

**Masan Group Corporation  
and its subsidiaries**

Consolidated quarterly financial statements for  
the period ended 30 September 2020



**Masan Group Corporation  
Corporate Information**

**Business Registration  
Certificate No**

0303576603

07 September 2020

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 07 September 2020. 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
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Nam	Member
Mr Woncheol Park	Member
Mr Nguyen Doan Hung	Member
Mr David Tan Wei Ming	Member

**Board of Management**

Dr Nguyen Dang Quang	Chief Executive Officer (until 18 Jun 2020)
Mr Danny Le	Chief Executive Officer (from 19 Jun 2020)
Mr Nguyen Thieu Nam	Deputy Chief Executive Officer
Mr Michael Hung Nguyen	Deputy Chief Executive Officer
Mr Nguyen Anh Nguyen	Deputy Chief Executive Officer (until 29 April 2020)

**Legal Representative**

Dr Nguyen Dang Quang	Chairman
Mr Danny Le	Chief Executive Officer (from 19 Jun 2020)

**Registered Office**

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 September 2020**

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

	Code	Note	30/9/2020 VND million	1/1/2020 VND million
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>25,574,944</b>	<b>24,261,892</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>7</b>	<b>5,608,241</b>	<b>6,800,528</b>
Cash	111		1,914,841	1,928,070
Cash equivalents	112		3,693,400	4,872,458
<b>Short-term financial investments</b>	<b>120</b>	<b>13</b>	<b>294,900</b>	<b>784,454</b>
Trading securities	121		-	472,134
Held to maturity investments	123		294,900	312,320
<b>Accounts receivable</b>	<b>130</b>	<b>8</b>	<b>6,335,709</b>	<b>5,417,776</b>
Accounts receivable	131		1,913,558	1,240,531
Prepayments to suppliers	132		733,029	1,528,648
Receivables on short-term lending loans	135		1,140,000	-
Other receivables	136		2,641,348	2,754,341
Allowance for doubtful debts	137		(92,226)	(105,744)
<b>Inventories</b>	<b>140</b>	<b>9</b>	<b>11,426,294</b>	<b>9,621,821</b>
Inventories	141		11,519,939	9,690,631
Allowance for inventories	149		(93,645)	(68,810)
<b>Other current assets</b>	<b>150</b>		<b>1,909,800</b>	<b>1,637,313</b>
Short-term prepayments	151		280,891	261,425
Deductible value added tax	152		1,507,786	1,352,367
Taxes and other receivables from State Treasury	153		121,123	23,521

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 September 2020 (continued)**

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

	Code	Note	30/9/2020 VND million	1/1/2020 VND million
<b>Long-term assets</b> <b>(200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>83,689,616</b>	<b>73,035,359</b>
<b>Accounts receivable – long-term</b>	<b>210</b>	<b>8</b>	<b>1,573,236</b>	<b>1,599,646</b>
Other long-term receivables	216		1,573,236	1,599,646
<b>Fixed assets</b>	<b>220</b>		<b>47,610,899</b>	<b>40,791,699</b>
Tangible fixed assets	221	10	32,875,055	29,170,881
Cost	222		48,475,716	39,248,028
Accumulated depreciation	223		(15,600,661)	(10,077,147)
Finance lease tangible fixed assets	224		-	-
Cost	225		67,300	67,300
Accumulated depreciation	226		(67,300)	(67,300)
Intangible fixed assets	227	11	14,735,844	11,620,818
Cost	228		18,844,186	14,777,843
Accumulated amortization	229		(4,108,342)	(3,157,025)
<b>Investment properties</b>	<b>230</b>		<b>15,748</b>	<b>-</b>
Cost	231		18,628	-
Accumulated amortization	232		(2,880)	-
<b>Long-term assets in progress</b>	<b>240</b>	<b>12</b>	<b>3,886,321</b>	<b>3,278,972</b>
Construction in progress	242		3,886,321	3,278,972
<b>Long-term financial investments</b>	<b>250</b>	<b>13</b>	<b>19,507,428</b>	<b>17,505,857</b>
Investments in associates	252		19,486,824	17,492,653
Investments in other entities	253		21,646	21,646
Allowance for diminution in the value of long-term investments	254		(8,442)	(8,442)
Held-to-maturity investments	255		7,400	-
<b>Other long-term assets</b>	<b>260</b>		<b>11,095,984</b>	<b>9,859,185</b>
Long-term prepayments	261	14	6,025,217	5,633,114
Deferred tax assets	262		1,260,600	240,643
Goodwill	269	15	3,810,167	3,985,428
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>109,264,560</b>	<b>97,297,251</b>

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 September 2020 (continued)**

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

	Code	Note	30/9/2020 VND million	1/1/2020 VND million
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>80,668,824</b>	<b>45,408,844</b>
<b>Current liabilities</b>	<b>310</b>		<b>37,457,587</b>	<b>30,492,191</b>
Accounts payable	311		5,858,756	5,635,395
Advances from customers	312		675,790	1,178,905
Taxes payable to State Treasury	313	16	1,089,309	770,004
Payables to employees	314		341,127	291,683
Accrued expenses	315	17	3,875,923	4,110,502
Short-term unearned revenue	318		16,554	12,050
Other short-term payables	319	18	3,741,230	122,557
Short-term borrowings and bonds	320	19	21,758,110	18,340,185
Provisions – short-term	321		63,768	-
Bonus and welfare funds	322		37,020	30,910
<b>Long-term borrowings and liabilities</b>	<b>330</b>		<b>43,211,237</b>	<b>14,916,653</b>
Long-term account payables	331		27,668	31,013
Other long-term payables	337	18	179,206	180,939
Long-term borrowings and bonds	338	20	31,826,688	11,675,842
Deferred tax liabilities	341		4,397,568	2,455,415
Provisions – long-term	342		6,780,107	573,444

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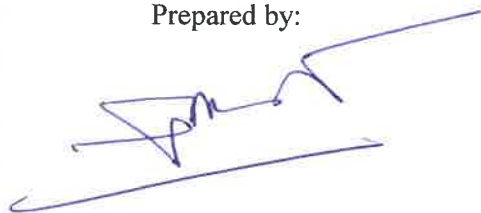
**Masan Group Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 September 2020 (continued)**

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

	Code	Note	30/9/2020 VND million	1/1/2020 VND million
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>28,595,736</b>	<b>51,888,407</b>
<b>Owners' equity</b>	<b>410</b>	<b>21</b>	<b>28,595,736</b>	<b>51,888,407</b>
Share capital	411	22	11,746,832	11,689,464
Capital surplus	412	22	11,084,297	11,084,357
Other capital	414	24	(8,563,690)	(8,563,690)
Foreign exchange differences	417		(220,629)	11,033
Undistributed profits	421		6,513,704	28,558,952
<i>Undistributed profit brought forward</i>	<i>421a</i>		<i>28,558,293</i>	<i>15,330,120</i>
<i>Undistributed (loss)/profit for the current period/year</i>	<i>421b</i>		<i>(22,044,589)</i>	<i>13,228,832</i>
Non-controlling interest	429	21	8,035,222	9,108,291
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>109,264,560</b>	<b>97,297,251</b>

30 October 2020

Prepared by:



Doan Thi My Duyen  
*Chief Accountant*

Approved by:



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



Danny Le  
*Chief Executive Officer*

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

**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of income for the period ended 30 September 2020**

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

	Code	Note	From 1/7/2020 to 30/9/2020 VND million	From 1/7/2019 to 30/9/2019 VND million	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2019 to 30/9/2019 VND million
<b>Total revenue</b>	<b>01</b>	<b>25</b>	<b>20,614,349</b>	<b>9,323,735</b>	<b>56,768,172</b>	<b>27,422,794</b>
<b>Less sales deductions</b>	<b>02</b>	<b>25</b>	<b>400,041</b>	<b>355,860</b>	<b>1,149,895</b>	<b>1,044,394</b>
<b>Net sales (10 = 01 - 02)</b>	<b>10</b>	<b>25</b>	<b>20,214,308</b>	<b>8,967,875</b>	<b>55,618,277</b>	<b>26,378,400</b>
<b>Cost of sales</b>	<b>11</b>	<b>26</b>	<b>15,396,469</b>	<b>6,536,281</b>	<b>42,944,339</b>	<b>18,816,538</b>
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>4,817,839</b>	<b>2,431,594</b>	<b>12,673,938</b>	<b>7,561,862</b>
Financial income	21	27	158,539	791,269	1,253,439	950,230
Financial expenses	22	28	1,277,077	594,563	3,136,245	1,680,689
<i>In which: Interest expense</i>	23		<i>1,090,959</i>	<i>492,426</i>	<i>2,632,126</i>	<i>1,397,198</i>
Share of profit in associates	24	29	676,550	552,159	1,808,768	1,532,182
Selling expenses	25		3,315,413	1,063,296	9,628,901	2,831,810
General and administration expenses	26		850,418	472,296	2,521,228	1,448,489
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>210,020</b>	<b>1,644,867</b>	<b>449,771</b>	<b>4,083,286</b>
Other income	31	30	977,685	1,219,577	1,064,746	1,222,175
Other expenses	32	31	87,303	197,156	162,975	221,574
<b>Results of other activities</b> <b>(40 = 31 - 32)</b>	<b>40</b>		<b>890,382</b>	<b>1,022,421</b>	<b>901,771</b>	<b>1,000,601</b>
<b>Profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>		<b>1,100,402</b>	<b>2,667,288</b>	<b>1,351,542</b>	<b>5,083,887</b>
<b>Income tax expense – current</b>	<b>51</b>		<b>238,340</b>	<b>276,054</b>	<b>708,927</b>	<b>542,678</b>
<b>Income tax benefit – deferred</b>	<b>52</b>		<b>(110,503)</b>	<b>(33,626)</b>	<b>(168,005)</b>	<b>(75,240)</b>
<b>Net profit (60 = 50 - 51 - 52)</b> <b>(carried forward to next page)</b>	<b>60</b>		<b>972,565</b>	<b>2,424,860</b>	<b>810,620</b>	<b>4,616,449</b>

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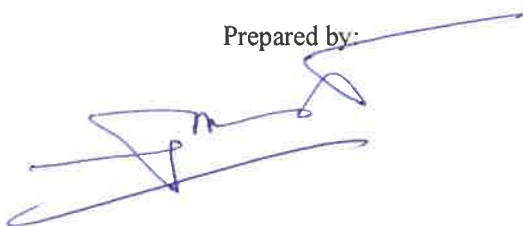
**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of income for the period ended 30 September 2020 (continued)**

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

Code	Note	From	From	From	From		
		1/7/2020 to 30/9/2020	1/7/2019 to 30/9/2019	1/1/2020 to 30/9/2020	1/1/2019 to 30/9/2019		
		VND million	VND million	VND million	VND million		
<b>Net profit (60 = 50 - 51 - 52) (brought forward from previous page)</b>		<b>60</b>	<b>972,565</b>	<b>2,424,860</b>	<b>810,620</b>	<b>4,616,449</b>	
<b>Attributable to:</b>							
	Equity holders of the Company	61	851,502	2,227,890	968,756	4,109,588	
	Non-controlling interest	62	121,063	196,970	(158,136)	506,861	
<b>Earnings per share</b>							
	Basic earnings per share (VND)	70	32	728	1,916	828	3,533

30 October 2020

Prepared by:



Doan Thi My Duyen  
*Chief Accountant*

Approved by:





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

Danny Le  
*Chief Executive Officer*

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



**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the period ended 30 September 2020**  
**(Indirect method)**

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

	Code	Note	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2019 to 30/9/2019 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>	<b>01</b>		<b>1,351,542</b>	<b>5,083,887</b>
Adjustments for				
Depreciation and amortization	02		3,323,622	2,066,327
Negative goodwill on acquisition of a subsidiary	02		(880,818)	-
Allowances and provisions	03		57,398	71,123
Net unrealised foreign exchange losses/(gains)	04		16,657	(7,403)
Gain from investing activities	05		(619,143)	(1,731,812)
Interest expenses and others	06		2,776,392	1,507,958
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>6,025,650</b>	<b>6,990,080</b>
Increase in receivables and other assets	09		(879,131)	(1,765,978)
Increase in inventories	10		(47,226)	(1,700,334)
(Decrease)/increase in payables and other liabilities	11		(506,011)	75,564
Increase in prepayment	12		(282,452)	(136,339)
Decrease/(increase) in trading securities	13		472,134	(141,530)
			<b>4,782,964</b>	<b>3,321,463</b>
Interest paid	14		(2,976,149)	(1,562,666)
Corporate income tax paid	15		(571,441)	(417,543)
Other payments for operating activities	17		(1,822)	(82)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>1,233,552</b>	<b>1,341,172</b>

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**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the period ended 30 September 2020**  
**(Indirect method - continued)**

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

	Code	Note	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2019 to 30/9/2019 VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(2,613,249)	(3,280,967)
Assets adjustment based on arbitration settlement	21		-	1,204,832
Proceeds from disposals of fixed assets and other long-term assets	22		45,767	9,324
Payments for granting loans and term deposits at banks	23		(2,758,300)	(889,120)
Receipts from collecting loans and term deposits at banks	24		1,691,820	1,002,548
Payments for investments	25		(33,964,360)	(171,356)
Collections on disposal of investments	26		10,500,000	22,224
Receipts of interest, dividends and related income from investing activities	27		594,560	243,873
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(26,503,762)</b>	<b>(1,858,642)</b>

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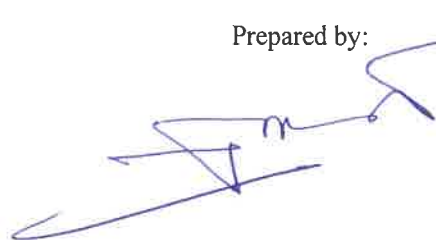
**Masan Group Corporation and its subsidiaries**  
**Consolidated statement of cash flow for the period ended 30 September 2020**  
**(Indirect method - continued)**

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

	Code	Note	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2019 to 30/9/2019 VND million
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of shares and capital contribution in subsidiaries by non-controlling interest	31		267,936	271,422
Proceeds from borrowings	33		65,056,978	22,058,434
Payments to settle borrowings	34		(41,058,219)	(18,652,671)
Payment of dividends	36		(176,739)	(390,146)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>24,089,956</b>	<b>3,287,039</b>
<b>Net cash flows during the period (50 = 20 + 30 + 40)</b>	<b>50</b>		<b>(1,180,254)</b>	<b>2,769,569</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>		<b>6,800,528</b>	<b>4,585,889</b>
<b>Effect of exchange rate fluctuation on cash and cash equivalents</b>	<b>61</b>		<b>(12,033)</b>	<b>3,918</b>
<b>Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>7</b>	<b>5,608,241</b>	<b>7,359,376</b>

Prepared by: \_\_\_\_\_ 30 October 2020

Approved by: \_\_\_\_\_



Doan Thi My Duyen  
Chief Accountant



Michael Hung Nguyen  
Deputy Chief Executive Officer  
Chief Financial Officer



Danny Le  
Chief Executive Officer

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

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated quarterly financial statements for the period ended 30**  
**September 2020**

**Form B 09a – DN/HN**  
*(Issued under Circular 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 consolidated quarterly financial statements.

**1. Reporting entity**

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

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

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

**Subsidiaries**

Number	Name	Note	Principal activity	Percentage of economic interests at	
				30/9/2020	1/1/2020
<i>Direct subsidiaries</i>					
1	MasanConsumerHoldings Company Limited (“MCH”)	(*)	Investment holding	-	60.0%
2	Masan Horizon Company Limited (“MH”)		Investment holding	99.9%	99.9%
3	Masan MEATLife Corporation (“MML”)		Investment holding	88.5%	87.3%
4	VCM Services and Trading Development Joint Stock Company (“VCM”)	(*)	Investment holding	-	58.6%
5	The SHERPA Company Limited (“SHERPA”)	(a)	Investment holding	99.9%	-
<i>Indirect subsidiaries</i>					
1	The CrownX Corporation (“CrownX”)	(b)	Investment holding	84.8%	-
2	MasanConsumerHoldings Company Limited (“MCH”)	(*)	Investment holding	72.7%	-
3	Masan Brewery Company Limited (“MB”)	(i)	Investment holding	48.5%	40.0%
4	Masan Master Brewer Company Limited (“MMBr”)	(i)	Beer and beverage trading	48.5%	40.0%

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated quarterly financial statements for the period ended 30**  
**September 2020 (continued)**

**Form B 09a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
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Number	Name	Note	Principal activity	Percentage of economic interests at	
				30/9/2020	1/1/2020
5	Masan Brewery PY One Member Company Limited (“MBPY”)	(i)	Beer and beverage manufacturing	48.5%	40.0%
6	Masan Brewery HG One Member Company Limited (“MBHG”)	(i)	Beer and beverage manufacturing	48.5%	40.0%
7	Masan Brewery Distribution One Member Company Limited (“MBD”)	(i)	Beer and beverage trading	48.5%	40.0%
8	Masan Brewery MB Company Limited (“MBMB”)	(i)	Beer and beverage manufacturing	48.5%	40.0%
9	Masan Consumer Corporation (“MSC”)	(i)	Trading and distribution	69.2%	56.8%
10	Masan Consumer (Thailand) Limited (“MTH”)	(i)	Trading and distribution	69.2%	56.8%
11	Masan Food Company Limited (“MSF”)	(i)	Trading and distribution	69.2%	56.8%
12	Masan Industrial One Member Company Limited (“MSI”)	(i)	Seasonings, convenience food manufacturing and packaging	69.2%	56.8%
13	Viet Tien Food Technology One Member Company Limited (“VTF”)	(i)	Seasonings manufacturing	69.2%	56.8%
14	Masan HD One Member Company Limited (“MHD”)	(i)	Convenience food manufacturing	69.2%	56.8%
15	Masan PQ Corporation (“MPQ”)	(i)	Seasonings manufacturing	69.2%	56.8%
16	Nam Ngu Phu Quoc One Member Company Limited (“NPQ”)	(i)	Seasonings manufacturing	69.2%	56.8%

**Masan Group Corporation and its subsidiaries**  
**Notes to the consolidated quarterly financial statements for the period ended 30**  
**September 2020 (continued)**

**Form B 09a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
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Number	Name	Note	Principal activity	Percentage of economic interests at	
				30/9/2020	1/1/2020
17	Masan Long An Company Limited (“MLA”)	(i)	Seasonings, convenience food manufacturing and packaging	69.2%	56.8%
18	Masan HN Company Limited (“HNF”)	(i) (f)	Seasonings, convenience food manufacturing and packaging	69.2%	-
19	VinaCafé Bien Hoa Joint Stock Company (“VCF”)	(i)	Beverage manufacturing and trading	68.4%	55.9%
20	Café De Nam Joint Stock Company (“CDN”)	(i)	Beverage trading and manufacturing	58.1%	47.5%
21	Vinh Hao Mineral Water Corporation (“VHC”)	(i)	Beverage manufacturing and trading and packaging	62.4%	50.3%
22	Kronfa., JSC (“KRP”)	(i)	Beverage manufacturing	62.4%	50.3%
23	Masan Beverage Company Limited (“MSB”)	(i)	Beverage trading and distribution	69.2%	56.8%
24	Masan MB One Member Company Limited (“MMB”)	(i)	Seasonings, convenience food manufacturing and packaging	69.2%	56.8%
25	Masan HG One Member Company Limited (“MHG”)	(i)	Convenience food manufacturing and packaging	69.2%	56.8%
26	Masan Jinju Joint Stock Company (“MSJ”)	(i)	Convenience food manufacturing and trading	51.9%	42.6%
27	Quang Ninh Mineral Water Corporation (“QNW”)	(i)	Beverage manufacturing and trading	45.6%	37.4%
28	Masan HPC Company Limited (“HPC”)	(i)	Trading and distribution	69.2%	56.8%

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Number	Name	Note	Principal activity	Percentage of economic interests at	
				30/9/2020	1/1/2020
29	Net Detergent Joint Stock Company (“NET”)	(i)/ (c)	Homecare products manufacturing and trading	36.2%	-
30	Mapleleaf Company Limited (“MPL”)	(ii)	Investment holding	99.9%	99.9%
31	Masan Blue Corporation (“MBL”)	(ii)	Trading and distribution	99.8%	99.8%
32	Blue Tek Vietnam Joint Stock Company (“Blue Tek”)	(ii)/ (d)	Software publishing	50.9%	-
33	Masan High-Tech Materials Corporation (formerly known as Masan Resources Corporation) (“MHT”)	(ii)	Investment holding	96.0%	96.0%
34	Masan Thai Nguyen Resources Company Limited (“MRTN”)	(ii)	Investment holding	96.0%	96.0%
35	Thai Nguyen Trading and Investment Company Limited (“TNTI”)	(ii)	Investment holding	96.0%	96.0%
36	Nui Phao Mining Company Ltd (“NPM”)	(ii)	Exploring and processing mineral	96.0%	96.0%
37	Masan Tungsten Limited Liability Company (“MTC”)	(ii)	Deep processing of nonferrous metals and precious metals (tungsten)	96.0%	96.0%
38	H.C. Starck Holding (Germany) GmbH (Germany) (“HCS”)	(ii) / (e)	Investment holding	96.0%	-
39	ChemiLytics Beteiligungs GmbH (Germany)	(ii)	Investment holding	96.0%	-
40	H.C. Starck GmbH (Germany)	(ii)	Investment holding	96.0%	-

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Number	Name	Note	Principal activity	Percentage of economic interests at	
				30/9/2020	1/1/2020
41	Chemische Fabriken Oker und Braunschweig AG (Germany)	(ii)	Producing chemicals utilized in the manufacturing of paper and additives for the absorptive materials industry	96.0%	-
42	H.C. Starck Infrastructure GmbH & Co. KG (Germany)	(ii)	Deep processing of nonferrous metals and precious metals (Tungsten)	96.0%	-
43	ChemiLytics GmbH & Co. KG (Germany)	(ii)	Chemical analysis and physical measurement data	96.0%	-
44	H.C. Starck Tungsten GmbH (Germany)	(ii)	Deep processing of nonferrous metals and precious metals (Tungsten)	96.0%	-
45	H.C. Starck Nonferrous Metals Trading (Shanghai) Co. Ltd. (China)	(ii)	Trading and distribution	96.0%	-
46	H.C. Starck Canada Inc. (Canada)	(ii)	Deep processing of nonferrous metals and precious metals (Tungsten)	96.0%	-
47	H.C. Starck Tungsten GK (Japan)	(ii)	Trading and distribution	96.0%	-
48	H.C. Starck Tungsten LLC (USA)	(ii)	Trading and distribution	96.0%	-
49	H.C. Starck Jiangwu Tungsten Specialities (Ganzhou) Co. Ltd. (China)	(ii)	Deep processing of nonferrous metals and precious metals (Tungsten)	57.6%	-



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Number	Name	Note	Principal activity	Percentage of economic interests at	
				30/9/2020	1/1/2020
50	MNS Feed Company Limited (“MNS Feed”)	(iii)	Animal protein	88.5%	87.3%
51	Agro Nutrition International Joint Stock Company (“ANCO”)	(iii)	Animal protein	88.5%	87.3%
52	MNS Feed Vinh Long Company Limited (“MNS Feed Vinh Long”)	(iii)	Animal protein	88.5%	87.3%
53	Agro Nutrition International Binh Dinh One Member Limited Company (“ANCO Binh Dinh”)	(iii)	Animal protein	88.5%	87.3%
54	MNS Feed Thai Nguyen Company Limited (“MNS Feed Thai Nguyen”)	(iii)	Animal protein	88.5%	87.3%
55	MNS Feed Tien Giang Company Limited (“MNS Feed Tien Giang”)	(iii)	Animal protein	88.5%	87.3%
56	MNS Feed Nghe An Company Limited (“MNS Feed Nghe An”)	(iii)	Animal protein	88.5%	87.3%
57	MNS Feed Hau Giang Company Limited (“MNS Feed Hau Giang”)	(iii)	Animal protein	88.5%	87.3%
58	MNS Meat Company Limited (“MNS Meat”)	(iii)	Animal protein	88.5%	87.3%
59	MNS Farm Nghe An Company Limited (“MNF (NA)”)	(iii)	Breeding swine	88.5%	87.3%
60	MNS Farm Company Limited (“MNS Farm”)	(iii)	Investment holding	88.5%	87.3%
61	MNS Meat Processing Company Limited (“MNS Meat Processing”)	(iii)	Investment holding	88.5%	87.3%
62	MNS Meat Ha Nam Company Limited (“MNS Meat Ha Nam”)	(iii)	Meat processing	88.5%	87.3%
63	MEATDeli Sai Gon Company Limited (formerly known as MNS Meat Sai Gon Company Limited) (“MEATDeli Sai Gon”)	(iii)	Meat processing	88.5%	87.3%
64	Vietnamese – French Cattle Feed Joint Stock Company (“Proconco”)	(iii)	Animal protein	66.5%	65.6%
65	Proconco Can Tho One Member Company Limited (“Proconco Can Tho”)	(iii)	Animal protein	66.5%	65.6%

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Number	Name	Note	Principal activity	Percentage of economic interests at	
				30/9/2020	1/1/2020
66	ConCo Binh Dinh Co., Ltd. (“Proconco Binh Dinh”)	(iii)	Animal protein	66.5%	65.6%
67	Proconco Hung Yen Trading and Production Co., Ltd. (“Proconco Hung Yen”)	(iii)	Animal protein	66.5%	65.6%
68	VCM Services and Trading Development Joint Stock Company (“VCM”)	(*)	Investment holding	71.0%	-
69	Vincommerce General Commercial Services Joint Stock Company (“VinCommerce”)	(iv)	Trading and distribution	71.0%	58.6%
70	Vineco Agricultural Investment Development and Production Limited Liability Company (“VinEco”)	(iv)	Agriculture	71.0%	58.6%
71	VinEco – Tam Dao Agricultural Investment Development and Production Limited Liability Company (“VinEco Tam Dao”)	(iv)	Agriculture	63.2%	52.2%
72	Dong Nai – VinEco Agricultural Company Limited (“VinEco Dong Nai”)	(iv)	Agriculture	55.0%	45.4%

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**Associates**

Number	Name	Note	Principal activity	Percentage of economic interests at	
				30/9/2020	1/1/2020
<i>Direct associate</i>					
1	Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”)		Banking	(g)	(g)
<i>Indirect associates</i>					
1	Cholimex Food Joint Stock Company (“Cholimex”)	(v)	Seasonings manufacturing and trading	32.8%	32.8%
2	Thuan Phat Packing Joint Stock Company (“Thuan Phat”)	(vi)	Packing manufacturing	25.0%	25.0%
3	Abattoir Long Binh Joint Stock Company (“Abattoir”)	(vi)	Animal protein	25.0%	25.0%
4	Dong Nai Producing Trading Service Joint Stock Company (“Donatraco”)	(vi)	Animal protein	21.3%	21.3%
5	Vissan Joint Stock Company (“Vissan”)	(vi)	Food manufacturing and retailing	24.9%	24.9%
6	Jiangwu H.C. Starck Tungsten Products Co., Ltd.	(vii)	Deep processing of nonferrous metals and precious metals (Tungsten)	30.0%	-

(\*) On 25 June 2020, the Company transferred all of its equity interests in MCH to CrownX and its equity interests in VCM to SHERPA. Thereafter, SHERPA transferred all of its equity interest in VCM to CrownX.

(i) These entities are direct and indirect subsidiaries of MCH.

(ii) These entities are direct and indirect subsidiaries of MH.

(iii) These entities are direct and indirect subsidiaries of MML.

(iv) These entities are direct and indirect subsidiaries of VCM.

(v) This entity is an indirect associate of MCH.

(vi) These entities are indirect associates of MML.

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- (vii) This entity is an indirect associate of MHT.

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

- (a) The SHERPA Company Limited (“SHERPA”) was established under the Enterprise Registration Certificate No. 0316328421 dated 12 June 2020 issued by the Department of Planning and Investment of Ho Chi Minh City.
- (b) The CrownX Corporation (“CrownX”) was established under the Enterprise Registration Certificate No. 0316333118 dated 16 June 2020 issued by the Department of Planning and Investment of Ho Chi Minh City.
- (c) For Net Detergent Joint Stock Company (“NET”), see Note 6(a).
- (d) Blue Tek Vietnam Joint Stock Company (“Blue Tek”) was established under the Enterprise Registration Certificate No. 0316225810 dated 30 March 2020 issued by the Department of Planning and Investment of Ho Chi Minh City.
- (e) For H.C. Starck Holding (Germany) GmbH (“HCS”), see Note 6(b).
- (f) Masan HN Company Limited (“HNF”) was established under the Enterprise Registration Certificate No. 0700841110 dated 5 August 2020 issued by the Department of Planning and Investment of Ha Nam Province.
- (g) For Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”), see Note 13(a).

**Normal operating cycle**

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

**2. Basis of preparation**

**(a) Statement of compliance**

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

**(b) Basis of measurement**

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

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**(c) Annual accounting period**

The annual accounting period of the Company is from 1 January to 31 December. The consolidated quarterly financial statements are prepared for the nine-month period ended 30 September 2020.

**(d) Accounting and presentation currency**

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

**(e) Corresponding figures**

The corresponding figures as at 1 January 2020 were brought forward from the audited figures as at 31 December 2019.

**3. Summary of significant accounting policies**

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

**(a) Basis of consolidation**

**(i) Common-control business combination**

Business combination where the same group of shareholders ("the Controlling Shareholders") control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling Shareholders. Such common control business combination is specifically excluded from the scope of Vietnamese Accounting Standard 11 *Business Combination* and in selecting its accounting policy with respect to such transaction, the Group has considered Vietnamese Accounting Standard 01 *Framework* and Vietnamese Accounting Standard 21 *Presentation of Financial Statements*. Based on these standards, the Group has adopted the merger ("carry-over") basis of accounting. The assets and liabilities of the combining companies are consolidated using the existing book values from the Controlling Shareholders' perspective. Any difference between the cost of acquisition and net assets acquired is recorded directly in undistributed profits after tax under equity.

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

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

Non-common control business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. Under the purchase method, the assets and liabilities of the acquired entity are consolidated using their fair values. Cost of acquisition consists of the aggregate fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group. Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity. When the excess is negative, it is recognized immediately in the consolidated statement of income.

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

**(iii) Subsidiaries**

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

**(iv) Associate (equity accounted investees)**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for in the consolidated quarterly financial statements using the equity method (equity accounted investees). The consolidated quarterly 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. Gain or loss on disposal of interest in an associate without losing significant influence, including through dilution of interest in the associate as deemed disposal, is recognised in the consolidated statement of income. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

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**(v) Non-controlling interest (“NCI”)**

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

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

**(vi) Transactions eliminated on consolidation**

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

**(b) Foreign currency**

**(i) Foreign currency transactions**

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

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

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

**(ii) Foreign operations**

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

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

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

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**(c) Cash and cash equivalents**

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

**(d) Investments**

**(i) Trading securities**

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

**(ii) Held-to-maturity investments**

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

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

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

**(e) Accounts receivable**

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

***Factoring***

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



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If the Group:

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

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

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

**(f) Inventories**

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

The Group applies the perpetual method of accounting for inventory.

**(g) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated statement of income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalized as an additional cost of tangible fixed assets.

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

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**(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 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:

▪ mining properties	15 - 20 years
▪ buildings and structures	4 - 50 years
▪ leasehold improvements	3 - 5 years
▪ office equipment	3 - 15 years
▪ machinery and equipment	2 - 25 years
▪ motor vehicles	3 - 15 years

**(h) Intangible fixed assets**

**(i) Land use rights**

Land use rights comprise:

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

Land use rights with indefinite term are stated at cost and are not amortised. Land use rights with definite term are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over their useful lives ranging from 10 to 50 years.

**(ii) Software**

Cost of software include:

- Cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over a period ranging from 3 to 10 years;
- cost incurred during actual software development phase when following conditions are met:
  - respective costs are attributable directly to the software development stage;

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- there is well-founded expectation – verifiable by program designs, models, or the like that the development activities to be capitalized will be finalised successfully and thus the intention to complete the development project should be given;
- the Group will be able to implement and use the software after its development;
- adequate technical, financial and personnel resources should be available to complete the software development successfully; and  
the Group is able to measure expenditure attributable to the software development project reliably.

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

**(iii) Brand name**

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

The fair value of brand name acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned. The fair value of brand name acquired in a business combination is recognized as an intangible asset and is amortized on a straight-line basis ranging from 10 to 30 years.

**(iv) Customer relationships**

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

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationship is amortized on a straight line basis ranging from 5 to 35 years.

**(v) Mineral water resources**

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

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

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**(vi) Mining rights**

The mining rights is calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree 203/2013/ND/CP dated 28 November 2013 which became effective from 20 January 2014. Cost of mining rights are stated at an amount equal to the present value of mining rights fee and is capitalized and treated as an intangible asset. Amortisation of mining rights fees is computed on a straight-line basis over the period of 15 years which is the economic life of the mine reserves .

**(vii) Technology**

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

The fair value of technology acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of technology is amortized on a straight line basis over their useful lives ranging over 5 - 30 years.

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

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

**(ix) Development cost**

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and process, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised include the costs of materials, direct labour and an appropriate portion of overheads. Other development expenditure, including expenditure on internally generated goodwill and brands, is recognised in the consolidated statement of income as an expense as incurred. Capitalised development costs are stated at cost less accumulated amortisation, which is provided on a straight-line basis over 3 to 16 years.

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**(i) Investment property**

**(i) Cost**

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

**(ii) Depreciation**

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

- buildings 20 – 25 years
- infrastructure 5 – 20 years

**(j) Construction in progress**

Construction in progress represents the costs of swine breeders, the cost of construction and machinery which have not been fully completed or installed and mineral assets under development. No depreciation is provided for construction in progress during the period of breeding the swines, construction, installation and commissioning stages.

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

**(k) Long-term prepayments**

**(i) Other mining costs**

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

Other mining costs comprise:

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

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*Deferred stripping costs*

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

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

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

Production stripping costs are allocated between the inventory produced and the production stripping asset with reference to the average life of mine strip ratio.

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

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

**(ii) *Prepaid land costs***

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

**(iii) *Land compensation cost***

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

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

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

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortized on a straight-line basis not more than 3 years.

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**(v) Goodwill from equitization**

Goodwill generated from the state-owned enterprise equitization is recognized as long-term prepayments. Goodwill generated from the state-owned enterprise equitization includes brand name value and potential development value. Brand name value is determined on the basis of actual costs incurred for creation and protection of trademarks, trade name in the course of the enterprise's operation for the period of five years before the valuation date (including establishment costs and expenditures on training, advertising and promotional activities incurred to promote and introduce the enterprise and its products and website costs). Potential development value is evaluated on the basis of profitability of the enterprise in the future taking into account the enterprise's profit ratio and interest rates of 5-year government bonds. Goodwill generated from the state-owned enterprise equitization is amortized on a straight-line basis over ten years starting from the date of conversion from a state-owned enterprise into a joint stock company (date of first business registration certificate for a joint stock company).

**(vi) Swine breeders**

Cost of swine breeders is recognised as long-term prepaid expenses and amortised on a straight-line basis over a period ranging from 2 to 3 years. The amortisation cost of breeders that directly relates to farming of swine are capitalised as part of work in progress.

**(vii) Other long-term prepaid expenses**

Other long-term prepaid expenses include pre-operating expenses and other prepaid expenses which are stated at their costs and are amortised on a straight-line basis over a period ranging from over 1 to 23 years.

**(I) Goodwill**

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

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

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

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortized.

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**(m) Trade and other payables**

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

**(n) Provisions**

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

**(i) Mining rights fee**

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 fee is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights in accordance with:

- Decree No. 203/2013/ND-CP dated 28 November 2013 (“Decree 203”), Decree No. 158/2016/ND-CP dated 29 November 2016 (“Decree 158”) and Circular No. 38/2017/TT-BTNMT dated 16 October 2017 (“Circular 38”) until 15 September 2019; and
- Decree No. 67/2019/ND-CP dated 31 July 2019 (“Decree 67”) from 15 September 2019.

Mining rights fee is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights which is defined under the prices to calculate the resource royalty in accordance with the law on resource royalty at the time of determining the charge for granting mining rights. The prices to calculate the resource royalty is announced by the provincial People’s Committee. The conversion method is based on various parameters of the conversion coefficient under guidelines of Circular 38 and/or Decree 67.

**(ii) Mine rehabilitation**

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

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

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



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**(iii) Severance allowance**

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

**(iv) Pension**

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

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

Under a defined benefit plan, employees will receive a defined amount of pension benefit on retirement, usually dependent on one or more factors such as age, years of service and compensation. The provision to be recognised for a defined benefit plan is calculated as the present value of the defined benefit obligations at the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting estimated future cashflow using interest rates of high-quality AA-corporation bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximation to the terms of the related pension liability. The measurement of defined benefit obligation involves estimation of future cashflow, employee turnover, mortality and future increase in salaries.

**(o) Bonds issued**

***Straight bonds***

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

**(p) Taxation**

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

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

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

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

**(q) Equity**

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

Ordinary share capital is classified as equity. The excess of proceeds contributed over the par value of shares issued is recorded as capital surplus. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from capital surplus.

**(ii) *Other capital***

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

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

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

**(r) Revenue**

***Goods sold***

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

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

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

**(i) Financial income**

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

**(ii) Financial expenses**

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

**(t) Operating lease payments**

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

**(u) Earnings per share**

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

**(v) Segment reporting**

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

**(w) Related parties**

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

**(x) Share-based payments**

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

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**4. Changes in the composition of the Group**

On 20 February 2020, Masan HPC Company Limited (“HPC”) acquired a subsidiary named Net Detergent Joint Stock Company. Please see Note 6(a) for further information.

On 9 June 2020, Masan Tungsten Limited Liability Company (“MTC”) acquired a subsidiary named H.C Starck Holding (Germany) GmbH. Please see Note 6(b) for further information.

On 12 June 2020, the Company established a subsidiary named The SHERPA Company Limited (“SHERPA”).

On 25 June 2020, the Company transferred all of its equity interest in MCH to The CrownX Corporation (“CrownX”) and its equity interest in VCM to SHERPA. Thereafter, SHERPA transferred all of its equity interest in VCM to CrownX. As of the result, SHERPA holds 70% of contributed capital in CrownX, a newly incorporated company in Vietnam on 16 June 2020.

On 26 June 2020 and 31 August 2020, the Company acquired 12.6% and 2.3%, respectively, share capital in CrownX from a third party. After the acquisition, the Company’s effective equity interest in CrownX increased to 84.8%.

On 5 August 2020, Masan HN Company Limited, an indirect subsidiary of the Company, was established.

**5. Segment reporting**

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

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

- Food and beverage
- MEATLife: breeding swine, animal protein and food manufacturing
- Mining and processing
- Consumer retail
- Others: financial services and others

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**(a) Business segments**

	Food and beverage	MEATLife	Mining and processing	Consumer retail	Others	Total
	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2019 to 30/9/2019 VND million
Segment revenue	16,298,695	11,401,550	5,073,432	22,844,600	-	55,618,277
Segment gross margin	6,652,347	1,946,048	222,122	3,853,421	-	12,673,938
Segment results	2,400,785	272,941	62,767	(3,145,426)	1,797,485	1,388,552
Net unallocated expenses						(577,932)
Net profit						810,620
						4,616,449

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	Food and beverage		MEAT/Life		Mining and processing		Consumer retail		Others		Total	
	30/9/2020 VND million	1/1/2020 VND million	30/9/2020 VND million	1/1/2020 VND million	30/9/2020 VND million	1/1/2020 VND million	30/9/2020 VND million	1/1/2020 VND million	30/9/2020 VND million	1/1/2020 VND million	30/9/2020 VND million	1/1/2020 VND million
Segment assets	15,972,793	11,219,229	16,416,316	15,004,817	37,616,097	28,080,203	22,202,956	24,652,861	16,880,809	15,083,325	109,088,971	94,040,435
Unallocated assets											175,589	3,256,816
<b>Total assets</b>											<b>109,264,560</b>	<b>97,297,251</b>
Segment liabilities	10,814,084	8,243,672	8,399,017	7,207,140	25,861,901	14,910,485	14,761,158	11,177,887	-	-	59,836,160	41,539,184
Unallocated liabilities											20,832,664	3,869,660
<b>Total liabilities</b>											<b>80,668,824</b>	<b>45,408,844</b>
Capital expenditure	1,057,918	886,592	825,273	1,617,457	395,821	776,004	322,333	-	-	-	2,601,345	3,280,053
Unallocated capital expenditure												
Depreciation	494,575	450,833	329,171	265,807	964,692	846,807	548,996	-	11,904	914	11,904	914
Unallocated depreciation											2,337,434	1,563,447
Amortization	251,134	223,786	283,687	329,760	239,745	166,788	917,389	-	2,659	2,211	2,659	2,211
Unallocated amortization											1,691,955	720,334
									282	235	282	235

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**(b) Geographical segments**

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

	Overseas		Domestic		Total	
	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2019 to 30/9/2019 VND million	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2019 to 30/9/2019 VND million	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2019 to 30/9/2019 VND million
Net revenue	6,205,303	3,901,227	49,412,974	22,477,173	55,618,277	26,378,400

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**6. Business combination**

**a) Net Detergent Joint Stock Company (“NET”)**

On 20 February 2020, HPC, a subsidiary indirectly owned by the Company, successfully acquired 52.3% equity interest in Net Detergent Joint Stock Company (“NET”), a leading local homecare manufacturer, for a total consideration of VND565,077 million including transactions costs. Such transaction resulted in NET becoming a subsidiary indirectly owned by the Company.

The business combination had the following effect on the Group’s assets and liabilities on the business combination date:

	<b>Pre-acquisition carrying amounts VND million</b>	<b>Fair value adjustments VND million</b>	<b>Recognised value on acquisition VND million</b>
Cash and cash equivalents	53,494	-	53,494
Held-to-maturity investments	63,500	-	63,500
Accounts receivable – short-term	48,238	-	48,238
Inventories – net	126,318	-	126,318
Other current assets	2,928	-	2,928
Tangible fixed assets – net	259,270	39,554	298,824
Intangible fixed assets – net	183	360,954	361,137
Investment property – net	11,774	6,854	18,628
Construction in progress	158	-	158
Long-term prepaid expenses	46,809	78,495	125,304
Accounts payable to suppliers	(195,753)	-	(195,753)
Short-term borrowings	(23,649)	-	(23,649)
Other current liabilities	(61,108)	-	(61,108)
Other long-term liabilities	(100)	-	(100)
Deferred tax liabilities	-	(97,171)	(97,171)
<b>Total net identifiable assets from business combination</b>	<b>332,062</b>	<b>388,686</b>	<b>720,748</b>
Share of net assets from business combination			376,606
Goodwill on business combination (Note 15)			188,471
<b>Total consideration</b>			<b>565,077</b>
Cash increase from business combination			53,494
<b>Net cash outflow</b>			<b>511,583</b>

Goodwill recognised on business combination is attributable mainly to synergies which management expects to realise by integrating NET into the Group’s existing business.

For the period from the acquisition date to 30 September 2020, the acquired business contributed net revenue of VND903,195 million and net profit after tax of VND80,918 million to the Group’s results.



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**b) H.C Starck Holding (Germany) GmbH (“HCS”)**

On 9 June 2020, MTC, a subsidiary indirectly owned by the Company, successfully acquired 100.0% equity interest in H.C Starck Holding (Germany) GmbH (“HCS”), a global manufacturer of tungsten metal powders and carbides (midstream tungsten products), for a total consideration of VND1,992,284 million including transactions costs. Such transaction resulted in HCS becoming a subsidiary indirectly owned by the Company.

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

	<b>Pre-acquisition carrying amounts VND million (*)</b>	<b>Fair value adjustments VND million (*)</b>	<b>Recognised value on acquisition VND million</b>
Cash and cash equivalents	940,190	-	940,190
Inventories – net	1,687,581	(26,388)	1,661,193
Other current assets	930,123	-	930,123
Tangible fixed assets – net	1,650,906	2,365,232	4,016,138
Intangible fixed assets – net	68,933	3,283,956	3,352,889
Construction in progress	110,926	-	110,926
Investments in associate	13,365	194,262	207,627
Deferred tax assets	957,629	-	957,629
Other long-term asset	1,234	-	1,234
Current liabilities	(1,291,779)	(235,331)	(1,527,110)
Long-term liabilities	(6,011,368)	-	(6,011,368)
Deferred tax liabilities	(471)	(1,934,552)	(1,935,023)
Non-controlling interests	50,738	(48,846)	1,892
<b>Total net identifiable assets/(liabilities) from business combination</b>	<b>(891,993)</b>	<b>3,598,333</b>	<b>2,706,340</b>
Share of net assets from business combination			2,706,340
Negative goodwill from acquisition of a subsidiary (Note 30)			(880,818)
<b>Total consideration net (*)</b>			<b>1,825,522</b>
Receivable for a reduction of consideration			166,762
Cash increase from business combination			(940,190)
<b>Net cash outflow</b>			<b>1,052,094</b>

(\*) As at the issuance date of these consolidated quarterly financial statements, the fair value and the pre-acquisition carrying amounts of these assets and liabilities have not yet been finalised. In addition, total consideration has been under review for finalisation. Potential adjustments to these balance sheet items will be reflected in subsequent financial statements when these matters are finalized with potential impact to the consolidated statement of income.

For the period from the acquisition date to 30 September 2020, the acquired business contributed net revenue of VND1,860,332 million and net loss of VND170,114 million to the Group’s results.

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**7. Cash and cash equivalents**

	<b>30/9/2020</b> <b>VND million</b>	<b>1/1/2020</b> <b>VND million</b>
Cash on hand	125,687	89,018
Cash in bank	1,772,323	1,780,712
Cash in transit	16,831	58,340
Cash equivalents	3,693,400	4,872,458
	5,608,241	6,800,528

**8. Accounts receivable**

**(i) Receivable on short-term lending loans**

Receivable on short-term lending loans from third parties were unsecured, earned interest rate at 6.5% per annum (1/1/2020: nil) and mature in 2021.

**(ii) Other receivables**

Other receivables comprised:

	<b>30/9/2020</b> <b>VND million</b>	<b>1/1/2020</b> <b>VND million</b>
<b>Other short-term receivables</b>		
Accrued interest receivable	82,353	26,950
Advances	21,780	25,358
Short-term deposits (*)	1,996,421	2,315,774
Others	540,794	386,259
	2,641,348	2,754,341
<b>Other long-term receivables</b>		
Long-term deposit	335,016	349,646
Other (**)	1,238,220	1,250,000
	1,573,236	1,599,646

(\*) Included in short-term deposits was VND1,900,000 million of deposits paid to third parties for the investments (1/1/2020: VND2,000,000 million).

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

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

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>
Opening balance	105,744	106,135
Increase in allowance during the period	5,202	13,781
Allowance utilised during the period	(7)	(5,926)
Allowance written back during the period	(18,713)	(1,808)
Closing balance	92,226	112,182

**9. Inventories**

	<b>30/9/2020 VND million</b>	<b>1/1/2020 VND million</b>
Goods in transit	508,644	260,850
Raw materials	3,114,909	1,685,210
Tools and supplies	1,034,651	874,450
Work in progress	1,127,684	451,471
Finished goods	3,099,726	2,036,450
Merchandise inventories	2,572,900	4,245,347
Goods on consignment	11,353	136,853
Goods in bounded warehouse	50,072	-
	11,519,939	9,690,631
Allowance for inventories	(93,645)	(68,810)
	11,426,294	9,621,821

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

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>
Opening balance	68,810	56,398
Increases from business combination	62,903	-
Increase in allowance during the period	87,204	35,998
Allowance utilised during the period	(60,936)	(32,650)
Allowance written back during the period	(64,336)	(5,865)
Closing balance	93,645	53,881

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**10. Tangible fixed assets**

	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
<b>Cost</b>							
Opening balance	13,306,627	5,095,927	87,490	263,878	20,337,461	156,645	39,248,028
Increases from business combination	2,821,088	-	-	303	4,895,654	4,256	7,721,301
Additions	23,520	-	-	8,091	80,253	25,365	137,229
Transfers from construction in progress	286,339	-	-	33,825	1,335,145	5,028	1,660,337
Transfers from/(to) long-term prepayments	258	-	-	1,044	(3,974)	-	(2,672)
Disposals/written-off	(24,028)	-	-	(32,225)	(256,630)	(8,964)	(321,847)
Other movement	(13,326)	-	-	-	(3,847)	-	(17,173)
Currency translation differences	13,301	-	-	-	37,212	-	50,513
Closing balance	16,413,779	5,095,927	87,490	274,916	26,421,274	182,330	48,475,716
<b>Accumulated depreciation</b>							
Opening balance	2,007,751	1,127,331	68,758	108,510	6,712,536	52,261	10,077,147
Increases from business combination	586,645	-	-	-	2,819,694	-	3,406,339
Charge for the period	654,476	157,719	9,750	123,017	1,376,082	19,047	2,340,091
Transfers from/(to) long-term prepayments	130	-	-	412	(2,055)	-	(1,513)
Disposals/written-off	(12,426)	-	-	(15,516)	(218,134)	(8,728)	(254,804)
Currency translation differences	5,692	-	-	-	27,709	-	33,401
Closing balance	3,242,268	1,285,050	78,508	216,423	10,715,832	62,580	15,600,661
<b>Net book value</b>							
Opening balance	11,298,876	3,968,596	18,732	155,368	13,624,925	104,384	29,170,881
Closing balance	13,171,511	3,810,877	8,982	58,493	15,705,442	119,750	32,875,055

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**11. Intangible fixed assets**

	Land use rights VND million	Software VND million	Development cost VND million	Brand name VND million	Customer relationships VND million	Mineral water resources VND million	Mining rights VND million	Technology VND million	Exploitation rights VND million	Others VND million	Total VND million
<b>Cost</b>											
Opening balance	3,946,139	633,966	-	2,414,898	6,040,214	412,698	588,373	669,433	72,122	-	14,777,843
Increases from business combination	66,441	287,030	633,964	1,376,186	232,227	-	-	1,427,561	-	26,573	4,049,982
Additions/Reclassification	(7,452)	16,546	1,387	-	-	-	-	-	-	(1,433)	9,048
Transfers from construction in progress	-	17,612	-	-	-	-	-	-	-	-	17,612
Written off	(12,646)	(1,677)	-	-	-	-	-	-	-	-	(14,323)
Currency translation differences	382	2,807	677	-	-	-	-	-	-	158	4,024
Closing balance	3,992,864	956,284	636,028	3,791,084	6,272,441	412,698	588,373	2,096,994	72,122	25,298	18,844,186
<b>Accumulated amortization</b>											
Opening balance	66,128	263,420	-	914,107	1,002,464	95,333	158,119	636,769	20,685	-	3,157,025
Increases from business combination	-	280,835	53,616	-	-	-	-	-	-	1,505	335,956
Amortization for the period	95,789	83,889	18,539	131,334	190,007	16,451	22,913	54,961	2,471	565	616,919
Written off	(4,018)	(809)	-	-	-	-	-	-	-	-	(4,827)
Currency translation differences	-	2,760	495	-	-	-	-	-	-	14	3,269
Closing balance	157,899	630,095	72,650	1,045,441	1,192,471	111,784	181,032	691,730	23,156	2,084	4,108,342
<b>Net book value</b>											
Opening balance	3,880,011	370,546	-	1,500,791	5,037,750	317,365	430,254	32,664	51,437	-	11,620,818
Closing balance	3,834,965	326,189	563,378	2,745,643	5,079,970	300,914	407,341	1,405,264	48,966	23,214	14,735,844

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**12. Construction in progress**

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 31/12/2019 VND million</b>
Opening balance	3,278,972	2,171,342
Addition during the period	2,320,296	3,644,056
Increases from business combination	111,084	624,069
Transfers to tangible fixed assets	(1,660,337)	(3,073,256)
Transfers to intangible fixed assets	(17,612)	(12,406)
Transfers to long-term prepayments	(146,934)	(72,887)
Written off	-	(346)
Disposals	-	(1,600)
Currency translation differences	852	-
	<hr/>	<hr/>
Closing balance	3,886,321	3,278,972

**13. Investments**

	<b>30/9/2020 VND million</b>	<b>1/1/2020 VND million</b>
<b>Long-term financial investments</b>		
Investment in associates (a)	19,486,824	17,492,653
Equity investments in other entities (b)	21,646	21,646
Held-to-maturity investments – long-term (c)	7,400	-
Allowance for diminution in the value of long-term investments	(8,442)	(8,442)
	<hr/>	<hr/>
	19,507,428	17,505,857
<b>Short-term financial investments</b>		
Trading securities	-	472,134
Held-to-maturity investment – short-term (c)	294,900	312,320
	<hr/>	<hr/>
	294,900	784,454

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**(a) Investment in associates**

	30/9/2020	1/1/2020	
	% of equity owned over charter capital	% of voting rights over charter capital	Carrying value at equity accounted VND million
	% of equity owned over charter capital	% of equity owned over charter capital	Carrying value at equity accounted VND million
• Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”) (*)	20.0%	20.0%	16,880,810
• Cholimex Food Joint Stock Company (“Cholimex”) (**)	32.8%	32.8%	249,392
• Thuan Phat Packing Joint Stock Company (“Thuan Phat”) (***)	25.0%	25.0%	4,145
• Abattoir Long Binh Joint Stock Company (“Abattoir”) (***)	25.0%	25.0%	6,567
• Dong Nai Manufacture, Service and Trading Joint Stock Company (“Donatraco”) (***)	21.3%	21.3%	14,325
• Vissan Joint Stock Company (“Vissan”) (****)	24.9%	24.9%	2,135,490
• Jiangwu H.C. Starck Tungsten Products Co., Ltd. (China) (“Jiangwu”) (*****)	30.0%	-	196,095
			19,486,824
			17,492,653



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

	Techcombank VND million	Cholimex VND million	Thuan Phat VND million	Abattoir VND million	Donatraco VND million	Vissan VND million	Jiangwu VND million	Total VND million
Opening balance	15,083,325	249,392	4,925	6,709	12,812	2,135,490	-	17,492,653
Increases from business combination	-	-	-	-	-	-	207,625	207,625
Share in post-acquisition profit/(loss) of associates during the period (*)	1,797,485	13,296	(780)	358	1,513	10,090	(13,194)	1,808,768
Dividends	-	(13,296)	-	(500)	-	(10,090)	-	(23,886)
Currency translation differences	-	-	-	-	-	-	1,664	1,664
Closing balance	16,880,810	249,392	4,145	6,567	14,325	2,135,490	196,095	19,486,824

(\*) The Group's percentage of equity over charter capital of Techcombank was 20% (1/1/2020: 20.0%).

As of 30 September 2020 and 1 January 2020, the Group has 20.0% direct equity holding and 1.5% economic interest that is subject to a forward sale agreement.

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

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

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

(\*\*\*\*\*) H.C. Starck Tungsten GmbH (Germany) holds 30.0% equity interest in Jiangwu.



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**14. Long-term prepayments**

	Other mining costs VND million	Prepaid land costs VND million	Land compensation costs VND million	Printing axles, tools and supplies VND million	Goodwill from equitization VND million	Swine breeders VND million	Others VND million	Total VND million
Opening balance	1,505,279	824,391	1,006,777	1,396,632	18,807	76,004	805,224	5,633,114
Increases from business combination	-	123,703	-	1,601	-	-	-	125,304
Additions	85,060	331,714	47,159	170,795	-	41,076	202,976	878,780
Transfers from tangible fixed assets	-	-	-	1,159	-	-	-	1,159
Transfer from construction in progress	-	53,852	-	67,937	-	-	25,145	146,934
Transfers from long-term receivables	-	-	11,780	-	-	-	-	11,780
Transfers from short-term prepayment	-	-	-	4,794	-	-	-	4,794
Amortization for the period	56,403	(19,181)	(59,308)	(456,770)	(2,351)	(29,987)	(203,429)	(714,623)
Disposals/written off	-	-	-	(36,161)	-	(20,862)	(4,998)	(62,021)
Currency translation differences	-	-	-	(4)	-	-	-	(4)
Closing balance	1,646,742	1,314,479	1,006,408	1,149,983	16,456	66,231	824,918	6,025,217

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**15. Goodwill**

	<b>VND million</b>
<b>Cost</b>	
Opening balance	4,694,223
Addition	188,471
Closing balance	<u>4,882,694</u>
<b>Accumulated amortization</b>	
Opening balance	708,795
Amortization for the period	363,732
Closing balance	<u>1,072,527</u>
<b>Net book value</b>	
Opening balance	3,985,428
Closing balance	<u><u>3,810,167</u></u>

**16. Taxes payable to State Treasury**

	<b>30/9/2020</b>	<b>1/1/2020</b>
	<b>VND million</b>	<b>VND million</b>
Corporate income tax	732,861	463,143
Value added tax	220,716	149,782
Personal income tax	44,632	131,358
Special consumption tax	28,487	21,366
Other taxes	62,613	4,355
	<u>1,089,309</u>	<u>770,004</u>

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**17. Accrued expenses**

	<b>30/9/2020</b>	<b>1/1/2020</b>
	<b>VND million</b>	<b>VND million</b>
Interest expense	711,282	466,583
Advertising and promotion expenses	645,010	493,501
Sales discounts and customer support fee	369,839	385,443
Logistics expenses	336,911	273,755
Purchase not yet received invoices	205,514	108,698
Accrual for construction work	245,721	989,525
Consultant fee	16,985	126,172
Bonus and 13 <sup>th</sup> month salary	456,237	585,768
Exhibition and market research expenses	65,995	35,839
Natural resources taxes and fees	11,337	71,039
Others	811,092	574,179
	<hr/>	<hr/>
	3,875,923	4,110,502
	<hr/>	<hr/>

**18. Other payables**

	<b>30/9/2020</b>	<b>1/1/2020</b>
	<b>VND million</b>	<b>VND million</b>
<b>Other short-term payables</b>		
Trade union fees, social, health and unemployment insurance	16,754	44,769
Short-term deposits received	12,825	14,558
Dividend payables	17,509	32,495
Payable for purchasing shares in CrownX	2,300,000	-
Others	1,394,142	30,735
	<hr/>	<hr/>
	3,741,230	122,557
	<hr/>	<hr/>
<b>Other long-term payables</b>		
Long-term deposits received	24,204	23,977
Others	155,002	156,962
	<hr/>	<hr/>
	179,206	180,939
	<hr/>	<hr/>

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**19. Short-term borrowings and bonds**

	<b>30/9/2020</b> <b>VND million</b>	<b>1/1/2020</b> <b>VND million</b>
Short-term borrowings	18,165,571	13,286,330
Current portion of long-term borrowings and bonds (Note 20)	3,592,539	5,053,855
	<u>21,758,110</u>	<u>18,340,185</u>

**Short-term borrowings**

	<b>30/9/2020</b> <b>VND million</b>	<b>1/1/2020</b> <b>VND million</b>
Bank borrowings		
VND denominated	15,004,943	11,295,704
USD denominated	2,420,628	1,260,626
Third parties borrowings		
VND denominated	740,000	730,000
	<u>18,165,571</u>	<u>13,286,330</u>

**20. Long-term borrowings and bonds**

	<b>30/9/2020</b> <b>VND million</b>	<b>1/1/2020</b> <b>VND million</b>
Long-term borrowings	3,092,013	2,908,420
Unsecured bonds	15,109,213	1,484,677
Secured bonds	17,218,001	12,336,600
	<u>35,419,227</u>	<u>16,729,697</u>
Repayable within twelve months (Note 19)	(3,592,539)	(5,053,855)
Repayable after twelve months	<u>31,826,688</u>	<u>11,675,842</u>

**Long-term borrowings**

	<b>30/9/2020</b> <b>VND million</b>	<b>1/1/2020</b> <b>VND million</b>
Bank borrowings:		
VND denominated	3,092,013	2,608,420
Third parties borrowings		
VND denominated	-	300,000
	<u>3,092,013</u>	<u>2,908,420</u>

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**21. Changes in owners' equity**

	Share capital VND million	Capital surplus VND million	Other capital VND million	Foreign exchange differences VND million	Undistributed profits VND million	Equity attributable to equity holders of the Group VND million	Non-controlling interest VND million	Total VND million
<b>Balance at 1 January 2019</b>	11,631,495	11,084,417	(9,426,958)	4,402	16,193,388	29,486,744	4,592,934	34,079,678
Net profit for the period	-	-	-	-	5,557,571	5,557,571	807,044	6,364,615
Issuance of new shares	57,969	(60)	-	-	-	57,909	-	57,909
Currency translation differences	-	-	-	6,631	-	6,631	1,561	8,192
Dividend declared by subsidiaries	-	-	-	-	-	-	(393,817)	(393,817)
Transactions with NCI	-	-	-	-	7,679,439	7,679,439	(366,986)	7,312,453
Business combination	-	-	-	-	-	-	4,467,897	4,467,897
Share dividend declared by a subsidiary	-	-	863,268	-	(863,268)	-	-	-
Others	-	-	-	-	(8,178)	(8,178)	(342)	(8,520)
<b>Balance at 31 December 2019</b>	11,689,464	11,084,357	(8,563,690)	11,033	28,558,952	42,780,116	9,108,291	51,888,407

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	Share capital VND million	Capital surplus VND million	Other capital VND million	Foreign exchange differences VND million	Undistributed profits VND million	Equity attributable to equity holders of the Group VND million	Non-controlling interest VND million	Total VND million
<b>Balance at 1 January 2020</b>	11,689,464	11,084,357	(8,563,690)	11,033	28,558,952	42,780,116	9,108,291	51,888,407
Net profit for the period	-	-	-	-	968,756	968,756	(158,136)	810,620
Issued new shares	57,368	(60)	-	-	-	57,308	-	57,308
Currency translation differences	-	-	-	(231,662)	-	(231,662)	(15,020)	(246,682)
Transaction with NCI	-	-	-	-	(23,013,345)	(23,013,345)	(1,064,261)	(24,077,606)
Dividend declared by subsidiaries	-	-	-	-	-	-	(176,739)	(176,739)
Business combination	-	-	-	-	-	-	342,250	342,250
Bonus and welfare funds of a subsidiary	-	-	-	-	(659)	(659)	(1,163)	(1,822)
<b>Balance at 30 September 2020</b>	11,746,832	11,084,297	(8,563,690)	(220,629)	6,513,704	20,560,514	8,035,222	28,595,736

The Annual General Meeting (“AGM”) of Shareholders of the Company on 30 June 2020 resolved to distribute dividends by cash amounting to 10% per share (VND1,000 per share) within 6 months from the date of the resolution. The dividend payable will be accrued upon the approval of Board of Directors and the list of shareholders entitlement is determined.



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**22. Share capital and capital surplus**

The Company's authorised and issued share capital comprises:

	30/9/2020		1/1/2020	
	Number of shares	VND million	Number of shares	VND million
<b>Authorised share capital</b>	1,174,683,246	11,746,832	1,168,946,447	11,689,464
<b>Issued share capital</b>				
Ordinary shares	1,174,683,246	11,746,832	1,168,946,447	11,689,464
<b>Shares in circulation</b>				
Ordinary shares	1,174,683,246	11,746,832	1,168,946,447	11,689,464
<b>Capital surplus</b>	-	11,084,297	-	11,084,357

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

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

Movements in share capital during the period were as follows:

	From 1/1/2020 to 30/9/2020		From 1/1/2019 to 31/12/2019	
	Number of shares	Par value VND million	Number of shares	Par value VND million
Balance at beginning of the period	1,168,946,447	11,689,464	1,163,149,548	11,631,495
Issuance of new shares for cash	5,736,799	57,368	5,796,899	57,969
Balance at the end of the period	1,174,683,246	11,746,832	1,168,946,447	11,689,464

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**23. Share-based payments**

The Group has an employee share-based payment plans to award shares based on the assessment of the performance of employees. The future issuance of shares under the plan has to be approved by the shareholders at Annual General Meeting (“AGM”).

**24. Other capital**

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

**25. Total revenue**

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

Net sales comprised:

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>
Total revenue		
▪ Sales of finished goods and merchandises	56,768,172	27,422,794
Less sales deductions		
▪ Sales discounts	1,091,370	1,007,552
▪ Sales returns	58,525	36,842
Net sales	55,618,277	26,378,400

**26. Cost of sales**

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>
Total cost of sales		
▪ Finished goods and merchandises sold	42,921,471	18,786,405
▪ Allowance for inventories	22,868	30,133
	42,944,339	18,816,538

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**27. Financial income**

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>
Interest income from:		
▪ Deposits	143,739	170,269
▪ Other loan investing activities	506,224	42,609
Foreign exchange gains	157,855	98,941
Other financial income	445,621	638,411
	1,253,439	950,230

**28. Financial expenses**

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>
Interest expenses on loans/bonds from:		
▪ Banks	830,961	344,332
▪ Bondholders and others	1,801,165	1,052,866
Issuance fee	144,266	110,760
Foreign exchange losses	163,565	74,959
Other financial expenses	196,288	97,772
	3,136,245	1,680,689

**29. Share of profit in associates**

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>
Share of profit in associates	1,808,768	1,532,182

**30. Other income**

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>
Negative goodwill on acquisition of a subsidiary (Note 6(b))	880,818	-
Income from arbitration settlement	-	1,212,835
Gain on disposal of fixed assets and long-term assets	10,102	1,874
Others	173,826	7,466
	1,064,746	1,222,175

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**31. Other expenses**

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>
Loss from disposal of fixed assets and long-term assets	40,921	18,368
Others	122,054	203,206
	162,975	221,574

**32. Earnings per share**

The calculation of basic earnings per share for the nine-month period ended 30 September 2020 was based on the net profit attributable to ordinary shareholders of VND968,756 million (for the nine-month period ended 30 September 2019: VND4,109,588 million) of the Company and a weighted average number of ordinary shares outstanding of 1,169,846,748 shares during the period (for the nine-month period ended 30 September 2019: 1,163,341,710 shares), calculated as follows:

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

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>
Net profit attributable to ordinary shareholders	968,756	4,109,588

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

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>
Issued ordinary shares at the beginning of the period	1,168,946,447	1,163,149,548
Effect of shares issued for cash	900,301	192,162
Weighted average number of ordinary shares during the period	1,169,846,748	1,163,341,710

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**33. Significant transactions with related parties**

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

Related Party	Nature of transaction	From 1/1/2020 to 30/9/2020 VND million	From 1/1/2019 to 30/9/2019 VND million
<b>Associate</b>			
Techcombank and its subsidiaries	Loans received	2,083,056	3,009,002
	Loans repaid	1,184,732	1,147,207
	Bonds issued (acting as an agent)	16,609,052	-
	Bonds repurchased	38,824	-
	Sales of trading securities	1,250,000	-
	Interest expenses on loans received/bonds issued	80,767	69,795
<b>Key management personnel</b>	Remuneration to Board of Management (*)	142,348	127,452

As at and for the period ended 30 September 2020 and 30 September 2019, the Group have current, term deposit accounts and agency fee at Techcombank and its subsidiaries at normal market trading terms.

(\*) *No board fees were paid to Board of Directors members in the period ended 30 September 2020 and 30 September 2019.*

**34. Post balance sheet events**

On 2 October 2020, MML, a subsidiary of the Company, signed an agreement to contribute 51% equity interests of 3F Viet Joint Stock Company for a total consideration of VND613 billion. The deal is subject to regulatory approval which has not been obtained at the issuance date of this report.

On 26 October 2020, MHT, a subsidiary of the Company, signed an agreement with Mitsubishi Materials Corporation (the "Investor") to issue 109,915,542 of MHT ordinary shares for a total cash consideration of VND2,094,330,737,268. As a result of this transaction, the Investor will hold 10% of MHT's equity interest. The deal is subject to regulatory approval. And in relation to this transaction, MHT granted the put option to the Investor with circumstance for the put option to be exercised in the event that (i) MHT and the Investor (or their affiliate) fail to establish a joint operation of midstream tungsten business within 18 months from closing date of this transaction or (ii) if a change in control in MHT. The put price is at the amount equal to purchase price in VND less the aggregate of any proceeds received by the Investor from disposing MHT shares, dividends and compensations received by the Investor, subject to customary adjustments from dilutive events. The deadline for closing the put option is 18 months from the date that MHT receives the put option notice from the Investor.

On 13 October 2020, MML's Board of Directors approved the increase of charter capital of this entity through the issuance of new shares under the employee stock option plan, in which the number of new shares issued was 2,387,400 shares, equivalent to the total par value of VND23,874,000,000.

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**35. Explanation of the net profit movement**

**(i) Between current quarter of this year (3Q2020) against the same period of the prior year (3Q2019)**

	<b>From 1/7/2020 to 30/9/2020 VND million</b>	<b>From 1/7/2019 to 30/9/2019 VND million</b>	<b>Movement Amount VND million</b>	<b>Movement Percentage %</b>
Net sales	20,214,308	8,967,875	11,246,433	125%
Gross profit	4,817,839	2,431,594	2,386,245	98%
Net profit after tax	972,565	2,424,860	(1,452,295)	-60%

The Group's net profit after tax ("NPAT") in 3Q2020 was VND973 billion compared to VND2,425 billion (included VND1,213 billion of income related to the settlement of international Arbitration Case of NPM) in 3Q2019. The main reasons were:

- the increase of interest expense;
- the impact from VCM combination: (i) VCM's EBITDA loss of VND221 billion; and (ii) the amortization of goodwill and fair value uplift of VND143 billion; and
- the global economic slowdown due to COVID-19 which impacted commodity prices and sales.

**(ii) Between current quarter of this year (3Q2020) against the last quarter of this year (2Q2020)**

	<b>From 1/7/2020 to 30/9/2020 VND million</b>	<b>From 1/4/2020 to 30/6/2020 VND million</b>	<b>Movement Amount VND million</b>	<b>Movement Percentage %</b>
Net sales	20,214,308	17,766,382	2,447,926	14%
Gross profit	4,817,839	3,894,584	923,255	24%
Net profit after tax	972,565	54,408	918,157	1,688%

The Group's NPAT in 3Q2020 was VND973 billion compared to VND54 billion in 2Q2020. The main reasons were:

- recognition of negative goodwill on acquisition of a subsidiary; and
- the improvement of profitability of VCM, MML and MCH.

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(iii) *Between year-to-date of this year (YTD2020) against the same period of the prior year (YTD2019)*

	<b>From 1/1/2020 to 30/9/2020 VND million</b>	<b>From 1/1/2019 to 30/9/2019 VND million</b>	<b>Movement Amount VND million</b>	<b>Movement Percentage %</b>
Net sales	55,618,277	26,378,400	29,239,877	111%
Gross profit	12,673,938	7,561,862	5,112,076	68%
Net profit after tax	810,620	4,616,449	(3,805,829)	-82%

The Group's NPAT in YTD2020 was VND810 billion compared to VND4,616 billion (included VND1,651 billion of income related to the settlement of international Arbitration Case of NPM) in YTD2019. The main reasons were:

- the increase of interest expense;
- the impact from VCM combination: (i) VCM's EBITDA loss of VND1,279 billion; and (ii) the amortization of goodwill and fair value uplift of VND429 billion; and
- the global economic slowdown due to COVID-19 which impacted commodity prices and sales.

The negative impacts from above factors were partially offset by from higher contributions from MCH and TCB and recognition of negative goodwill on acquisition of a subsidiary.

30 October 2020

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Chief Executive Officer

