



Masan Consumer Corporation and its subsidiaries

Consolidated Interim Financial Statements
for the six-month period ended
30 June 2023



Masan Consumer Corporation Corporate Information

Enterprise Registration Certificate No.

0302017440

31 May 2000

The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 29 August 2022. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Mr Danny Le	Chairman
Mr Truong Cong Thang	Member
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Quang	Member
Ms Nguyen Thi Thu Ha	Member
Ms Nguyen Thu Hien	Member

Audit Committees

Ms Nguyen Thu Hien	Chairwoman
Mr Nguyen Thieu Quang	Member

Board of Management

Mr Truong Cong Thang	Chief Executive Officer
Ms Nguyen Hoang Yen	Deputy Chief Executive Officer
Mr Pham Hong Son	Deputy Chief Executive Officer

Registered Office

12th Floor, MPlaza Saigon
39 Le Duan, Ben Nghe Ward
District 1, Ho Chi Minh City
Vietnam

Auditor

KPMG Limited
Vietnam

Masan Consumer Corporation Statement of the Board of Management

The Board of Management of Masan Consumer Corporation (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the six-month period ended 30 June 2023.

The Company’s Board of Management is responsible for the preparation and fair presentation of the consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In the opinion of the Company’s Board of Management:

- (a) the consolidated interim financial statements set out on pages 5 to 61 give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

The Company’s Board of Management has, on the date of this statement, authorised the accompanying consolidated interim financial statements for issue.

On behalf of the Board of Management



Nguyễn Hoàng Yến
Authorised Representative

Ho Chi Minh City, 4 August 2023



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INTERIM FINANCIAL INFORMATION REVIEW REPORT

To the Shareholders Masan Consumer Corporation

We have reviewed the accompanying consolidated interim financial statements of Masan Consumer Corporation (“the Company”) and its subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheet as at 30 June 2023, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 4 August 2023, as set out on pages 5 to 61.

Management’s Responsibility

The Company’s Board of Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Masan Consumer Corporation and its subsidiaries as at 30 June 2023 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 23-01-00313-23-2



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

Ho Chi Minh City, 4 August 2023

Nguyen Thuy Ninh
Practicing Auditor Registration
Certificate No. 4623-2023-007-1



Masan Consumer Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2023

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

	Code	Note	30/6/2023 VND	1/1/2023 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		30,290,219,617,592	26,092,449,023,518
Cash and cash equivalents	110	8	5,309,141,311,312	5,588,278,453,404
Cash	111		115,108,061,312	93,843,655,219
Cash equivalents	112		5,194,033,250,000	5,494,434,798,185
Short-term financial investments	120		2,669,954,815,035	1,403,814,717,880
Trading securities	121	9(a)	1,216,544,000,000	1,202,171,717,880
Held-to-maturity investments	123	9(b)	1,453,410,815,035	201,643,000,000
Accounts receivable – short-term	130		19,828,128,844,257	16,526,609,661,885
Accounts receivable from customers	131	10	768,039,251,221	663,867,546,603
Prepayments to suppliers	132		326,713,723,023	328,055,851,416
Short-term loans receivable	135	11	6,188,191,980,732	6,047,191,980,732
Other short-term receivables	136	12(a)	12,545,183,889,281	9,487,494,283,134
Inventories	140	13	2,416,844,048,976	2,501,747,857,460
Inventories	141		2,433,886,343,659	2,531,009,688,650
Allowance for inventories	149		(17,042,294,683)	(29,261,831,190)
Other current assets	150		66,150,598,012	71,998,332,889
Short-term prepaid expenses	151		19,158,736,246	21,864,190,200
Deductible value added tax	152		38,498,224,091	46,519,568,421
Taxes and other receivables from State Treasury	153		8,493,637,675	3,614,574,268

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

Masan Consumer Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2023 (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	30/6/2023 VND	1/1/2023 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		7,476,044,055,001	7,424,194,062,002
Accounts receivable – long-term	210		193,622,995,106	192,573,706,896
Other long-term receivables	216	12(b)	193,622,995,106	192,573,706,896
Fixed assets	220		5,202,497,078,548	5,092,592,979,450
Tangible fixed assets	221	14	4,408,601,019,114	4,256,149,930,619
Cost	222		9,015,458,388,086	8,642,295,346,974
Accumulated depreciation	223		(4,606,857,368,972)	(4,386,145,416,355)
Intangible fixed assets	227	15	793,896,059,434	836,443,048,831
Cost	228		2,397,918,301,522	2,396,630,305,722
Accumulated amortisation	229		(1,604,022,242,088)	(1,560,187,256,891)
Investment property	230	16	6,557,748,710	7,359,461,196
Cost	231		18,627,973,918	18,627,973,918
Accumulated depreciation	232		(12,070,225,208)	(11,268,512,722)
Long-term work in progress	240		696,024,105,792	810,614,752,363
Construction in progress	242	17	696,024,105,792	810,614,752,363
Long-term financial investments	250		269,858,473,254	249,391,858,906
Investment in an associate	252	9(c)	269,858,473,254	249,391,858,906
Other long-term assets	260		1,107,483,653,591	1,071,661,303,191
Long-term prepaid expenses	261	18	653,017,058,249	667,880,246,079
Deferred tax assets	262	19	318,840,087,995	250,748,144,987
Goodwill	269	20	135,626,507,347	153,032,912,125
TOTAL ASSETS (270 = 100 + 200)	270		37,766,263,672,593	33,516,643,085,520


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

Masan Consumer Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2023 (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	30/6/2023 VND	1/1/2023 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		12,273,490,407,429	11,070,997,878,366
Current liabilities	310		11,595,977,150,520	10,061,228,330,556
Short-term accounts payable to suppliers	311	21	1,561,989,982,282	1,495,519,562,993
Advances from customers	312		47,795,957,194	57,801,371,025
Taxes payable to State Treasury	313	22	704,088,458,965	225,676,023,072
Payables to employees	314		797,534,367	587,599,793
Accrued expenses	315	23	1,873,804,139,211	1,521,371,528,492
Other short-term payables	319	24(a)	173,544,211,992	106,179,705,073
Short-term borrowings	320	25(a)	7,206,081,340,921	6,626,217,014,520
Bonus and welfare funds	322		27,875,525,588	27,875,525,588
Long-term liabilities	330		677,513,256,909	1,009,769,547,810
Long-term accounts payable to suppliers	331	21	21,614,128,500	24,324,232,000
Other long-term payables	337	24(b)	31,156,933,624	31,756,586,755
Long-term borrowings	338	25(b)	450,715,827,195	774,748,996,895
Deferred tax liabilities	341	19	162,334,992,265	166,878,229,906
Long-term provisions	342		11,691,375,325	12,061,502,254
EQUITY (400 = 410)	400		25,492,773,265,164	22,445,645,207,154
Owners' equity	410	26	25,492,773,265,164	22,445,645,207,154
Share capital	411	27	7,274,618,790,000	7,274,618,790,000
Share premium	412	27	3,610,328,815,858	3,610,328,815,858
Other capital	414		(265,775,657,006)	(265,775,657,006)
Treasury shares	415	27	(994,666,327,121)	(994,666,327,121)
Foreign exchange differences	417		6,589,850,494	7,418,664,660
Investment and development fund	418		22,731,972,844	22,731,972,844
Undistributed profits after tax	421		15,263,913,539,329	12,263,423,092,167
- Undistributed profits after tax brought forward	421a		12,263,423,092,167	6,816,958,384,098
- Undistributed profit after tax for the current period/prior year	421b		3,000,490,447,162	5,446,464,708,069
Non-controlling interests	429		575,032,280,766	527,565,855,752
TOTAL RESOURCES (440 = 300 + 400)	440		37,766,263,672,593	33,516,643,085,520

4 August 2023

Prepared by:

 Phan Thi Thuy Hoa
 Chief Accountant


 Huynh Viet Thang
 Chief Financial Officer

Approved by:

 NGUYEN HOANG YEN
 HANG TIÊU DÙNG
 MASAN
 NGUYEN HOANG YEN
 Authorised Representative

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

Masan Consumer Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2023

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

	Code	Note	Six-month period ended	
			30/6/2023 VND	30/6/2022 VND
Revenue from sale of goods and provision of services	01	29	12,566,651,161,401	11,886,012,184,690
Revenue deductions	02	29	52,480,608,655	67,558,564,742
Net revenue (10 = 01 - 02)	10	29	12,514,170,552,746	11,818,453,619,948
Cost of sales and services provided	11	30	6,926,387,996,926	6,893,664,185,325
Gross profit (20 = 10 - 11)	20		5,587,782,555,820	4,924,789,434,623
Financial income	21	31	890,147,864,587	402,110,053,492
Financial expenses	22	32	278,201,734,614	191,968,683,451
<i>In which: Interest expense</i>	23		262,944,878,670	139,147,523,806
Share of profit in an associate	24	9(c)	33,762,699,348	13,296,085,000
Selling expenses	25	33	2,364,917,223,952	2,077,409,105,915
General and administration expenses	26	34	445,511,635,918	451,498,194,517
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		3,423,062,525,271	2,619,319,589,232
Other income	31		2,581,197,591	823,339,916
Other expenses	32		3,946,517,259	5,331,823,877
Results of other activities (40 = 31 - 32)	40		(1,365,319,668)	(4,508,483,961)
Accounting profit before tax (50 = 30 + 40)	50		3,421,697,205,603	2,614,811,105,271
Income tax expense – current	51	35	446,375,511,720	256,139,443,724
Income tax (benefit)/expense – deferred	52	35	(72,635,180,649)	107,182,642,869
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		3,047,956,874,532	2,251,489,018,678

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

Masan Consumer Corporation and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2023
(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	Six-month period ended	
			30/6/2023 VND	30/6/2022 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		3,047,956,874,532	2,251,489,018,678
Attributable to:				
Equity holders of the Company	61		3,000,490,447,162	2,198,717,334,849
Non-controlling interests	62		47,466,427,370	52,771,683,829
Earnings per share				
Basic earnings per share	70	36	4,187	3,071

4 August 2023

Prepared by:


Phan Thi Thuy Hoa
Chief Accountant

Approved by:


Huynh Viet Thang
Chief Financial Officer


Nguyen Hoang Yen
Authorised Representative



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

Masan Consumer Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2023
(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	Six-month period ended	
		30/6/2023 VND	30/6/2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	3,421,697,205,603	2,614,811,105,271
Adjustments for			
Depreciation and amortisation	02	331,595,312,946	415,453,512,544
Allowances and provisions	03	33,225,447,643	34,059,470,121
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	3,105,753,660	29,479,310,329
Losses on disposals and written off of fixed assets	05	1,389,705,567	1,422,793,439
Interest income from investing activities	05	(877,691,304,916)	(390,083,548,205)
Share of profit in an associate	05	(33,762,699,348)	(13,296,085,000)
Interest expense and other financial costs	06	264,381,378,666	140,584,023,802
Operating profit before changes in working capital	08	3,143,940,799,821	2,832,430,582,301
Change in receivables and other assets	09	(150,772,062,338)	(23,113,845,112)
Change in inventories	10	51,308,233,912	(451,372,737,099)
Change in payables and other liabilities	11	748,790,926,128	(967,854,582,436)
Change in prepaid expenses	12	26,824,589,550	14,819,434,771
Change in trading securities	13	(14,372,282,120)	-
		3,805,720,204,953	1,404,908,852,425
Interest paid	14	(263,911,003,977)	(133,482,727,015)
Corporate income tax paid	15	(213,690,016,090)	(345,283,020,552)
Other payments for operating activities	17	-	(3,730,620,172)
Net cash flows from operating activities	20	3,328,119,184,886	922,412,484,686
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(346,199,303,738)	(790,851,543,355)
Proceeds from disposals of fixed assets	22	1,564,299,405	1,340,506,033
Payments for granting loans	23	(141,000,000,000)	(95,000,000,000)
Placements of term deposits to banks and payments for other investments	23	(4,799,510,815,035)	(8,277,143,000,000)
Withdrawals of term deposits from banks and collection of other investments	24	1,197,743,000,000	1,644,618,000,000
Receipts of interest from deposits to banks, other investments and dividends	27	227,588,210,447	167,416,402,206
Net cash flows from investing activities	30	(3,859,814,608,921)	(7,349,619,635,116)

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

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Masan Consumer Corporation and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2023
(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	Six-month period ended	
		30/6/2023 VND	30/6/2022 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings	33	9,686,037,915,943	9,740,306,033,666
Payments to settle loan principals to banks	34	(9,432,240,104,189)	(10,610,229,412,093)
Payments of dividends	36	(82,732,500)	(9,752,730,600)
Net cash flows from financing activities	40	253,715,079,254	(879,676,109,027)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(277,980,344,781)	(7,306,883,259,457)
Cash and cash equivalents at beginning of the period	60	5,588,278,453,404	13,013,125,962,658
Effect of exchange rate fluctuations on cash and cash equivalents	61	(8,207,238)	17,222,662
Currency translation differences	61	(1,148,590,073)	(3,113,604,444)
Cash and cash equivalents at end of the period (70 = 50 + 60 + 61)	70	5,309,141,311,312	5,703,146,321,419

4 August 2023

Prepared by:


Phan Thi Thuy Hoa
Chief Accountant

Approved by:


Huynh Viet Thang
Chief Financial Officer


Nguyen Hoang Yen
Authorised Representative



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

Masan Consumer Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2023

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 interim financial statements.

1. Reporting entity

(a) Ownership structure

Masan Consumer Corporation (“the Company”) is a joint stock company incorporated in Vietnam. The consolidated interim financial statements for the six-month period ended 30 June 2023 comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in an associate.

(b) Principal activities

The principal activities of the Company are to trade in food products; trade in non-alcoholic drinks, mineral water; trade in home care products; and provide distribution services under Enterprise Registration Certificate No. 0302017440 issued by the Department of Planning and Investment of Ho Chi Minh City (“DPI”) on 31 May 2000 and its amendments.

(c) Normal operating cycle

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



Masan Consumer Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2023 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(d) The Group's structure**

As at 30 June 2023, the Company has 5 directly owned subsidiaries, 17 indirectly owned subsidiaries and 1 associate (1/1/2023: 5 directly owned subsidiaries, 17 indirectly owned subsidiaries and 1 associate). Information of the subsidiaries and an associate are described as follows:

No.	Name	Principal activities	Address	Percentage of economic interests		Percentage of voting rights	
				30/6/2023	1/1/2023	30/6/2023	1/1/2023
Directly owned subsidiaries							
1	Masan Food Company Limited	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
2	Masan Beverage Company Limited	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
3	Masan Consumer (Thailand) Limited ("MTH")	Trading and distribution	No. 83, 4 th Floor, Amnuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand.	99.99%	99.99%	99.99%	99.99%
4	Masan HPC Company Limited	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
5	Masan Innovation Company Limited	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%

Masan Consumer Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2023 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

No.	Name	Principal activities	Address	Percentage of economic interests		Percentage of voting rights	
				30/6/2023	1/1/2023	30/6/2023	1/1/2023
Indirectly owned subsidiaries							
1	Masan Industrial One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An City, Binh Duong Province, Vietnam.	100%	100%	100%	100%
2	Viet Tien Food Technology One Member Company Limited	(i) Seasonings and bottled water manufacturing	Lot III-10, Street No. 1, Industrial Group III, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
3	Masan PQ Corporation	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc City, Kien Giang Province, Vietnam.	99.99%	99.99%	99.99%	99.99%
4	Masan Long An Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Hamlet 2, Thanh Hoa Commune, Ben Luc District, Long An Province, Vietnam.	100%	100%	100%	100%
5	Masan HD One Member Company Limited	(i) Convenience food and seasonings manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam.	100%	100%	100%	100%
6	Masan MB One Member Company Limited	(i) Seasonings, convenience food, packaging and beverage manufacturing	Area B, Nam Cam Industrial Park, Dong Nam Nghe An Economic Zone, Nghi Long Ward, Nghi Loc District, Nghe An Province, Vietnam.	100%	100%	100%	100%
7	Masan HG One Member Company Limited	(i) Seasonings, convenience food, packaging and beverage manufacturing	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam.	100%	100%	100%	100%

Masan Consumer Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2023 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

No.	Name	Principal activities	Address	Percentage of economic interests		Percentage of voting rights	
				30/6/2023	1/1/2023	30/6/2023	1/1/2023
8	Nam Ngu Phu Quoc One Member Company Limited	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc City, Kien Giang Province, Vietnam.	100%	100%	100%	100%
9	Masan HN Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Lot CN-08 and CN-14, Dong Van IV Industrial Park, Dai Cuong Commune, Kim Bang District, Ha Nam Province, Vietnam.	100%	100%	100%	100%
10	Masan HG 2 Company Limited (“MH2”)	(i) Seasonings, convenience food, beverage manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam.	100%	100%	100%	100%
11	VinaCafé Bien Hoa Joint Stock Company	(ii) Beverage manufacturing and trading	Bien Hoa Industrial Park I, Bien Hoa City, Dong Nai Province, Vietnam.	98.79%	98.79%	98.79%	98.79%
12	Vinh Hao Mineral Water Corporation	(ii) Beverage manufacturing and trading and packaging	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam.	89.52%	89.52%	89.52%	89.52%
13	KronFa., JSC	(iii) Beverage manufacturing	Km 37, Highway 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam.	89.52%	89.52%	99.999%	99.999%
14	Quang Ninh Mineral Water Corporation	(ii) Beverage manufacturing and trading	No. 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam.	65.85%	65.85%	65.85%	65.85%

Masan Consumer Corporation and its subsidiaries

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No.	Name	Principal activities	Address	Percentage of economic interests		Percentage of voting rights	
				30/6/2023	1/1/2023	30/6/2023	1/1/2023
15	NET Detergent Joint Stock Company	(iv) Home care products manufacturing and trading	D4 Street, Loc An – Binh Son Industrial Park, Binh Son Commune, Long Thanh District, Dong Nai Province, Vietnam.	52.25%	52.25%	52.25%	52.25%
16	Hi-Fresh Company Limited	(v) Trading and distribution (vi)	8 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
17	Joins Pro Professional Laundry Company Limited	(v) Providing laundry services	8 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
An associate							
1	Cholimex Food Joint Stock Company	(i) Seasonings manufacturing and trading	Lot C40 – 43/I, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.	32.83%	32.83%	32.83%	32.83%



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- (i) These subsidiaries and an associate are indirectly owned by the Company through Masan Food Company Limited.
- (ii) These subsidiaries are indirectly owned by the Company through Masan Beverage Company Limited.
- (iii) KronFa., JSC is indirectly owned by the Company through Vinh Hao Mineral Water Corporation.
- (iv) NET Detergent Joint Stock Company is indirectly owned by the Company through Masan HPC Company Limited.
- (v) These subsidiaries are indirectly owned by the Company through Masan Innovation Company Limited.
- (vi) Due to a change in business orientation, in June 2023, the Chairman of Masan Innovation Company Limited, a directly owned subsidiary of the Company, approved the decision on the dissolution of Hi-Fresh Company Limited. As at the date of this report, the dissolution has not been completed.

In accordance with the Resolution of the Company's Shareholders in Annual General Meeting No. 01/2023/NQ-DHDCD-MSD dated 24 April 2023, the shareholders approved the plan to merge the Company to MasanConsumerHoldings Company Limited, the parent company. As at the date of this report, the merger exercise has yet to taken place.

MTH is incorporated in Thailand. Other subsidiaries and the associate are incorporated in Vietnam.

As at 30 June 2023, the Group had 4,861 employees (1/1/2023: 5,211 employees).

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Accounting period

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

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for consolidated interim financial statements presentation purposes.

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3. Significant accounting policies

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated interim financial statements.

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

(ii) Non-controlling interests

Non-controlling interests (“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 shareholders. Prior to 1 January 2015, 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 other capital under equity. From 1 January 2015, as a result of the adoption of Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance (“Circular 202”), such difference is recorded directly in undistributed profits after tax under equity.

(iii) Loss of control

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

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Masan Consumer Corporation and its subsidiaries
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(iv) Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated interim financial statements include the Group's share of the profit or loss of the equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. The carrying amount of investments in equity accounted investees is also adjusted for the alterations in the investor's proportionate interest in the investees arising from changes in the investee's equity that have not been included in the consolidated statement of income (such as revaluation of fixed assets, or foreign exchange translation differences, etc.). When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term financial investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) Transactions and balances eliminated on consolidation

Intra-group transactions, balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim 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.

(vi) Business combinations under common control

Business combination where the same group of shareholders ("the Controlling Shareholders") control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling Shareholders. Such common control business combination is specifically excluded from the scope of Vietnamese Accounting Standard No. 11 – *Business Combination* and in selecting its accounting policies with respect to such transaction, the Group has considered Vietnamese Accounting Standard No. 01 – *Framework* and Vietnamese Accounting Standard No. 21 – *Presentation of Financial Statements*. Based on these standards, the Group has adopted the merger ("carry-over") basis of accounting. The assets and liabilities of the combining companies are consolidated using the existing book values from the Controlling Shareholders' perspective. Prior to 1 January 2015, any difference between the cost of acquisition and net assets value acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in other capital under equity. From 1 January 2015, as a result of the adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity.

The consolidated statement of income and consolidated statement of 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 periods presented, for the period from the date of incorporation to the end of the relevant reporting periods.

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(vii) Business combinations under non-common control

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 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, the Group takes into consideration potential voting rights that currently are exercisable.

Cost of a business combination (cost of the acquisition) is the aggregate amount of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in the acquisition in exchange for control of the acquiree and any costs directly attributable to the business combination. Identifiable assets acquired, identifiable liabilities and contingent liabilities assumed in a business combination are recognised at fair value at the acquisition date.

Any goodwill that arises representing 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 is recognised in consolidated balance sheet, then amortised through to the consolidated statement of income (Note 3(1)). When the excess is negative (gain from bargain purchase), it is recognised in the consolidated statement of income for the current period after a reassessment has been performed to ensure that the measurement of identifiable assets acquired, liabilities and contingent liabilities assumed and the cost of the business combination appropriately reflects consideration of all available information as of the acquisition date.

(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 average of the account transfer buying rates and selling rates at the end of the accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions.

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

(ii) Foreign operations

All assets and liabilities of foreign operations are translated to VND at the average of the account transfer buying rates and selling rates at the end of the accounting period quoted by the commercial bank where the Company most frequently conducts transactions. Capital is translated into VND at historical exchange rate. Accumulated losses are derived from the translated net loss from which they were appropriated. Revenue, income and expenses, and cash flows of foreign operations during the period are translated into VND at the exchange rates which approximate actual exchange rates ruling on the date of transactions.

Foreign currency differences arising from the translation of foreign operation's 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 amounts 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 those 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 there is evidence that 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 Board of Management of the Company or its subsidiaries has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investments are stated at costs less allowance for doubtful debts.

(e) Accounts receivable

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

(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 the estimated costs to sell.

The Group applies the perpetual method of accounting for inventories.

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(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 for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

▪ buildings and structures	4 – 35 years
▪ leasehold improvements	3 – 5 years
▪ machinery and equipment	3 – 25 years
▪ motor vehicles	3 – 10 years
▪ office equipment	3 – 10 years

(h) Intangible fixed assets

(i) Land use rights

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

(ii) Software

Cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over their estimated useful lives ranging from 4 years to 10 years.

(iii) Exploitation rights for mineral water resources

Expenditure on obtaining exploitation rights for mineral water resources is capitalised and treated as an intangible fixed asset. Amortisation is computed on a straight-line basis over their estimated useful lives ranging from 17 years to 30 years.

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(iv) Brand name

Cost of acquiring a brand name is capitalised and treated as an intangible fixed asset and is amortised on a straight-line basis over the estimated useful lives of 10 years.

The fair value of brand name that is acquired by the Group on the acquisition of a subsidiary is recognised as an intangible fixed asset and amortised on a straight-line basis over their estimated useful lives ranging from 10 years to 30 years. The fair value of brand name acquired in a business combination is determined based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned.

(v) Customer relationships

The fair value of customer relationships that is acquired by the Group on the acquisition of a subsidiary is capitalised and treated as an intangible fixed 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 relationships is amortised on a straight-line basis over their estimated useful lives ranging from 5 years to 15 years.

(vi) Mineral water resources

The fair value of mineral water resources that is acquired by the Group on the acquisition of a subsidiary is capitalised and treated as an intangible fixed asset. The fair value of mineral water resources acquired in a business combination is determined using either the direct comparison method or the multi-period excess earnings method. The direct comparison approach estimates the value of mineral water resources by comparing recent asking/transacted price of similar interests located in the same area. In the multi-period excess earnings method, subject assets are valued after deducting a fair return on all the assets that are part of creating the related cash flows. The fair value of mineral water resources is amortised on a straight-line basis over their estimated useful lives ranging from 10 years to 37 years.

(i) Investment property held to earn rental

(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 buildings, 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's subsidiary. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repair and maintenance cost, 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.

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(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 |
| ▪ infrastructures | 5 – 20 years |

(j) Construction in progress

Construction in progress represents the costs of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

(k) Long-term prepaid expenses

(i) Prepaid land costs and infrastructure usage fees

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 prevailing laws and regulations, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the terms of the leases from 42 years to 50 years.

Infrastructure usage fees are prepaid expenses incurred in connection with securing the use of infrastructure in the industrial park. These costs are amortised on a straight-line basis over the term of the contract for using the infrastructure of ranging from 46 years to 47 years.

(ii) Goodwill from equitisation

Goodwill arising from equitisation of the state-owned enterprise is recognised as long-term prepaid expenses. Goodwill arising from equitisation of the state-owned enterprise 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, etc.). 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 arising from equitisation of the state-owned enterprise is amortised on a straight-line basis over 10 years starting from the date of transformation from a state-owned enterprise into a joint stock company (date of business registration certificate to transform to joint stock company).

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(iii) Tools and supplies

Tools and supplies also include assets held for use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Costs of these assets are amortised on a straight-line basis over a period ranging from 2 years to 3 years.

(iv) Loan arrangement costs

Loan arrangement costs are initially recognised at cost and amortised on a straight-line basis over the terms of the related loans.

(l) Goodwill

Goodwill arises on the acquisition of subsidiaries and associates. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of 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 amortised.

(m) Accounts payable

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

(n) Provisions

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

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Severance allowance

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

(o) Equity

(i) *Share capital and share premium*

Ordinary shares are classified as equity. Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issuance of shares, net of tax effects. Such costs are recognised as a deduction from share premium. The excess of proceeds from issuance of shares over the par value of shares issued is recorded as share premium.

(ii) *Other capital*

Equity movements resulted from common control business combination and acquisition of/disposal to non-controlling interests for the periods before 1 January 2015 that do not result in a loss of control are recorded in other capital under equity.

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

Before 1 January 2021

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised 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.

From 1 January 2021

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the Company issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan. In all other cases, when shares recognised as equity are repurchased, their par value amount is recognised as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

This change in accounting policy has been applied prospectively from 1 January 2021 due to change in applicable laws and regulations on buying back shares.

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(p) Taxation

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

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

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 amounts of assets and liabilities using tax rates enacted or substantively enacted at the end of the accounting period.

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

(q) Revenue

(i) Sale of goods

Revenue from sale of goods is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue from sale of goods is recognised at the net amount after deducting sale discounts stated on the invoice.

(ii) Rental income

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

(iii) Provision of services

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

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(r) Financial income and financial expenses

(i) Financial income

Financial income mainly comprises interest income from deposits at banks, loans receivable, trading securities and other investing activities and foreign exchange gains.

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(ii) Financial expenses

Financial expenses mainly comprise interest expense on borrowings from banks, foreign exchange losses and other financial expenses.

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(s) Operating lease payments

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

(t) 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 ordinary shareholders of the Company (after deducting any amounts appropriated to bonus and welfare funds for the accounting period) by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

(u) 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 segment. The Group's primary format and secondary format for segment reporting are based on business segments and geographical segments, respectively.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise cash and cash equivalents and related income, investments and related income and expenses, loans and borrowings and related expenses, the Company's headquarters corporate assets, general and administration expenses, income tax assets and liabilities and expenses, and items that are attributable to more than one segment and cannot reasonably be allocated to a segment.

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(v) Related parties

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

(w) Comparative information

Comparative information in these consolidated interim financial statements is presented as corresponding figures. Under this method, comparative information for the prior period is included as an integral part of the current period consolidated interim financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current period. Accordingly, the comparative information included in these consolidated interim financial statements is not intended to present the Group's consolidated financial position, consolidated results of operations or consolidated cash flows for the prior period.

The comparative information as at 1 January 2023 was derived from the balances and amounts reported in the Group's audited consolidated annual financial statements as at and for the year ended 31 December 2022. The comparative information for the six-month period ended 30 June 2022 was derived from the balances and amounts reported in the Group's reviewed consolidated interim financial statements as at and for the six-month period ended 30 June 2022.

4. Seasonality of operation

Total revenue of the Group typically increases in the fourth quarter of each year as distributors prepare for an anticipated increase in consumer demand in the months leading up to the Tet (Lunar New Year) holidays, which occur in the first quarter of each year. Accordingly, the Group typically increases the production of seasonings, convenience food and non-alcoholic drink products and also increases advertising and promotional efforts in the fourth quarter of each year to boost sales during the period leading to the festive season.

5. Changes in accounting estimates

In preparing these consolidated interim financial statements, the Board of Management of the Company and its subsidiaries have made several accounting estimates. Actual results may differ from these estimates. There were no significant changes in accounting estimates compared to those made in the most recent consolidated annual financial statements or those made in the same interim period of the prior year.

6. Changes in composition of the Group

There were no significant changes in the composition of the Group since the end of the last annual accounting period which affect the Group's consolidated interim financial statements for the six-month period ended 30 June 2023.

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7. Segment reporting

(a) Business segments

The Group classified its business segments into four main business segments which are food, beverage, home care products and others. Food segment includes seasonings and convenience food. Others segment includes warehouse rental and others.

	Food		Beverage		Home care products		Others		Consolidated	
	Six-month period ended 30/6/2023 VND	30/6/2022 VND	Six-month period ended 30/6/2023 VND	30/6/2022 VND	Six-month period ended 30/6/2023 VND	30/6/2022 VND	Six-month period ended 30/6/2023 VND	30/6/2022 VND	Six-month period ended 30/6/2023 VND	30/6/2022 VND
Total segment revenue – net	8,517,369,339,445	8,284,771,804,649	2,975,168,288,703	2,788,321,130,614	963,009,178,666	715,257,719,489	58,623,745,932	30,102,965,196	12,514,170,552,746	11,818,453,619,948
Segment gross profit	3,890,642,091,836	3,425,511,360,155	1,371,091,904,784	1,326,444,836,240	281,522,082,803	161,676,224,680	44,526,476,397	11,157,013,548	5,587,782,555,820	4,924,789,434,623
Segment results	2,368,206,129,524	1,949,751,683,965	751,219,093,617	755,322,262,089	(10,467,770,555)	16,540,923,951	44,526,476,397	11,157,013,548	3,153,483,928,983	2,732,771,883,553
Unallocated general and administration expenses									(342,367,533,685)	(323,593,664,362)
Financial income									890,147,864,587	402,110,053,492
Financial expenses									(278,201,734,614)	(191,968,683,451)
Net operating profit									3,423,062,525,271	2,619,319,589,232
Other income									2,581,197,591	823,339,916
Other expenses									(3,946,517,259)	(5,331,823,877)
Income tax expense									(373,740,331,071)	(363,322,086,593)
Net profit after tax									3,047,956,874,532	2,251,489,018,678

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	Food		Beverage		Home care products		Consolidated	
	30/6/2023 VND	1/1/2023 VND	30/6/2023 VND	1/1/2023 VND	30/6/2023 VND	1/1/2023 VND	30/6/2023 VND	1/1/2023 VND
Segment assets	6,054,757,291,260	6,061,217,312,836	2,333,390,170,689	2,485,099,017,086	1,146,892,272,562	1,142,748,260,755	9,535,039,734,511	9,689,064,590,677
Unallocated assets							28,231,223,938,082	23,827,578,494,843
Total assets							37,766,263,672,593	33,516,643,085,520
Segment liabilities	1,817,295,025,064	1,566,471,651,304	745,633,675,085	538,029,940,485	348,917,216,848	323,937,928,398	2,911,845,916,997	2,428,439,520,187
Unallocated liabilities							9,361,644,490,432	8,642,558,358,179
Total liabilities							12,273,490,407,429	11,070,997,878,366
	Six-month period ended		Six-month period ended		Six-month period ended		Six-month period ended	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	VND	VND	VND	VND	VND	VND	VND	VND
Capital expenditure	214,179,887,206	621,142,057,616	81,027,697,189	163,270,866,127	6,546,545,327	3,533,012,934	301,754,129,722	787,945,936,677
Unallocated capital expenditure							50,165,406,115	10,601,115,818
Depreciation of tangible fixed assets and investment property	188,895,712,451	245,516,509,539	66,927,392,448	77,818,651,394	11,632,707,745	12,761,738,629	267,455,812,644	336,096,899,562
Unallocated depreciation of tangible fixed assets							2,898,110,327	2,107,812,196
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	15,714,709,987	22,977,151,336	34,726,721,221	42,151,736,586	17,960,568,713	17,791,904,575	68,401,999,921	82,920,792,497
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses							28,512,865,144	24,970,132,930

(b) Geographical segments

The Group operates in Vietnam and Thailand. The Thailand business is currently immaterial to the Group.

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8. Cash and cash equivalents

	30/6/2023 VND	1/1/2023 VND
Cash on hand	880,037,816	1,050,088,807
Cash at banks	114,228,023,496	92,793,566,412
Cash equivalents	5,194,033,250,000	5,494,434,798,185
	5,309,141,311,312	5,588,278,453,404

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

9. Financial investments

	30/6/2023 VND	1/1/2023 VND
Short-term financial investments		
Trading securities (a)	1,216,544,000,000	1,202,171,717,880
Held-to-maturity investments (b)	1,453,410,815,035	201,643,000,000
	2,669,954,815,035	1,403,814,717,880
Long-term financial investments		
Investment in an associate (c)	269,858,473,254	249,391,858,906



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(a) Trading securities

	30/6/2023				1/1/2023			
	Quantity	Cost VND	Fair value VND	Allowance for diminution in value VND	Quantity	Cost VND	Fair value VND	Allowance for diminution in value VND
Corporate bonds issued by a third party	12,000,000	1,216,544,000,000	(*)	-	12,000,000	1,202,171,717,880	(*)	-

The Group purchased these bonds for trading purpose over a short period of time. As at 30 June 2023, the bonds have remaining terms to maturity of 18 months from the end of the accounting period and earn interest rate of 10% per annum for the first-four interest periods and 2.78% per annum plus medium and long-term lending rates quoted by selected bank to corporate customers for remaining interest periods. These bonds are secured by assets of a third party. The Group has a commitment from a related party to purchase these bonds before 29 December 2023.

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

(b) Held-to-maturity investments

	30/6/2023 VND	1/1/2023 VND
Term deposits at banks	1,453,410,815,035	201,643,000,000

Held-to-maturity investments represented term deposits at banks with remaining terms to maturity of twelve months or less from the end of the accounting period.

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(c) Investment in an associate

	30/6/2023			1/1/2023		
	Number of shares	% of equity owned and voting rights	Carrying value under equity method VND	Number of shares	% of equity owned and voting rights	Carrying value under equity method VND
Cholimex Food Joint Stock Company (“CLX”)	2,659,217	32.83%	269,858,473,254	2,659,217	32.83%	249,391,858,906

The Group has not determined the fair value of the investment in an associate for disclosure in the consolidated interim financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair value of the investment in an associate may differ from its carrying value.

Please see Note 1(d) for principal activities of CLX.

Movements of carrying value of investment in an associate of the Group during the period were as follows:

	VND
Carrying value of investment in an associate at beginning of the period	249,391,858,906
Share of post-acquisition profit during the period	33,762,699,348
Post-acquisition dividends declared during the period	(13,296,085,000)
	<hr/>
Carrying value of investment in an associate at end of the period	269,858,473,254

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10. Accounts receivable from customers

	30/6/2023	1/1/2023
	VND	VND
Receivable from related parties	557,045,086,793	382,713,005,733
Receivable from third parties	210,994,164,428	281,154,540,870
	768,039,251,221	663,867,546,603

Please see Note 37 for detailed balances with the related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 30 to 180 days from invoice issued date.

11. Short-term loans receivable

	30/6/2023	1/1/2023
	VND	VND
Short-term loans receivable from the parent company and a related party	6,188,191,980,732	6,047,191,980,732
	6,188,191,980,732	6,047,191,980,732

The short-term loans receivable from the parent company and a related party were unsecured and earned annual interest as stipulated in the loan agreements. These loans mature in December 2023 and April 2024, respectively. Interest are receivable on the maturity date of respective loan agreement. Please see Note 37 for detailed balances with the related parties.

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12. Other receivables

(a) Other short-term receivables

	30/6/2023	1/1/2023
	VND	VND
Non-trade amounts due from related parties:		
▪ Accrued interest receivable (i)	241,197,095,562	-
▪ Short-term deposits (ii)	59,171,988,576	54,871,988,576
▪ Other receivables (iv)	42,484,336,944	43,814,136
Short-term deposits for other investments (iii)	11,365,000,000,000	9,015,000,000,000
Accrued interest receivable from other investments (iii)	744,251,356,153	347,321,164,376
Accrued interest receivable from deposits at banks and from trading securities	54,146,101,366	28,874,209,236
Other short-term deposits	29,584,945,230	33,849,261,670
Others	9,348,065,450	7,533,845,140
	12,545,183,889,281	9,487,494,283,134

- (i) This represented short-term interest income receivable from loans provided to the parent company and a related party. Please see Note 11 and Note 37 for further information.
- (ii) Deposits placed with a related party for warehouse rental.
- (iii) These balances represented the amounts deposited to third parties under investment cooperation contracts. According to these contracts, these third parties committed to pay the Group a minimum rate of return as agreed in the investment cooperation contracts.
- (iv) Other receivables from related parties were unsecured, interest free and are receivable on demand.

(b) Other long-term receivables

	30/6/2023	1/1/2023
	VND	VND
Receivable from a business cooperation contract (v)	182,300,000,000	182,300,000,000
Long-term deposits	11,322,995,106	10,273,706,896
	193,622,995,106	192,573,706,896



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- (v) In 2021, a subsidiary indirectly owned by the Company entered into a business cooperation contract (“the BCC”) with a third party to cooperate in manufacturing of raw fish sauce for a period of 5 years. In which, this subsidiary will contribute to the BCC by cash for capital expenditure purpose. The third party will contribute the rights to use all of its lands, factory, warehouse, machinery, equipment and related infrastructures. This subsidiary and the third party will share profits of the BCC according to the agreed ratio between the parties in the BCC.

13. Inventories

	30/6/2023		1/1/2023	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	55,281,162,517	-	105,747,622,863	-
Raw materials	1,227,346,140,100	(8,978,287,940)	1,217,432,443,405	(17,539,183,873)
Tools and supplies	79,554,646,139	-	77,536,763,185	(1,197,147,302)
Work in progress	190,651,297,145	-	209,765,004,307	-
Finished goods	794,552,893,310	(8,064,006,743)	846,757,477,607	(10,509,751,502)
Merchandise inventories	86,500,204,448	-	68,186,986,806	(15,748,513)
Goods on consignment	-	-	5,583,390,477	-
	2,433,886,343,659	(17,042,294,683)	2,531,009,688,650	(29,261,831,190)

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

	Six-month period ended	
	30/6/2023 VND	30/6/2022 VND
Opening balance	29,261,831,190	37,654,256,409
Increase in allowance during the period	35,067,762,077	34,181,256,096
Allowance utilised during the period	(45,815,111,079)	(42,267,368,973)
Written back during the period	(1,472,187,505)	(350,555,339)
Closing balance	17,042,294,683	29,217,588,193

Included in inventories of the Group as at 30 June 2023 was VND17,042 million (1/1/2023: VND29,262 million) of slow-moving inventories.

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14. Tangible fixed assets

	Buildings and structures VND	Leasehold improvements VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost						
Opening balance	2,741,198,228,109	59,361,231,666	5,706,860,256,188	32,536,404,193	102,339,226,818	8,642,295,346,974
Additions during the period	-	-	900,665,000	322,000,000	-	1,222,665,000
Transfer from construction in progress	15,457,672,580	-	402,134,597,923	2,523,020,647	3,323,247,802	423,438,538,952
Disposals	(975,109,300)	(137,532,206)	(43,413,092,763)	(1,912,769,300)	(1,181,951,110)	(47,620,454,679)
Written off	(32,538,645)	-	(3,845,169,516)	-	-	(3,877,708,161)
Closing balance	2,755,648,252,744	59,223,699,460	6,062,637,256,832	33,468,655,540	104,480,523,510	9,015,458,388,086
Accumulated depreciation						
Opening balance	759,540,750,758	59,361,231,666	3,477,772,251,755	16,087,617,923	73,383,564,253	4,386,145,416,355
Charge for the period	53,519,363,698	-	209,394,458,244	1,870,183,880	4,768,204,663	269,552,210,485
Disposals	(975,109,300)	(137,532,206)	(41,138,136,028)	(1,809,813,742)	(1,181,951,110)	(45,242,542,386)
Written off	(9,453,796)	-	(3,588,261,686)	-	-	(3,597,715,482)
Closing balance	812,075,551,360	59,223,699,460	3,642,440,312,285	16,147,988,061	76,969,817,806	4,606,857,368,972
Net book value						
Opening balance	1,981,657,477,351	-	2,229,088,004,433	16,448,786,270	28,955,662,565	4,256,149,930,619
Closing balance	1,943,572,701,384	-	2,420,196,944,547	17,320,667,479	27,510,705,704	4,408,601,019,114

Included in tangible fixed assets of the Group were assets costing VND1,602,182 million which were fully depreciated as of 30 June 2023 (1/1/2023: VND1,297,724 million), but which are still in active use.

As at 30 June 2023 and 1 January 2023, certain tangible fixed assets of the Group were pledged with banks as security for loans granted to the Group (Note 25).

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15. Intangible fixed assets

	Land use rights VND	Software VND	Exploitation rights for mineral water resources VND	Brand name VND	Customer relationships VND	Mineral water resources VND	Total VND
Cost							
Opening balance	119,085,818,402	305,218,219,691	76,959,571,667	1,085,327,898,373	397,341,034,078	412,697,763,511	2,396,630,305,722
Additions during the period	-	103,820,000	-	-	-	-	103,820,000
Transfer from construction in progress	-	1,816,329,800	-	-	-	-	1,816,329,800
Other decrease	-	-	(632,154,000)	-	-	-	(632,154,000)
Closing balance	119,085,818,402	307,138,369,491	76,327,417,667	1,085,327,898,373	397,341,034,078	412,697,763,511	2,397,918,301,522
Accumulated amortisation							
Opening balance	46,961,603,093	275,064,259,076	30,243,205,130	679,681,971,307	367,099,758,073	161,136,460,212	1,560,187,256,891
Charge for the period	1,476,606,756	16,841,597,382	1,404,133,174	11,394,390,585	2,835,749,202	9,882,508,098	43,834,985,197
Closing balance	48,438,209,849	291,905,856,458	31,647,338,304	691,076,361,892	369,935,507,275	171,018,968,310	1,604,022,242,088
Net book value							
Opening balance	72,124,215,309	30,153,960,615	46,716,366,537	405,645,927,066	30,241,276,005	251,561,303,299	836,443,048,831
Closing balance	70,647,608,553	15,232,513,033	44,680,079,363	394,251,536,481	27,405,526,803	241,678,795,201	793,896,059,434

Included in intangible fixed assets of the Group were assets costing VND1,061,246 million which were fully amortised as of 30 June 2023 (1/1/2023: VND887,757 million), but which are still in active use.

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16. Investment property

	Buildings VND	Infrastructures VND	Total VND
Cost			
Opening and closing balance	18,016,283,093	611,690,825	18,627,973,918
Accumulated depreciation			
Opening balance	11,082,182,048	186,330,674	11,268,512,722
Charge for the period	769,980,852	31,731,634	801,712,486
Closing balance	11,852,162,900	218,062,308	12,070,225,208
Net book value			
Opening balance	6,934,101,045	425,360,151	7,359,461,196
Closing balance	6,164,120,193	393,628,517	6,557,748,710

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

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



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17. Construction in progress

	VND
Opening balance	810,614,752,363
Additions during the period	327,338,041,149
Transfer to tangible fixed assets	(423,438,538,952)
Transfer to intangible fixed assets	(1,816,329,800)
Transfer to long-term prepaid expenses	(16,377,718,968)
Disposals	(296,100,000)
	696,024,105,792
Closing balance	696,024,105,792

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

	30/6/2023	1/1/2023
	VND	VND
Machinery and equipment	575,155,835,504	637,988,338,119
Buildings and structures	66,995,768,602	126,909,501,231
Others	53,872,501,686	45,716,913,013
	696,024,105,792	810,614,752,363

As at 30 June 2023 and 1 January 2023, certain construction in progress of the Group were pledged with banks as security for loans granted to the Group (Note 25).

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	Prepaid land costs and infrastructure usage fees VND	Goodwill from equitisation VND	Tools and supplies VND	Loan arrangement costs VND	Total VND
Opening balance	568,453,762,061	9,403,113,463	78,512,064,988	11,511,305,567	667,880,246,079
Additions	-	-	5,720,232,099	-	5,720,232,099
Transfer from construction in progress	-	-	16,377,718,968	-	16,377,718,968
Transfer from short-term prepaid expenses	-	-	30,250,000	-	30,250,000
Amortisation for the period	(6,886,972,002)	(1,567,185,574)	(24,391,150,853)	(2,828,166,660)	(35,673,475,089)
Disposals	-	-	(56,351,393)	-	(56,351,393)
Written off	-	-	(1,261,494,171)	-	(1,261,494,171)
Currency translation differences	-	-	(68,244)	-	(68,244)
Closing balance	561,566,790,059	7,835,927,889	74,931,201,394	8,683,138,907	653,017,058,249

As at 30 June 2023 and 1 January 2023, certain of the Group's long-term prepaid expenses were pledged with banks as security for loans granted to the Group (Note 25).

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19. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

	30/6/2023		1/1/2023	
	Deferred tax assets VND	Deferred tax liabilities VND	Deferred tax assets VND	Deferred tax liabilities VND
Accrued advertising, promotion and sale support expenses	218,823,488,836	-	152,534,227,134	-
Accrued logistic expenses	19,461,012,287	-	17,253,390,773	-
Accrued sale discounts	5,768,701,837	-	9,889,377,519	-
Other accruals	33,170,420,855	-	28,440,734,928	-
Unrealised profits	41,616,464,180	-	42,630,414,633	-
Tangible fixed assets	-	(7,671,981,909)	-	(7,883,669,190)
Intangible fixed assets	-	(154,663,010,356)	-	(158,994,560,716)
	<u>318,840,087,995</u>	<u>(162,334,992,265)</u>	<u>250,748,144,987</u>	<u>(166,878,229,906)</u>

20. Goodwill

	VND
Cost	
Opening and closing balance	750,964,625,546
Accumulated amortisation	
Opening balance	597,931,713,421
Charge for the period	17,406,404,778
Closing balance	615,338,118,199
Net book value	
Opening balance	153,032,912,125
Closing balance	135,626,507,347

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21. Accounts payable to suppliers

	30/6/2023 Cost/Amount within payment capacity VND	1/1/2023 Cost/Amount within payment capacity VND
Payable to third parties	1,369,683,991,994	1,360,413,359,945
Payable to related parties	213,920,118,788	159,430,435,048
	1,583,604,110,782	1,519,843,794,993
In which:		
- Short-term	1,561,989,982,282	1,495,519,562,993
- Long-term	21,614,128,500	24,324,232,000
	1,583,604,110,782	1,519,843,794,993

Please see Note 37 for detailed balances with the related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice issued date.



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22. Taxes payable to State Treasury

	1/1/2023 VND	Incurred VND	Paid VND	Net-off/ Refunded VND	Reclassified VND	30/6/2023 VND
Value added tax	54,526,443,388	2,334,557,692,851	(208,890,144,507)	(1,875,352,010,459)	-	304,841,981,273
Import-export tax	-	13,536,585,822	(13,536,585,822)	-	-	-
Corporate income tax	163,213,798,814	446,375,511,720	(213,690,016,090)	-	(2,388,248,622)	393,511,045,822
Personal income tax	6,075,763,060	85,940,378,620	(73,070,892,073)	(21,934,816,495)	7,080,460,207	4,090,893,319
Others	1,860,017,810	82,550,704,237	(82,766,183,496)	-	-	1,644,538,551
	225,676,023,072	2,962,960,873,250	(591,953,821,988)	(1,897,286,826,954)	4,692,211,585	704,088,458,965

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23. Accrued expenses

	30/6/2023	1/1/2023
	VND	VND
Advertising, promotion and sale support expenses	1,114,567,542,718	795,007,028,724
Purchases not yet received invoices	182,579,466,429	136,490,994,684
Bonus and 13 th month salary	168,406,360,843	216,914,450,978
Logistic expenses	102,044,260,859	89,456,440,246
Exhibition expenses	42,041,039,567	30,866,532,380
Information and technology expenses	38,204,537,225	23,662,966,359
Construction in progress	33,117,139,291	33,514,858,628
Interest expense	31,768,422,053	34,555,531,409
Sale discounts	30,587,071,186	49,446,887,596
Market research expenses	14,973,627,538	6,997,977,043
Others	115,514,671,502	104,457,860,445
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	1,873,804,139,211	1,521,371,528,492
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24. Other payables

(a) Other short-term payables

	30/6/2023	1/1/2023
	VND	VND
Obligation to issue shares	48,033,250,000	-
Dividends payable	9,901,869,100	9,984,601,600
Trade union fee, social, health and unemployment insurances	9,014,193,148	8,553,330,849
Short-term deposits received	8,707,592,736	2,954,492,736
Others	97,887,307,008	84,687,279,888
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	173,544,211,992	106,179,705,073
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(b) Other long-term payables

	30/6/2023	1/1/2023
	VND	VND
Long-term deposits received	31,156,933,624	31,756,586,755
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Masan Consumer Corporation and its subsidiaries

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25. Borrowings

(a) Short-term borrowings

	1/1/2023 Carrying amount/ Amount within repayment capacity VND	Movements during the period			30/6/2023 Carrying amount/ Amount within repayment capacity VND
		Addition VND	Decrease VND	Revaluation VND	
Short-term borrowings	6,012,686,646,185	9,606,336,816,676	(9,093,961,095,472)	2,033,344,947	6,527,095,712,336
Current portion of long-term borrowings	613,530,368,335	395,293,673,671	(329,838,413,421)	-	678,985,628,585
	6,626,217,014,520	10,001,630,490,347	(9,423,799,508,893)	2,033,344,947	7,206,081,340,921

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

	Currency	Annual interest rate	30/6/2023 VND	1/1/2023 VND
▪ Unsecured bank loans	VND	4.80% - 7.73%	6,346,582,154,909	5,869,909,782,253
▪ Unsecured bank loans	USD	3.60% - 5.40%	180,513,557,427	142,776,863,932
			6,527,095,712,336	6,012,686,646,185

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(b) Long-term borrowings

	30/6/2023	1/1/2023
	VND	VND
Long-term borrowings	1,129,701,455,780	1,388,279,365,230
Repayable within 12 months	(678,985,628,585)	(613,530,368,335)
Repayable after 12 months	450,715,827,195	774,748,996,895

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

	Currency	Annual interest rate	Year of maturity	30/6/2023	1/1/2023
				VND	VND
▪ Secured bank loans	VND	4.60% - 10.92%	2023 - 2025	1,129,701,455,780	1,388,279,365,230

The secured bank loans – long-term of the Group were secured over tangible fixed assets, construction in progress and long-term prepaid expenses of the Group with carrying value of VND833,265 million, VND205,302 million and VND35,545 million, respectively (1/1/2023: VND808,731 million, VND291,966 million and VND35,965 million, respectively).

As at 30 June 2023 and 1 January 2023, the secured bank loans – long-term of the subsidiaries of the Group were also guaranteed by the Company.

During the period, the Group complied with the loan covenants on the above borrowings. As at 30 June 2023 and 1 January 2023, the Group did not have any overdue borrowings including principal and interest.

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26. Changes in owners' equity

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Undistributed profits after tax VND	Non-controlling interest VND	Total VND
Balance as at 1 January 2022	7,267,938,180,000	3,560,554,240,858	(265,775,657,006)	(994,666,327,121)	6,989,018,595	22,731,972,844	6,816,958,384,098	590,964,125,113	17,005,693,937,381
Net profit for the period	-	-	-	-	-	-	2,198,717,334,849	52,771,683,829	2,251,489,018,678
Currency translation differences	-	-	-	-	(1,871,608,391)	-	-	(6,448)	(1,871,614,839)
Balance as at 30 June 2022	7,267,938,180,000	3,560,554,240,858	(265,775,657,006)	(994,666,327,121)	5,117,410,204	22,731,972,844	9,015,675,718,947	643,735,802,494	19,255,311,341,220
Balance as at 1 January 2023	7,274,618,790,000	3,610,328,815,858	(265,775,657,006)	(994,666,327,121)	7,418,664,660	22,731,972,844	12,263,423,092,167	527,565,855,752	22,445,645,207,154
Net profit for the period	-	-	-	-	-	-	3,000,490,447,162	47,466,427,370	3,047,956,874,532
Currency translation differences	-	-	-	-	(828,814,166)	-	-	(2,356)	(828,816,522)
Balance as at 30 June 2023	7,274,618,790,000	3,610,328,815,858	(265,775,657,006)	(994,666,327,121)	6,589,850,494	22,731,972,844	15,263,913,539,329	575,032,280,766	25,492,773,265,164

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27. Share capital, share premium and treasury shares

The Company's authorised and issued share capital were as follows:

	30/6/2023		1/1/2023	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	727,461,879	7,274,618,790,000	727,461,879	7,274,618,790,000
Treasury shares				
Ordinary shares	10,915,388	994,666,327,121	10,915,388	994,666,327,121
Shares currently in circulation				
Ordinary shares	716,546,491	7,165,464,910,000	716,546,491	7,165,464,910,000
Share premium		3,610,328,815,858		3,610,328,815,858

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. All rights of shares bought back by the Company are suspended until those shares are reissued.

Share premium represents the excess of the proceeds on issuance of shares over their par value.

There was no movement of shares currently in circulation during the six-month periods ended 30 June 2023 and 30 June 2022.

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28. Off balance sheet items

(a) Lease commitments

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

	30/6/2023	1/1/2023
	VND	VND
Within 1 year	83,687,695,796	95,359,587,077
Within 2 to 5 years	107,179,851,259	70,502,619,625
More than 5 years	274,848,905,879	284,273,062,662
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	465,716,452,934	450,135,269,364
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(b) Capital expenditure commitments

The Group had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

	30/6/2023	1/1/2023
	VND	VND
Approved and contracted	162,976,173,253	266,292,999,337
Approved but not contracted	276,607,260,675	308,788,352,300
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	439,583,433,928	575,081,351,637
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(c) Foreign currencies

	30/6/2023		1/1/2023	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	56,919	1,332,549,505	630,464	14,758,126,880
EUR	196	4,959,490	202	4,983,736
THB	54,323,075	34,984,055,542	45,255,027	29,823,058,621
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		36,321,564,537		44,586,169,237
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29. Revenue from sale of goods and provision of services

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

Net revenue comprised of:

	Six-month period ended	
	30/6/2023 VND	30/6/2022 VND
Total revenue		
▪ Sale of goods	12,499,863,696,652	11,841,320,490,413
▪ Other sales	66,787,464,749	44,691,694,277
	12,566,651,161,401	11,886,012,184,690
Less revenue deductions		
▪ Sale discounts	42,986,665,240	40,965,809,785
▪ Sale returns	9,493,943,415	26,592,754,957
	52,480,608,655	67,558,564,742
Net revenue	12,514,170,552,746	11,818,453,619,948

30. Cost of sales and services provided

	Six-month period ended	
	30/6/2023 VND	30/6/2022 VND
Total cost of sales and services provided		
▪ Goods sold	6,862,928,477,810	6,816,820,468,942
▪ Other cost of sales	29,863,944,544	43,013,015,626
▪ Allowance for inventories	33,595,574,572	33,830,700,757
	6,926,387,996,926	6,893,664,185,325



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31. Financial income

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Interest income from deposits at banks and other investments	636,494,209,354	257,938,313,357
Interest income from loans provided to related parties	241,197,095,562	132,145,234,848
Foreign exchange gains	12,456,559,671	12,026,505,287
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	890,147,864,587	402,110,053,492
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32. Financial expenses

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Interest expense on borrowings from banks	262,944,878,670	139,147,523,806
Foreign exchange losses	8,063,495,534	35,686,883,351
Borrowing costs	1,436,499,996	1,436,499,996
Others	5,756,860,414	15,697,776,298
	<hr/>	<hr/>
	278,201,734,614	191,968,683,451
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33. Selling expenses

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Advertising, promotion and sale support expenses	1,629,650,075,561	1,287,957,576,823
Logistic expenses	349,599,876,683	402,618,637,019
Staff costs	249,008,775,098	268,822,392,229
Exhibition expenses	49,904,349,996	61,264,453,647
Marketing research expense	31,593,698,640	6,814,275,057
Leased line system and information technology services	19,609,329,679	22,807,516,915
Others	35,551,118,295	27,124,254,225
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	2,364,917,223,952	2,077,409,105,915
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34. General and administration expenses

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Staff costs	204,733,653,343	217,421,714,047
Leased line system and information technology services	37,598,976,962	48,259,220,451
Office rental	37,135,129,851	34,303,399,718
Research and development expenses	32,190,151,401	35,465,472,751
Amortisation of fair value uplift of fixed assets, long-term prepaid expenses and investment property arising in business combination	26,970,054,180	29,175,986,468
Depreciation and amortisation of fixed assets	20,802,486,141	23,332,318,722
Amortisation of goodwill	17,406,404,778	29,885,229,360
Others	68,674,779,262	33,654,853,000
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	445,511,635,918	451,498,194,517
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35. Income tax

(a) Recognised in the consolidated statement of income

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Current tax expense		
Current period	446,375,511,720	225,838,277,622
Under provision in prior periods	-	30,301,166,102
	<hr/>	<hr/>
	446,375,511,720	256,139,443,724
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	(72,635,180,649)	107,182,642,869
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Income tax expense	373,740,331,071	363,322,086,593
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(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Accounting profit before tax	3,421,697,205,603	2,614,811,105,271
Tax at the Company's income tax rate	684,339,441,121	522,962,221,054
Tax losses utilised	(842,279,142)	(155,050,399)
Effect of incentive tax rates in subsidiaries	(310,651,959,108)	(208,182,935,573)
Effect of share of profit in an associate	(6,752,539,870)	(2,659,217,000)
Non-deductible expenses	2,651,786,900	4,454,593,355
Under provision in prior periods	-	30,301,166,102
Effect of amortisation of goodwill	3,481,280,959	5,977,045,874
Change in unrecognised deferred tax assets (*)	1,514,600,211	10,624,263,180
	373,740,331,071	363,322,086,593

(*) Deferred tax assets have not been recognised in certain subsidiaries because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits therefrom.

(c) Applicable tax rates

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

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

(d) Tax contingencies

The taxation laws and their application in Vietnam are subject to interpretation and change over time as well as from different tax offices. The final tax position may be subject to audit by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Vietnam that are substantially more significant than in other countries. The Board of Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation, including transfer pricing requirements and computation of corporate income tax. However, the relevant authorities may have differing interpretations and the effects could be significant.

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36. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2023 was based on the profit attributable to ordinary shareholders of the Company after deducting the amounts appropriated to bonus and welfare funds for the period, of VND3,000,490 million (for the six-month period ended 30 June 2022: VND2,198,717 million) and a weighted average number of ordinary shares outstanding of 716,546,491 shares (for the six-month period ended 30 June 2022: 715,878,430 shares), calculated as follows:

(i) *Net profit attributable to ordinary shareholders*

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Net profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds	3,000,490,447,162	2,198,717,334,849

(ii) *Weighted average number of ordinary shares*

	Six-month period ended	
	30/6/2023	30/6/2022
	Shares	Shares
Issued ordinary shares at the beginning of the period – currently in circulation/Weighted average number of ordinary shares during the period – currently in circulation	716,546,491	715,878,430

(iii) *Basic earnings per share*

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Basic earnings per share	4,187	3,071

(b) Diluted earnings per share

As at 30 June 2023 and 1 January 2023, the Company did not have any potential ordinary shares, therefore the presentation of diluted earnings per share is not applicable.

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37. Significant transactions and balances with related parties

During the period and as at the period/year end, the Group had the following significant transactions and balances with its related parties:

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		Six-month period ended 30/6/2023 VND	30/6/2022 VND	30/6/2023 VND	1/1/2023 VND
Intermediate parent companies					
Masan Group Corporation	Sale of goods	64,498,179	55,756,814	13,076,999	18,881,346
	Management fee	788,776,284	1,001,886,300	8,446,850,452	10,088,159,277
The CrownX Corporation	Management fee	9,250,000,000	-	(9,250,000,000)	(6,679,304,155)
Parent company					
Masan Consumer Holdings Company Limited	Loans provided	95,000,000,000	95,000,000,000	6,142,191,980,732	6,047,191,980,732
	Interest income from loans receivable	240,440,931,179	132,145,234,848	240,440,931,179	-
Associate					
Cholimex Food Joint Stock Company	Post-acquisition dividends received	13,296,085,000	13,296,085,000	-	-
Other related parties					
Masan JinJu Joint Stock Company and its branch (from October 2022)	Sale of goods	58,861,855,613	-	1,441,536,730	5,428,719,336
	Distribution service revenue	30,286,301,883	-	-	-
	Purchase of goods	76,105,368,080	-	(19,368,353,173)	(146,162,162,871)
	Payables for receipt on behalf of distribution services by the Company	-	-	(191,863,501,749)	-
	Sales and logistics support fees of distribution services	57,218,377,711	-	7,383,185,981	-
	Management fee	3,731,212,571	-	3,731,212,567	43,814,136

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Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		Six-month period ended 30/6/2023 VND	30/6/2022 VND	30/6/2023 VND	1/1/2023 VND
Masan Master Brewer Company Limited	Sale of goods	-	690,526	-	181,412
Masan Brewery PY One Member Company Limited	Sale of goods	76,449,879	24,362,971	20,752,857	12,191,338
Masan Brewery Distribution One Member Company Limited	Sale of goods	654,687,785	290,267,774	3,026,637,667	3,337,160,542
	Purchase of goods	193,719,526	4,522,925,597	-	(633,006,000)
	Management fee	25,625,112,205	18,541,237,386	61,697,780,944	43,423,973,251
	Loans provided	46,000,000,000	-	46,000,000,000	-
	Interest income from loans receivable	756,164,383	-	756,164,383	-
Masan Brewery HG One Member Company Limited	Sale of goods	131,021,709	2,836,231,207	62,065,353	12,517,422
	Purchase of goods and services	3,329,391,698	1,145,499,378	(695,216,046)	(552,827,601)
	Purchase of fixed assets	-	-	-	(559,266,341)
	Management fee	115,486,642	38,348,311	115,486,643	2,654,132,879
Masan Brewery MB Company Limited	Purchase of services	1,512,000,000	-	(1,709,731,523)	-
	Management fee	481,224,447	714,524,676	2,322,672,923	1,841,448,476
	Deposits for warehouse rental	4,300,000,000	11,427,694,211	59,171,988,576	54,871,988,576
MML Farm Nghe An Company Limited	Management fee	-	378,273,269	-	73,923,379
Masan MEATLife Corporation	Sale of goods	15,763,633	16,728,182	2,219,999	5,576,728
	Management fee	12,087,367,941	17,855,641,435	38,223,668,713	44,338,995,834

Masan Consumer Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2023 (continued)

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

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		30/6/2023 VND	30/6/2022 VND	30/6/2023 VND	1/1/2023 VND
MEATDeli HN Company Limited	Sale of goods and services	135,338,129	23,597,668,589	31,426,250	39,480,000
	Purchase of goods and services	62,566,250	37,499,677,035	-	-
	Purchase of fixed assets	-	161,372,550,562	-	-
	Management fee	432,223,823	1,918,296,986	2,024,877,375	1,592,653,552
MEATDeli Sai Gon Company Limited	Sale of goods and services	135,518,718	1,030,231,196	-	79,417,000
	Purchase of goods	721,372,217	15,024,568,828	(101,150,500)	(92,918,733)
	Management fee	353,637,679	3,394,067,914	2,344,839,200	1,991,201,521
3F VIET Food Company Limited	Sale of goods and services	32,551,940	810,337,274	3,952,331	15,397,130
	Purchase of goods	33,148,791	24,338,314,800	-	-
	Management fee	-	186,942,990	147,846,759	147,846,759
3F VIET Joint Stock Company and its branch	Sale of goods	10,688,048	2,086,838	-	-
	Purchase of goods	-	3,014,682,100	-	-
Nui Phao Mining Company Limited	Sale of goods	473,140,438	702,544,205	94,487,892	318,612,735
	Management fee	69,743,142	646,956,702	203,976,526	999,463,463
Wincommerce General Commercial Services Joint Stock Company	Sale of goods	571,372,336,186	579,611,003,522	449,738,620,326	254,999,528,515
	Purchase of goods and services	116,420,656,082	67,575,338,279	-	(3,525,947,783)
	Purchase of fixed assets	1,522,851,000	-	-	-
	Office rental support fee	11,698,409,628	11,257,500,962	12,848,127,294	3,342,739,292
	Settlement discount and other sale support payable	7,757,462,045	11,908,018,689	-	-
	Other receivables	-	-	17,000,000	17,000,000



Masan Consumer Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2023 (continued)

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Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		30/6/2023 VND	30/6/2022 VND	30/6/2023 VND	1/1/2023 VND
Wineco Agricultural Investment	Sale of goods	-	-	7,572,247	7,572,247
Development and Production Limited	Purchase of goods	4,327,166,000	2,876,455,000	(462,723,000)	(586,696,000)
Liability Company	Office rental support fee	420,235,308	405,516,408	462,258,840	74,344,675
Phuc Long Heritage Corporation	Sale of goods and services	6,092,050,791	7,610,581,528	979,698,285	4,996,732,505
	Purchase of goods	250,801,653	10,190,451	-	(871,192,978)
	Management fee	2,305,786,302	1,197,033,900	2,305,786,302	2,041,074,540
Mobicast Joint Stock Company	Sale of goods	-	-	9,977,656	9,977,656
	Purchase of services	2,927,302,863	690,065,608	(23,484,147)	(203,500,568)
The Surpa Corporation	Sale of goods	95,762,988	33,896,720	27,432,997	13,376,167
	Sale of fixed assets	21,000,000	-	6,954,000	-
	Purchase of services	405,109,570	-	(7,712,650)	(117,585,596)
	Management fee	895,798,500	-	1,703,525,256	807,726,756
Techcom Securities Joint Stock Company (*)	Purchase of trading securities	1,216,544,000,000	1,569,910,000,000	-	-
	Sale of trading securities	1,202,171,717,880	1,569,910,000,000	-	-
Key management personnel (**)	Remuneration to key management personnel	31,277,249,084	46,622,672,986	-	-

(*) As at 30 June 2023 and 1 January 2023, the Company and its subsidiaries had current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”), a related party, at normal commercial terms.

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

As at 30 June 2023, the Group provided guarantees over the bank loans of its related parties with the carrying value of VND114,614 million (1/1/2023: VND344,650 million).

Masan Consumer Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2023 (continued)

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38. Post balance sheet events

In July 2023, the Board of Directors of the Company approved the resolution to advance dividends by cash for 2023 at the rate of 45% of par value per share (VND4,500/share). The list of shareholders has been finalised and the dividends will be paid in July and August 2023, respectively.

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

4 August 2023

Prepared by:


Phan Thi Thuy Hoa
Chief Accountant

Approved by:


Huynh Viet Thang
Chief Financial Officer


Nguyen Hoang Yen
Authorised Representative


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