company</u>	
	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million Reclassified	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million
Total cost of sales				
▪ Finished goods sold	12,934,959	6,672,413	-	-
▪ Allowance for inventories	73,434	31,026	-	-
	13,008,393	6,703,439	-	-

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24. Financial income

	<u>Group</u>		<u>Company</u>	
	From 1/1/2015 to 30/9/2015	From 1/1/2014 to 30/9/2014	From 1/1/2015 to 30/9/2015	From 1/1/2014 to 30/9/2014
	VND million	VND million	VND million	VND million
Interest income from:				
▪ Deposits	264,839	281,818	19,671	22,841
▪ Other loan investing activities	247,953	32,233	27,686	176,691
▪ Loan to subsidiaries	-	-	468,042	442,019
Dividend income	-	-	-	3,169,052
Foreign exchange gains	66,005	17,854	-	683
Others	321,057	20,886	1,872	-
	<hr/>	<hr/>	<hr/>	<hr/>
	899,854	352,791	517,271	3,811,286

25. Financial expenses

	<u>Group</u>		<u>Company</u>	
	From 1/1/2015 to 30/9/2015	From 1/1/2014 to 30/9/2014	From 1/1/2015 to 30/9/2015	From 1/1/2014 to 30/9/2014
	VND million	VND million	VND million	VND million
Interest expenses payable to:				
• Banks	433,125	364,613	-	-
• Bondholders	1,248,062	722,247	448,720	523,916
• Subsidiary	-	-	20,679	220,087
• Others	401	-	401	-
Facility fee expenses to subsidiary	-	-	-	2,893
Foreign exchange losses	209,297	62,084	718	14
Other financial expenses	97,043	137,501	-	3,487
	<hr/>	<hr/>	<hr/>	<hr/>
	1,987,928	1,286,445	470,518	750,397

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26. Share of profit in associates

	<u>Group</u>	
	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million
Share of profit in associates	378,760	490,732
Adjustment arising from purchase price allocation and goodwill amortisation	-	(497,790)
	378,760	(7,058)

27. Other income

	<u>Group</u>		<u>Company</u>	
	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million Reclassified	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million Reclassified
Gain on disposal of fixed assets and long term assets	2,908	4,705	-	-
Others	29,198	35,046	9,113	8,421
	32,106	39,751	9,113	8,421

28. Other expenses

	<u>Group</u>		<u>Company</u>	
	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million Reclassified	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million Reclassified
Loss from disposal of fixed assets	11,774	11,939	-	1,433
Others	48,866	29,356	50	-
	60,640	41,295	50	1,433

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29. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share at 30 September 2015 was based on the profit attributable to ordinary shareholders of VND584,368 million (the period ended 30 September 2014: VND(305,306) million) of the Group and a weighted average number of ordinary shares outstanding of 750,455,481 shares during the period (the period ended 30 September 2014: 746,565,360 shares), calculated as follows:

(i) Net profit/(loss) attributable to ordinary shareholders

	From 1/1/2015 to 30/9/2015	From 1/1/2014 to 30/9/2014
	VND million	VND million
Net profit/(loss) attributable to ordinary shareholders	584,368	(305,306)

(ii) Weighted average number of ordinary shares

	From 1/1/2015 to 30/9/2015	From 1/1/2014 to 30/9/2014
Issued ordinary shares at the beginning of the period	735,808,140	734,911,338
Effect of shares issued due to conversion of debt instruments	-	203,669
Effect of shares issued for cash	3,196,988	-
Effect of shares to be issued solely after the passage of time	11,450,353	11,450,353
Weighted average number of ordinary shares at the end of the period	750,455,481	746,565,360

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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 during the period:

Group:

Related Party	Nature of transaction	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million
Other related party			
Key management personnel	Remuneration to key management personnel (*)	56,735	27,499

(*) No board fees were paid to Board of Management members in the period ended 30 September 2015 and 2014.

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Company:

Related Party	Nature of transaction	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million
Subsidiaries			
Masan Consumer Corporation	Loan received from subsidiary	-	735,000
	Interest expense on long-term loan	-	220,087
	Facility fee expense	-	2,893
	Dividend income	-	1,240,800
	Loan repaid to a subsidiary through assignment loans to a subsidiary	-	7,709,298
	Interest repaid to a subsidiary through assignment loans to a subsidiary	-	2,831,626
	Purchase a subsidiary	-	1,246,496
Masan Horizon Corporation (formerly known as Ma San Horizon Corporation)	Loan provided to a subsidiary	3,196	932,463
	Interest income from loans provided to a subsidiary	402,461	346,594
Ma San Resources Corporation	Interest income from loans provided to a subsidiary	52,914	49,969
	Facility fee income	-	72,995
	Loan collected from a subsidiary	210,000	-
Nui Phao Mining Company Limited	Facility fee income	-	103,696
	Loan provided to a subsidiary	-	210,000
	Interest income from loan provided to a subsidiary	11,322	13,430
	Financial support	490,000	-
Masan Brewery Company Limited	Loans provided to a subsidiary	-	475,657
	Collected loan from a subsidiary	79,569	452,577
	Interest income from loan provided to a subsidiary	1,346	30,302
	Collected loan through net off with capital contribution	-	368,300

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Related Party	Nature of transaction	From 1/1/2015 to 30/9/2015 VND million	From 1/1/2014 to 30/9/2014 VND million
MasanConsumerHoldings Company Limited	Sales of shares to a subsidiary	-	3,591,682
	Dividend income	-	1,928,252
	Interest income from loan provided to a subsidiary	-	1,724
	Loan provided to a subsidiary	-	160,865
	Collected loan from a subsidiary	-	154,200
Kenji Company Limited	Loan received from a subsidiary	629,000	-
	Interest expense on loan	20,679	-
Key management personnel	Remuneration to key management personnel (*)	4,981	3,188

(*) No board fees were paid to Board of Management members in the period ended 30 September 2015 and 2014.

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31. Corresponding figures

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises (Circular 200). Circular 200 is applicable for annual accounting periods beginning on or after 1 January 2015.

The Group has adopted guidance in Circular 200 from 1 January 2015. As a result of the change in accounting policy, corresponding figures for the year ended 31 December 2014 have been restated. In addition, certain corresponding figures have been reclassified to conform with the current period's presentation. A comparison of the amounts previously reported and as restated is as follows:

(a) Balance sheets

	<u>Group</u>		<u>Company</u>	
	1/1/2015 (As reclassified) VND million	31/12/2014 (As previously reported) VND million	1/1/2015 (As reclassified) VND million	31/12/2014 (As previously reported) VND million
Receivables on short-term lending loans	-	-	2,172,320	-
Other receivables – short-term	527,770	490,742	1,041,652	3,183,613
Shortage of assets awaiting resolution	13,615	-	-	-
Other current assets	-	50,643	-	30,359
Receivables on long-term lending loans	-	-	2,283,927	-
Other long-term receivables	1,447,633	1,387,798	2,741,703	5,016,249
Investments in associates	8,601,126	8,597,526	-	-
Held to maturity investments – long-term	144,050	147,650	-	-
Other long-term assets	-	59,835	-	9,381
Other capital	(9,045,049)	97,703	(1,488,972)	97,703
Other reserves	-	(9,142,752)	-	(1,586,675)

Masan Group Corporation and its subsidiaries
Notes to the financial statements for the period ended 30 September 2015 (continued)

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(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

(b) Statements of income

	<u>Group</u>		<u>Company</u>	
	From 1/1/2014 to 30/9/2014 (As reclassified) VND million	From 1/1/2014 to 30/9/2014 (As previously reported) VND million	From 1/1/2014 to 30/9/2014 (As reclassified) VND million	From 1/1/2014 to 30/9/2014 (As previously reported) VND million
Total revenue	10,853,996	10,832,874	-	-
Cost of sales	6,703,439	6,574,017	-	-
Selling expenses	1,861,336	1,981,693	-	-
Other income	39,751	129,211	8,421	67,907
Other expenses	41,925	119,328	1,433	60,919

32. Explanation of the net profit movement

The Group profit after tax in 3Q2015 is VND493 billion (after goodwill amortization) compared with net profit after tax of VND233 billion in the last corresponding period due to the growth in revenue and improvement in operating margin.

The Company net loss after tax 3Q2015 is VND142 billion compared with net loss of VND38 billion in the last corresponding period, mainly due to increasing in general and administration expenses for this period.

33. Subsequent event

In November 2015, Masan Beverage, a subsidiary of the Group, signed an agreement to acquire no less than 65% of Quang Ninh Mineral Water Company Limited, a mineral water company with well-known brands such as Quang Hanh, Faith and Blizka, which have a strong presence in northern Vietnam. The closing is subject to customary and regulatory approvals, and is expected to occur by the end of Q4 2015 or early Q1 2016.

12 November 2015

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