



Masan Consumer Corporation and its subsidiaries

Consolidated Interim Financial Statements for
the six-month period ended 30 June 2018

Masan Consumer Corporation Corporate Information

Business Registration Certificate No.

0302017440

31 May 2000

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 26 July 2018. The Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Mr Truong Cong Thang	Chairman
Dr Nguyen Dang Quang	Member
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Quang	Member
Mr Danny Le	Member (from 24 April 2018)
Mr Ho Hung Anh	Member (until 12 April 2018)
Mr Seokhee Won	Member (until 27 February 2018)

Board of Management

Mr Truong Cong Thang	Chief Executive Officer (from 28 February 2018)
Mr Seokhee Won	Chief Executive Officer (until 27 February 2018)
Ms Nguyen Hoang Yen	Deputy Chief Executive Officer
Mr Pham Hong Son	Deputy Chief Executive Officer
Mr Pham Dinh Toai	Deputy Chief Executive Officer
Mr Nguyen Anh Nguyen	Deputy Chief Executive Officer
Ms Dinh Kim Nhung	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 2018.

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 64 give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of its consolidated results of operations and its 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



Trương Công Thang

Chairman of the Board of Directors cum Chief Executive Officer

Hồ Chí Minh City, 8 August 2018



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115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INTERIM FINANCIAL STATEMENTS 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 2018, 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 8 August 2018, as set out on pages 5 to 64.

Board of 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.



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 2018 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. 18-01-272/02



Auvan Phoi
Practicing Auditor Registration
Certificate No. 2252-2018-007-1
Deputy General Director

Chong Kwang Puay
Practicing Auditor Registration
Certificate No. 0864-2018-007-1

Ho Chi Minh City, 8 August 2018

Masan Consumer Corporation and its subsidiaries
Consolidated balance sheet as at 30 June 2018

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

	Code	Note	30/6/2018 VND	1/1/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		4,411,223,435,099	5,793,075,753,348
Cash and cash equivalents	110	8	2,197,822,929,946	4,235,913,074,249
Cash	111		51,126,339,726	82,888,074,249
Cash equivalents	112		2,146,696,590,220	4,153,025,000,000
Short-term financial investments	120		455,000,000,000	154,258,720,000
Held-to-maturity investments	123	9(a)	455,000,000,000	154,258,720,000
Accounts receivable – short-term	130		356,522,130,643	348,223,852,227
Accounts receivable from customers	131	10	218,811,395,267	261,094,359,738
Prepayments to suppliers	132		79,290,281,974	48,438,835,310
Other short-term receivables	136	11(a)	58,428,043,108	38,698,246,885
Allowance for doubtful debts	137	12	(7,589,706)	(7,589,706)
Inventories	140	13	1,346,125,363,381	1,010,974,147,574
Inventories	141		1,349,929,951,408	1,017,930,397,608
Allowance for inventories	149		(3,804,588,027)	(6,956,250,034)
Other current assets	150		55,753,011,129	43,705,959,298
Short-term prepaid expenses	151		32,284,138,744	17,450,908,457
Deductible value added tax	152		22,307,649,892	23,128,636,709
Taxes and other receivables from State Treasury	153		1,161,222,493	3,126,414,132

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 2018 (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	30/6/2018 VND	1/1/2018 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		12,047,851,547,732	11,851,980,806,425
Accounts receivable – long-term	210		6,729,877,352,973	6,237,572,225,813
Long-term loans receivable	215	14	6,196,716,876,592	5,896,716,876,592
Other long-term receivables	216	11(b)	533,160,476,381	340,855,349,221
Fixed assets	220		4,323,739,114,940	4,412,933,243,930
Tangible fixed assets	221	15	3,266,224,363,307	3,241,037,214,968
Cost	222		5,479,171,663,260	5,230,319,735,557
Accumulated depreciation	223		(2,212,947,299,953)	(1,989,282,520,589)
Intangible fixed assets	227	16	1,057,514,751,633	1,171,896,028,962
Cost	228		2,058,561,185,740	2,103,301,612,207
Accumulated amortisation	229		(1,001,046,434,107)	(931,405,583,245)
Long-term work in progress	240		63,482,426,087	252,152,223,620
Construction in progress	242	17	63,482,426,087	252,152,223,620
Long-term financial investments	250		249,391,858,906	249,391,858,906
Investment in an associate	252	9(b)	249,391,858,906	249,391,858,906
Other long-term assets	260		681,360,794,826	699,931,254,156
Long-term prepaid expenses	261	18	187,846,424,600	190,950,225,630
Deferred tax assets	262	19	172,179,240,708	153,245,522,534
Goodwill	269	20	321,335,129,518	355,735,505,992
TOTAL ASSETS (270 = 100 + 200)	270		16,459,074,982,831	17,645,056,559,773

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 2018 (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	30/6/2018 VND	1/1/2018 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		7,487,873,852,957	6,313,229,100,033
Current liabilities	310		7,202,709,688,642	5,947,095,673,192
Accounts payable to suppliers – short-term	311	21	659,067,407,750	801,573,550,158
Advances from customers	312		63,994,369,846	35,712,183,790
Taxes payable to State Treasury	313	22	266,666,197,200	224,311,703,039
Payables to employees	314		54,784,972,569	24,501,018
Accrued expenses	315	23	876,142,324,138	893,632,037,512
Other short-term payables	319	24(a)	1,732,916,648,956	581,121,178,228
Short-term borrowings	320	25(a)	3,526,172,841,444	3,387,677,592,708
Bonus and welfare funds	322		22,964,926,739	23,042,926,739
Long-term liabilities	330		285,164,164,315	366,133,426,841
Accounts payable to suppliers – long-term	331	21	36,330,147,440	78,525,018,000
Other long-term payables	337	24(b)	18,873,053,932	20,821,499,726
Long-term borrowings	338	25(b)	68,570,227,966	95,998,319,156
Deferred tax liabilities	341	19	149,221,033,870	157,986,259,876
Provisions – long-term	342		12,169,701,107	12,802,330,083
EQUITY (400 = 410)	400		8,971,201,129,874	11,331,827,459,740
Owners' equity	410	26	8,971,201,129,874	11,331,827,459,740
Share capital	411	27	5,431,327,770,000	5,431,327,770,000
- Ordinary shares with voting rights	411a		5,431,327,770,000	5,431,327,770,000
Share premium	412	27	5,088,056,394,992	5,088,056,394,992
Other capital	414		(265,775,657,006)	(265,775,657,006)
Treasury shares	415	27	(1,640,252,631,255)	(1,640,252,631,255)
Foreign exchange differences	417		2,858,040,757	2,951,013,886
Investment and development fund	418		22,731,972,844	22,731,972,844
Undistributed profits after tax	421		110,119,723,159	2,226,022,362,372
- Undistributed profits after tax brought forward	421a		-	93,929,785,879
- Undistributed profit after tax for the current period/prior year	421b		110,119,723,159	2,132,092,576,493
Non-controlling interests	429		222,135,516,383	466,766,233,907
TOTAL RESOURCES (440 = 300 + 400)	440		16,459,074,982,831	17,645,056,559,773

Prepared by:



Phan Thi Thuy Hoa
Chief Accountant

8 August 2018



Huynh Viet Thang
Acting Chief Financial Officer

Approved by:



Truong Cong Thang
Chairman of the Board of Directors

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 2018

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	
			30/6/2018 VND	30/6/2017 VND
Revenue from sale of goods and provision of services	01	30	7,431,704,755,120	5,586,471,508,131
Revenue deductions	02	30	93,974,701,071	124,107,244,977
Net revenue (10 = 01 - 02)	10	30	7,337,730,054,049	5,462,364,263,154
Cost of sales	11	31	3,985,099,445,618	3,039,121,471,356
Gross profit (20 = 10 - 11)	20		3,352,630,608,431	2,423,242,791,798
Financial income	21	32	260,148,726,926	209,244,670,649
Financial expenses	22	33	86,967,570,091	56,337,661,145
<i>In which: Interest expense</i>	23		86,436,367,294	54,163,803,973
Share of profit in an associate	24		5,318,434,000	5,318,434,000
Selling expenses	25	34	1,436,407,418,401	1,492,266,429,523
General and administration expenses	26	35	330,488,804,847	378,118,592,118
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		1,764,233,976,018	711,083,213,661
Other income	31		435,186,362	897,274,849
Other expenses	32		5,138,226,079	1,242,928,714
Results of other activities (40 = 31 - 32)	40		(4,703,039,717)	(345,653,865)
Accounting profit before tax (50 = 30 + 40)	50		1,759,530,936,301	710,737,559,796
Income tax expense – current	51	36	248,083,624,599	107,459,768,200
Income tax benefit – deferred	52	36	(27,698,944,180)	(23,236,960,259)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		1,539,146,255,882	626,514,751,855

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 2018 (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	
			30/6/2018 VND	30/6/2017 VND
Net profit after tax (brought forward from previous page)	60		1,539,146,255,882	626,514,751,855
Attributable to:				
Equity holders of the Company	61		1,514,624,839,800	618,053,499,917
Non-controlling interests	62		24,521,416,082	8,461,251,938
<hr/>				
Earnings per share				
Basic earnings per share	70	37	2,884	1,188
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8 August 2018

Prepared by:

 Phan Thi Thuy Hoa
 Chief Accountant

Approved by:


 Huynh Viet Thang
 Acting Chief Financial Officer
 Truong Cong Thang
 Chairman of the Board of Directors



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 2018
(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	
		30/6/2018 VND	30/6/2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	1,759,530,936,301	710,737,559,796
Adjustments for			
Depreciation and amortisation	02	341,620,165,636	327,652,248,664
Allowances and provisions	03	12,254,518,914	8,626,788,559
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	54,539,321	1,295,433,330
Losses on disposals and written off of fixed assets	05	770,373,557	292,951,794
Interest income from investing activities	05	(258,729,178,406)	(208,010,584,436)
Share of profit in an associate	05	(5,318,434,000)	(5,318,434,000)
Interest expense	06	86,436,367,294	54,163,803,973
Operating profit before changes in working capital	08	1,936,619,288,617	889,439,767,680
Change in receivables and other assets	09	14,624,763,105	(20,133,559,713)
Change in inventories	10	(348,038,363,698)	(248,263,135,724)
Change in payables and other liabilities	11	(57,128,601,958)	(190,703,893,937)
Change in prepaid expenses	12	(240,253,314)	21,807,606,159
		1,545,836,832,752	452,146,784,465
Interest paid	14	(87,880,665,589)	(56,572,722,899)
Corporate income tax paid	15	(189,987,055,171)	(156,820,459,562)
Other payments for operating activities	17	(78,000,000)	(15,600,000)
Net cash flows from operating activities	20	1,267,891,111,992	238,738,002,004

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 2018
(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	
		30/6/2018 VND	30/6/2017 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(110,197,691,060)	(259,399,456,295)
Proceeds from disposals of fixed assets	22	1,587,859,883	848,823,767
Payments for granting loans	23	(300,000,000,000)	(3,330,405,000,000)
Placement of term deposits to banks and other investments	23	(495,011,720,000)	(2,029,018,000,000)
Withdrawal of term deposits from banks	24	194,270,440,000	3,206,866,841,175
Payments for acquisition of non-controlling interests in a subsidiary	25	(1,612,925,442,493)	-
Receipts of interest and dividend	27	67,824,206,469	159,391,138,230
Net cash flows from investing activities	30	(2,254,452,347,201)	(2,251,715,653,123)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from capital contribution in a subsidiary by non-controlling interests	31	76,343,325,699	-
Proceeds from bank borrowings	33	6,169,830,106,093	3,514,014,878,605
Payments to settle loan principals to banks	34	(6,058,762,948,547)	(3,636,728,811,605)
Payments of dividends	36	(1,239,665,184,200)	(1,150,886,772,700)
Net cash flows from financing activities	40	(1,052,254,700,955)	(1,273,600,705,700)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(2,038,815,936,164)	(3,286,578,356,819)
Cash and cash equivalents at the beginning of the period	60	4,235,913,074,249	6,914,244,921,330
Effect of exchange rate fluctuations on cash and cash equivalents	61	389,843,136	(12,239,462)
Currency translation differences	61	335,948,725	3,289,590,296
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	2,197,822,929,946	3,630,943,915,345

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 2018
(Indirect method – continued)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
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NON-CASH INVESTING AND FINANCING ACTIVITIES

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Net-off dividends payable with loans receivable from the parent company		- 1,187,405,000,000

8 August 2018

Prepared by:

Phan Thi Thuy Hoa
Chief Accountant

Approved by:

Huynh Viet Thang
Acting Chief Financial Officer


Trương Công Thang
Chairman of the Board of Directors



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 2018

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

These notes form an integral part of and should be read in conjunction with these 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 2018 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 and mineral water; advise and execute trade promotion activities and provide architectural and related technical consultancy services under Business 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 Company 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 2018 (continued)

Form B 09a – DN/HN

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

As at 30 June 2018, the Group has 3 directly owned subsidiaries, 13 indirectly owned subsidiaries and 1 associate (1/1/2018: 3 directly owned subsidiaries, 13 indirectly owned subsidiaries and 1 associate). Information of the subsidiaries and an associate are described as follows:

Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			30/6/2018	1/1/2018	30/6/2018	1/1/2018
Directly owned subsidiaries						
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%
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%
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%
Indirectly owned subsidiaries						
Masan Industrial One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Di An Ward, Binh Duong Province, Vietnam.	100%	100%	100%	100%
Viet Tien Food Technology One Member Company Limited	(i) Seasonings 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%

Masan Consumer Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)

Form B 09a – DN/HN

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

Name		Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
				30/6/2018	1/1/2018	30/6/2018	1/1/2018
Ma San PQ Corporation	(i)	Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam.	99.99%	99.99%	99.99%	99.99%
Masan HD One Member Company Limited	(i)	Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam.	100%	100%	100%	100%
Masan MB One Member Company Limited	(i)	Seasonings, convenience food manufacturing and packaging	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Loc District, Nghe An Province, Vietnam.	100%	100%	100%	100%
Masan HG One Member Company Limited	(i)	Seasonings, convenience food manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam.	100%	100%	100%	100%
Masan JinJu Joint Stock Company (formerly known as Saigon Nutri Food Joint Stock Company)	(i)	Convenience food manufacturing and trading	Lot K4, No. 2 Street, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam.	74.99%	99.99%	74.99%	99.99%
Nam Ngu Phu Quoc One Member Company Limited	(i)	Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien 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 2018 (continued)

Form B 09a – DN/HN

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

Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			30/6/2018	1/1/2018	30/6/2018	1/1/2018
VinaCafé Bien Hoa Joint Stock Company	(ii) Beverage manufacturing and trading	Bien Hoa Industrial Park I, Bien Hoa City, Dong Nai Province, Vietnam.	98.49%	68.46%	98.49%	68.46%
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.	88.56%	88.56%	88.56%	88.56%
KronFa., JSC	(iii) Beverage manufacturing	Km 37, Highway 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam.	88.55%	88.55%	99.99%	99.99%
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%
CDN Production Trading Corporation	(iv) Beverage manufacturing and trading	Lot C I.III-3+5+7, Long Thanh Industrial Park, Tam An Commune, Long Thanh District, Dong Nai Province, Vietnam.	83.72%	58.19%	85%	85%
An associate						
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 (“MSF”).
- (ii) These subsidiaries are indirectly owned by the Company through Masan Beverage Company Limited (“MSB”).
- (iii) KronFa., JSC is indirectly owned by the Company through Vinh Hao Mineral Water Corporation.
- (iv) CDN Production Trading Corporation is indirectly owned by the Company through VinaCafé Bien Hoa Joint Stock Company.

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

As at 30 June 2018, the Group had 4,240 employees (1/1/2018: 4,382 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) Annual 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 2018.

(d) Accounting and presentation currency

The Company’s accounting currency is Vietnam Dong (“VND”) which is also the currency used for financial statements presentation purposes.

(e) Corresponding figures

The corresponding figures as at 1 January 2018 were brought forward from the audited figures as at 31 December 2017.

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3. Summary of 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 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 interim 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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(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). The consolidated interim financial statements include the Group's share of the income and expenses 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. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) Transactions 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, consolidated statement of changes in equity 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 years presented, or where the companies were incorporated at a date later than the beginning of the earliest years presented, for the year from the date of incorporation to the end of the relevant reporting periods.

(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.

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

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

(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 to VND at historical exchange rate. Accumulated losses are derived from the translated net loss from which they were appropriated. Revenues, income and expenses, and cash flows during the period are translated to 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.

(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.

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(d) Held-to-maturity investments

Held-to-maturity investments are those that the Board of Management of the Company and its subsidiaries have the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks and other investments. These investments are stated at costs less allowance for doubtful debts.

(e) Accounts receivable from customers and other receivables

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 direct selling expenses.

The Group applies the perpetual method of accounting for inventories.

(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	4 – 30 years
▪ leasehold improvements	3 – 5 years
▪ office equipment	3 – 10 years
▪ machinery and equipment	3 – 25 years
▪ motor vehicles	3 – 10 years

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(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

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

(ii) Software

Cost of 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 useful lives ranging from 4 to 10 years.

(iii) Exploitation rights

Expenditure on obtaining exploitation rights for mineral water resources is capitalised and treated as an intangible fixed asset. Amortisation is computed on a straight-line basis over their useful lives ranging from 4 to 30 years.

(iv) Brand name

Cost of acquiring brand name is capitalised and treated as an intangible fixed asset and is amortised on a straight-line basis over 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 useful lives ranging from 10 to 20 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 useful lives ranging from 5 to 15 years.

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(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 useful lives ranging from 10 to 37 years.

(i) Construction in progress

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

(j) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the land use rights certificate was obtained but are not qualified as intangible fixed assets under prevailing regulation 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 to 50 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...). 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).

(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. Cost of those assets are amortised on a straight-line basis over a period ranging from 2 to 3 years.

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(k) 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. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

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

(l) Accounts payable to suppliers and other payables

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

(m) 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.

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.

(n) Equity

(i) *Share capital and share premium*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares, net of tax effects, 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.

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(ii) Other capital

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

(iii) Treasury shares

When issued ordinary shares are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any 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.

(o) Taxation

Income tax on the consolidated 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 amount of assets and liabilities using tax rates enacted or substantively enacted at the end of the accounting period.

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

(p) 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 sales discounts stated on the invoice.

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(ii) Rental income

Rental income from leased property 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.

(q) Financial income and financial expenses

(i) Financial income

Financial income mainly comprises interest income from deposits at banks, interest income from loans 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 and foreign exchange losses.

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of 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.

(r) 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 in the consolidated statement of income as an integral part of the total lease expense.

(s) Earnings per share

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

The consolidated profit or loss attributable to the ordinary shareholders of the Company is determined after deducting any amounts appropriated to bonus and welfare funds for the period.

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(t) Segment reporting

A segment is 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 for segment reporting is based on business segments.

Segment results, assets and liabilities include items 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, loans and borrowings and related expenses, the Company's headquarter's 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.

(u) Related parties

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

Related companies refer to the parent company, the ultimate parent company and their subsidiaries and associates.

4. Seasonality of operations

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 drinks products and also increases advertising and promotional efforts in the fourth quarter of each year during the period leading to the festive season.

5. Changes in accounting estimates

In preparing these consolidated interim financial statements, the Board of Management has 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.

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

For the six-month period ended 30 June 2018	Seasonings VND	Convenience food (*) VND	Beverage (*) VND	Others VND	Consolidated VND
Total segment revenue – net	3,113,127,652,736	2,088,654,969,029	2,131,951,732,660	3,995,699,624	7,337,730,054,049
Segment gross profit	1,619,473,886,658	838,013,974,612	894,032,233,819	1,110,513,342	3,352,630,608,431
Segment results	1,135,818,400,741	310,877,376,563	342,203,961,042	1,030,395,518	1,789,930,133,864
Unallocated general and administration expenses					(198,877,314,681)
Financial income					260,148,726,926
Financial expenses					(86,967,570,091)
Net operating profit					1,764,233,976,018
Other income					435,186,362
Other expenses					(5,138,226,079)
Income tax expense					(220,384,680,419)
Net profit after tax					1,539,146,255,882

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For the six-month period ended 30 June 2017	Seasonings VND	Convenience food (*) VND	Beverage (*) VND	Others VND	Consolidated VND
Total segment revenue – net	2,194,583,316,404	1,555,889,450,786	1,707,409,713,847	4,481,782,117	5,462,364,263,154
Segment gross profit	1,121,807,275,202	598,741,872,422	699,193,996,029	3,499,648,145	2,423,242,791,798
Segment results	637,076,992,143	120,991,714,522	(18,231,517,667)	3,499,648,145	743,336,837,143
Unallocated general and administration expenses					(185,160,632,986)
Financial income					209,244,670,649
Financial expenses					(56,337,661,145)
Net operating profit					711,083,213,661
Other income					897,274,849
Other expenses					(1,242,928,714)
Income tax expense					(84,222,807,941)
Net profit after tax					626,514,751,855

Segment results represent segment net revenue less segment cost of sales, directly attributable selling expenses and general and administration expenses, and indirectly attributable selling expenses and general and administration expenses which can be allocated on a reasonable basis.

Unallocated expenses represent general and administration expenses which the Company's Board of Management assesses cannot be allocated to each segment on a reasonable basis. These expenses are incurred at the corporate level.

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- (*) The segment results of the Convenience food and Beverage segments included amortisation of goodwill amounting to VND34,400 million (for the six-month period ended 30 June 2017: VND34,400 million), amortisation of fair values of intangible fixed assets arisen in business combinations amounting to VND49,690 million (for the six-month period ended 30 June 2017: VND49,690 million) and depreciation of fair values uplift of tangible fixed assets arisen in business combinations amounting to VND1,152 million (for the six-month period ended 30 June 2017: VND11,004 million) during the period.

As at 30 June 2018	Seasonings VND	Convenience food VND	Beverage VND	Consolidated VND
Segment assets	2,263,302,701,355	1,320,256,494,258	2,531,290,363,883	6,114,849,559,496
Unallocated assets				10,344,225,423,335
Total assets				16,459,074,982,831
Segment liabilities	111,299,303,722	232,412,068,618	404,151,220,864	747,862,593,204
Unallocated liabilities				6,740,011,259,753
Total liabilities				7,487,873,852,957
For the six-month period ended 30 June 2018				
Capital expenditure	47,838,226,074	31,029,710,910	27,966,208,269	106,834,145,253
Unallocated capital expenditure				9,674,934,535
Depreciation of tangible fixed assets	122,650,819,645	45,979,416,979	61,945,419,787	230,575,656,411
Unallocated depreciation of tangible fixed assets				6,761,693,223
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	2,186,260,047	10,394,075,667	86,851,919,973	99,432,255,687
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses				26,390,116,368

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	Seasonings VND	Convenience food VND	Beverage VND	Consolidated VND
As at 1 January 2018				
Segment assets	2,121,779,688,936	1,312,938,157,237	2,657,484,292,677	6,092,202,138,850
Unallocated assets				11,552,854,420,923
Total assets				<u>17,645,056,559,773</u>
Segment liabilities	162,634,420,955	242,830,882,104	1,247,805,815,031	1,653,271,118,090
Unallocated liabilities				4,659,957,981,943
Total liabilities				<u>6,313,229,100,033</u>
For the six-month period ended 30 June 2017				
Capital expenditure	157,974,171,633	24,971,663,978	21,730,738,050	204,676,573,661
Unallocated capital expenditure				37,478,996,517
Depreciation of tangible fixed assets	91,735,942,094	53,251,791,575	70,024,418,581	215,012,152,250
Unallocated depreciation of tangible fixed assets				7,138,652,312
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	2,412,833,964	8,079,480,264	89,056,165,163	99,548,479,391
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses				27,491,906,994

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Details of unallocated assets and unallocated liabilities are as follows:

	30/6/2018	1/1/2018
	VND	VND
Cash and cash equivalents	2,197,822,929,946	4,235,913,074,249
Held-to-maturity investments – short-term	455,000,000,000	154,258,720,000
Accounts receivable – short-term, net	271,160,234,561	275,936,245,323
Inventories	187,268,898,322	130,885,289,948
Other current assets	27,616,811,002	9,478,308,181
Accounts receivable – long-term, net	6,729,877,352,973	6,237,572,225,813
Fixed assets	205,854,140,786	254,612,406,562
Construction in progress	7,404,651,240	8,309,258,685
Other long-term assets	262,220,404,505	245,888,892,162
Unallocated assets	10,344,225,423,335	11,552,854,420,923
Accounts payable to suppliers – short-term	136,563,671,187	131,742,947,085
Advances from customers	55,710,378,063	15,951,247,994
Taxes payable to State Treasury	249,908,357,352	215,304,122,304
Payables to employees	39,041,655,164	16,907,555
Accrued expenses	790,833,717,814	632,578,085,243
Other short-term payables	1,723,989,376,893	22,702,500,022
Short-term borrowings	3,526,172,841,444	3,387,677,592,708
Long-term borrowings	68,570,227,966	95,998,319,156
Deferred tax liabilities	149,221,033,870	157,986,259,876
Unallocated liabilities	6,740,011,259,753	4,659,957,981,943

(b) Geographical segments

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

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7. Transactions with non-controlling interests

(a) Acquisition of additional equity interests in VinaCafé Bien Hoa Joint Stock Company

In February 2018, Masan Beverage Company Limited (“MSB”), a subsidiary of the Company, successfully acquired additional 7,982,361 shares of VinaCafé Bien Hoa Joint Stock Company (“VCF”) for a total consideration of VND1,612,925 million. As a result of this transaction, the Company’s equity interest in VCF has increased from 68.46% to 98.49%, resulting in the following effects:

	VND
Consideration paid in cash	1,612,925,442,493
Proportionate carrying amount of net assets acquired	(311,418,585,035)
	1,301,506,857,458
Difference recorded in undistributed profits after tax (Note 26)	1,301,506,857,458

(b) Capital contribution in Masan JinJu Joint Stock Company (formerly known as Saigon Nutri Food Joint Stock Company) by non-controlling interests

In June 2018, Masan JinJu Joint Stock Company (formerly known as Saigon Nutri Food Joint Stock Company (“SNF”)), a subsidiary of the Company and JinJu Ham Company Limited (“JinJu”) entered into an agreement in which JinJu agrees to contribute capital with the amount of VND76,343 million in exchange for 25% equity interest in SNF. As at the reporting date, the capital amount was fully received and SNF amended its Business Registration Certificate accordingly. As a result of this transaction, the Company’s equity interest in SNF has decreased from 99.99% to 74.99%, resulting in the following effects:

	VND
Consideration received in cash	76,343,325,699
Proportionate carrying amount of net assets disposed	(42,266,450,754)
	34,076,874,945
Difference recorded in undistributed profits after tax (Note 26)	34,076,874,945

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8. Cash and cash equivalents

	30/6/2018	1/1/2018
	VND	VND
Cash on hand	624,201,710	1,296,649,680
Cash at banks	50,502,138,016	81,591,424,569
Cash equivalents	2,146,696,590,220	4,153,025,000,000
	<hr/>	<hr/>
	2,197,822,929,946	4,235,913,074,249
	<hr/>	<hr/>

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

9. Investments

(a) Held-to-maturity investments – short-term

	30/6/2018	1/1/2018
	VND	VND
Held-to-maturity investments – short-term		
▪ Term deposits at banks and other investments	455,000,000,000	154,258,720,000
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Held-to-maturity investments – short-term represented term deposits at banks and other investments with remaining terms to maturity of twelve months or less from the end of the accounting period.

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(b) Investment in an associate

	30/6/2018	1/1/2018				
	Number of shares	% of equity owned and % of voting rights	Carrying value under equity method VND	Number of shares	% of equity owned and % of voting rights	Carrying value under equity method VND
Investments in an associate:						
▪ Cholimex Food Joint Stock Company	2,659,217	32.83%	249,391,858,906	2,659,217	32.83%	249,391,858,906

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

During the period, the Group does not have any significant transactions with Cholimex Food Joint Stock Company (“CLX”). 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:

	Cholimex Food Joint Stock Company VND
Carrying value of investment in an associate at the beginning of the period	249,391,858,906
Share of post-acquisition profit in an associate during the period	5,318,434,000
Post-acquisition dividends receivable from an associate	(5,318,434,000)
Carrying value of investment in an associate at the end of the period	249,391,858,906

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10. Accounts receivable from customers

Accounts receivable from customers who are related parties

	30/6/2018	1/1/2018
	VND	VND
Other related parties		
▪ Masan Brewery Distribution One Member Company Limited	46,250,381,778	46,477,916,828
▪ MNS Farm Nghe An Company Limited (formerly known as Masan Nutri-Farm (N.A) Limited Liability Company)	8,794,040,627	6,898,790,674
▪ Vietnamese – French Cattle Feed Joint Stock Company	6,497,129,435	15,432,135,658
▪ Agro Nutrition International Joint Stock Company	3,120,532,946	8,986,859,887
▪ Masan Brewery HG One Member Company Limited	1,916,305,128	1,906,695,091
▪ Proconco Can Tho One Member Company Limited	1,320,425,129	1,959,543,205
▪ Conco Binh Dinh Co., Ltd	1,102,149,968	1,619,539,159
▪ MNS Feed Vinh Long Company Limited (formerly known as Aqua Nutrition International Joint Venture Co., Ltd)	1,024,572,198	1,537,180,683
▪ MNS Feed Nghe An Company Limited (formerly known as Agro Nutrition International Nghe An Company Limited)	962,160,580	1,416,606,447
▪ MNS Feed Thai Nguyen Company Limited (formerly known as Agro Nutrition International Thai Nguyen Company Limited)	955,437,022	1,386,217,181
▪ MNS Feed Tien Giang Company Limited (formerly known as Agro Nutrition International Tien Giang One Member Limited Company)	937,188,896	1,373,793,155
▪ Proconco Hung Yen Manufacturing and Trading Company Limited	802,384,217	1,187,025,716
▪ MNS Feed Hau Giang Company Limited (formerly known as Agro Nutrition International Hau Giang One Member Limited Liability Company)	675,440,359	993,478,103
▪ Masan Brewery PY One Member Company Limited	15,354,754	-
▪ MNS Meat Ha Nam Company Limited	2,741,200	-

The trade related amounts due from other related parties were unsecured, interest free and are receivable within 30 – 180 days from invoice date.

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11. Other receivables

(a) Other short-term receivables

	30/6/2018	1/1/2018
	VND	VND
Non-trade amounts due from related parties	17,419,536,343	-
Short-term deposits	21,266,606,490	21,976,745,630
Accrued interest receivable	14,637,110,840	9,545,537,923
Others	5,104,789,435	7,175,963,332
	<hr/>	
	58,428,043,108	38,698,246,885
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Non-trade amounts due from related parties were unsecured, interest free and are receivable on demand.

(b) Other long-term receivables

	30/6/2018	1/1/2018
	VND	VND
Accrued interest receivable from a related party (*)	526,170,600,589	335,038,767,569
Long-term deposits	6,989,875,792	5,816,581,652
	<hr/>	
	533,160,476,381	340,855,349,221
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(*) These represented interest income receivable from loans provided to a related party. Please see Notes 14 and 38 for further information.

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12. Allowance for doubtful debts

Overdue days	30/6/2018			1/1/2018		
	Cost VND	Allowance VND	Recoverable amount VND	Cost VND	Allowance VND	Recoverable amount VND
0 – 30 days	82,342,111,553	-	82,342,111,553	36,838,920,894	-	36,838,920,894
31 – 180 days	20,590,471,837	-	20,590,471,837	19,580,544,666	-	19,580,544,666
181 – 365 days	5,662,889,238	-	5,662,889,238	33,200,323	-	33,200,323
Over 365 days	16,312,651	(7,589,706)	8,722,945	15,179,401	(7,589,706)	7,589,695
	108,611,785,279	(7,589,706)	108,604,195,573	56,467,845,284	(7,589,706)	56,460,255,578
Allowance for doubtful debts		(7,589,706)			(7,589,706)	

Movements of the allowance for doubtful debts during the period were as follows:

	Six-month period ended	
	30/6/2018 VND	30/6/2017 VND
Opening balance	7,589,706	1,217,027,357
Allowance utilised during the period	-	(1,116,628,444)
Written back	-	(23,500,000)
Closing balance	7,589,706	76,898,913

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13. Inventories

	30/6/2018		1/1/2018	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	47,394,054,913	-	52,156,943,848	-
Raw materials	639,484,380,689	(338,308,811)	579,492,610,142	(1,166,227,003)
Tools and supplies	75,805,694,535	-	76,197,364,169	-
Work in progress	80,766,615,074	-	76,069,236,191	-
Finished goods	501,241,386,346	(3,466,279,216)	228,837,186,075	(5,783,610,499)
Merchandise inventories	2,938,656,526	-	5,177,057,183	(6,412,532)
Goods on consignment	2,299,163,325	-	-	-
	1,349,929,951,408	(3,804,588,027)	1,017,930,397,608	(6,956,250,034)

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

	Six-month period ended	
	30/6/2018 VND	30/6/2017 VND
Opening balance	6,956,250,034	13,103,260,471
Increase in allowance during the period	13,434,202,154	9,920,965,801
Allowance utilised during the period	(16,038,809,898)	(16,101,459,007)
Written back	(547,054,263)	(771,303,242)
Closing balance	3,804,588,027	6,151,464,023

Included in inventories of the Group as at 30 June 2018 was VND3,805 million (1/1/2018: VND6,956 million) of slow-moving inventories.

14. Long-term loans receivable

	30/6/2018 VND	1/1/2018 VND
Loans receivable from a related party	6,196,716,876,592	5,896,716,876,592

The long-term loans receivable were unsecured and earned interest at 6.5% per annum as at 30 June 2018. These loans matures after 60 months from the drawdown date. Interest is receivable on the maturity date of loan agreement.

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15. Tangible fixed assets

	Buildings VND	Leasehold improvements VND	Office equipment VND	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost						
Opening balance	1,436,687,308,233	62,791,110,984	65,778,567,325	3,637,257,479,750	27,805,269,265	5,230,319,735,557
Additions during the period	210,549,496	-	-	750,404,546	-	960,954,042
Transfer from construction in progress	42,647,901,274	-	1,505,048,626	220,052,490,934	-	264,205,440,834
Net transfer to long-term prepaid expenses	-	-	-	(283,341,705)	-	(283,341,705)
Transfer to short-term prepaid expenses	-	-	-	(49,108,886)	-	(49,108,886)
Disposals	-	-	(131,682,347)	(1,018,680,000)	(3,812,126,145)	(4,962,488,492)
Written off	(1,070,652,720)	-	(818,146,125)	(1,913,730,034)	(7,216,999,211)	(11,019,528,090)
Closing balance	1,478,475,106,283	62,791,110,984	66,333,787,479	3,854,795,514,605	16,776,143,909	5,479,171,663,260
Accumulated depreciation						
Opening balance	306,627,179,424	29,935,955,606	37,472,523,021	1,597,882,447,252	17,364,415,286	1,989,282,520,589
Charge for the period	38,167,264,011	5,225,854,536	3,577,578,265	188,891,261,906	1,475,390,916	237,337,349,634
Transfer to long-term prepaid expenses	-	-	-	(48,787,128)	-	(48,787,128)
Disposals	-	-	(131,682,347)	(822,487,325)	(2,950,677,962)	(3,904,847,634)
Written off	(480,062,131)	-	(818,146,125)	(1,886,738,463)	(6,533,988,789)	(9,718,935,508)
Closing balance	344,314,381,304	35,161,810,142	40,100,272,814	1,784,015,696,242	9,355,139,451	2,212,947,299,953
Net book value						
Opening balance	1,130,060,128,809	32,855,155,378	28,306,044,304	2,039,375,032,498	10,440,853,979	3,241,037,214,968
Closing balance	1,134,160,724,979	27,629,300,842	26,233,514,665	2,070,779,818,363	7,421,004,458	3,266,224,363,307

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Included in the cost of tangible fixed assets of the Group were assets costing VND402,180 million, which were fully depreciated as of 30 June 2018 (1/1/2018: VND389,228 million), but which are still in active use.

As at 30 June 2018 and 1 January 2018, certain of the Group's tangible fixed assets were pledged with banks as security for loans granted to the Group and the parent company.

The carrying amount of the Group's temporarily idle equipment in tangible fixed assets amounted to VND2,859 million as of 30 June 2018 (1/1/2018: VND11,261 million).

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16. Intangible fixed asset

	Land use rights VND	Software VND	Exploitation rights VND	Brand name VND	Customer relationships VND	Mineral water resources VND	Total VND
Cost							
Opening balance	119,085,818,402	291,102,724,674	117,945,577,348	758,354,816,571	404,114,911,701	412,697,763,511	2,103,301,612,207
Additions during the period	-	-	2,765,431,200	-	-	-	2,765,431,200
Transfer to long-term prepaid expenses	-	(1,069,892,667)	-	-	-	-	(1,069,892,667)
Others	-	-	(46,435,965,000)	-	-	-	(46,435,965,000)
Closing balance	119,085,818,402	290,032,832,007	74,275,043,548	758,354,816,571	404,114,911,701	412,697,763,511	2,058,561,185,740
Accumulated amortisation							
Opening balance	29,862,531,845	98,028,541,320	13,898,704,478	385,228,742,429	352,923,944,341	51,463,118,832	931,405,583,245
Charge for the period	1,865,440,704	17,540,211,084	1,993,598,728	33,446,434,254	4,069,420,620	10,967,334,138	69,882,439,528
Transfer to long-term prepaid expenses	-	(241,588,666)	-	-	-	-	(241,588,666)
Closing balance	31,727,972,549	115,327,163,738	15,892,303,206	418,675,176,683	356,993,364,961	62,430,452,970	1,001,046,434,107
Net book value							
Opening balance	89,223,286,557	193,074,183,354	104,046,872,870	373,126,074,142	51,190,967,360	361,234,644,679	1,171,896,028,962
Closing balance	87,357,845,853	174,705,668,269	58,382,740,342	339,679,639,888	47,121,546,740	350,267,310,541	1,057,514,751,633

Included in the cost of intangible fixed assets of the Group were assets costing VND13,173 million, which were fully amortised as of 30 June 2018 (1/1/2018: VND12,313 million), but which are still in active use.

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17. Construction in progress

	Six-month period ended 30/6/2018 VND
Opening balance	252,152,223,620
Additions during the period	86,370,173,655
Transfer to tangible fixed assets	(264,205,440,834)
Transfer to long-term prepaid expenses	(10,834,530,354)
	63,482,426,087
Closing balance	63,482,426,087

Major constructions in progress were as follows:

	30/6/2018 VND	1/1/2018 VND
Buildings	5,628,150,735	14,065,705,531
Machinery and equipment	49,599,369,986	234,781,043,000
Software	9,203,182	3,246,249,258
Others	8,245,702,184	59,225,831
	63,482,426,087	252,152,223,620
	63,482,426,087	252,152,223,620

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18. Long-term prepaid expenses

	Prepaid land costs VND	Goodwill from equitisation VND	Tools and supplies VND	Total VND
Opening balance	85,669,355,388	25,074,969,229	80,205,901,013	190,950,225,630
Additions during the period	-	-	6,311,388,728	6,311,388,728
Transfer from construction in progress	-	-	10,834,530,354	10,834,530,354
Net transfer from tangible fixed assets	-	-	234,554,577	234,554,577
Transfer from intangible fixed assets	-	-	828,304,001	828,304,001
Transfer from short-term prepaid expenses	-	-	263,652,504	263,652,504
Amortisation for the period	(1,048,127,904)	(1,567,185,576)	(18,924,242,573)	(21,539,556,053)
Currency translation differences	-	-	(36,675,141)	(36,675,141)
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Closing balance	84,621,227,484	23,507,783,653	79,717,413,463	187,846,424,600

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19. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

	30/6/2018		1/1/2018	
	Deferred tax assets VND	Deferred tax liabilities VND	Deferred tax assets VND	Deferred tax liabilities VND
Accrued advertising and promotion expenses	98,891,974,830	-	109,894,922,823	-
Accrued logistic expense	17,619,102,249	-	13,788,420,646	-
Accrued sales discounts	6,508,032,310	-	6,441,407,777	-
Other accruals	21,827,864,244	-	16,263,544,537	-
Unrealised profits	27,332,267,075	-	6,857,226,751	-
Tangible fixed assets	-	(2,406,962,086)	-	(2,650,137,072)
Intangible fixed assets	-	(146,814,071,784)	-	(155,336,122,804)
	172,179,240,708	(149,221,033,870)	153,245,522,534	(157,986,259,876)

20. Goodwill

	Six-month period ended 30/6/2018 VND
Cost	
Opening and closing balances	693,961,414,227
Accumulated amortisation	
Opening balance	338,225,908,235
Charge for the period	34,400,376,474
Closing balance	372,626,284,709
Net book value	
Opening balance	355,735,505,992
Closing balance	321,335,129,518

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21. Accounts payable to suppliers

(a) Accounts payable to suppliers classified by payment term

	30/6/2018		1/1/2018	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Short-term	659,067,407,750	659,067,407,750	801,573,550,158	801,573,550,158
Long-term	36,330,147,440	36,330,147,440	78,525,018,000	78,525,018,000
	<u>695,397,555,190</u>	<u>695,397,555,190</u>	<u>880,098,568,158</u>	<u>880,098,568,158</u>

(b) Accounts payable to suppliers who are related parties

	30/6/2018 VND	1/1/2018 VND
Other related parties		
▪ Masan Brewery Distribution One Member Company Limited	1,852,500	409,681,308
▪ Masan Brewery HG One Member Company Limited	-	49,500,000
	<u>1,852,500</u>	<u>459,181,308</u>

The trade related amounts due to related parties were unsecured, interest free and are payable at call.

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	1/1/2018 VND	Incurred VND	Paid VND	Deducted VND	Reclassified VND	30/6/2018 VND
Value added tax	72,045,746,024	1,369,346,207,308	(283,025,095,316)	(1,103,505,180,685)	(1,469,215,712)	53,392,461,619
Import-export tax	-	2,529,418,194	(2,529,418,194)	-	-	-
Corporate income tax	148,627,947,893	248,083,624,599	(189,987,055,171)	-	(705,812,487)	206,018,704,834
Personal income tax	2,550,402,744	29,373,236,636	(25,280,988,978)	-	-	6,642,650,402
Other taxes	1,087,606,378	39,565,422,617	(40,040,648,650)	-	-	612,380,345
	224,311,703,039	1,688,897,909,354	(540,863,206,309)	(1,103,505,180,685)	(2,175,028,199)	266,666,197,200

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23. Accrued expenses

	30/6/2018	1/1/2018
	VND	VND
Advertising and promotion expenses	505,176,221,611	570,590,834,872
Logistic expense	88,404,105,245	74,505,500,282
Exhibition expense	25,430,250,803	15,855,033,925
Bonus and 13 th month salary	43,203,415,950	85,716,216,827
Sales discounts	32,573,598,635	37,228,040,655
Market research expense	17,215,104,815	19,597,265,927
Accrued interest expense	7,252,019,680	8,696,317,975
Construction in progress	6,846,676,901	9,293,959,972
Purchases not yet received invoices	71,010,321,148	15,878,108,053
Accrued information and technology expenses	30,484,620,046	14,910,270,008
Others	48,545,989,304	41,360,489,016
	<hr/>	<hr/>
	876,142,324,138	893,632,037,512
	<hr/>	<hr/>

24. Other payables

(a) Other short-term payables

	30/6/2018	1/1/2018
	VND	VND
Dividends payable	1,679,305,254,300	555,872,942,000
Obligation to issue shares	26,910,256,500	4,705,416,500
Trade union fee, social, health and unemployment insurances	14,935,301,362	15,717,691,116
Short-term deposits received	2,340,302,458	2,817,633,596
Others	9,425,534,336	2,007,495,016
	<hr/>	<hr/>
	1,732,916,648,956	581,121,178,228
	<hr/>	<hr/>

(b) Other long-term payables

	30/6/2018	1/1/2018
	VND	VND
Long-term deposits received	18,873,053,932	20,821,499,726
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25. Borrowings

(a) Short-term borrowings

	1/1/2018		Movements during the period		30/6/2018	
	Carrying amount VND	Amount within repayment capacity VND	Addition VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	3,332,821,410,328	3,332,821,410,328	6,169,830,106,093	(6,031,334,857,357)	3,471,316,659,064	3,471,316,659,064
Current portion of long-term borrowings	54,856,182,380	54,856,182,380	27,428,091,190	(27,428,091,190)	54,856,182,380	54,856,182,380
	3,387,677,592,708	3,387,677,592,708	6,197,258,197,283	(6,058,762,948,547)	3,526,172,841,444	3,526,172,841,444

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

	Currency	Annual interest rate	30/6/2018 VND	1/1/2018 VND
Short-term borrowings				
▪ Secured bank loans	VND	4.41% - 4.56%	397,490,121,842	399,546,993,783
▪ Unsecured bank loans	VND	3.70% - 5.00%	3,073,826,537,222	2,933,274,416,545
			3,471,316,659,064	3,332,821,410,328

As at 30 June 2018 and 1 January 2018, the secured bank loans of the Group were guaranteed by the Company.

(b) Long-term borrowings

	30/6/2018 VND	1/1/2018 VND
Long-term borrowings	123,426,410,346	150,854,501,536
Repayable within 12 months	(54,856,182,380)	(54,856,182,380)
	68,570,227,966	95,998,319,156

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

	Currency	Annual interest rate	Year of maturity	30/6/2018 VND	1/1/2018 VND
Long-term borrowings					
▪ Secured bank loans	VND	9.3%	2020	123,426,410,346	150,854,501,536

The secured bank loans of the Group were secured over fixed assets of the Group with the carrying amount of VND585,355 million (1/1/2018: VND615,689 million).

During the period, the Group complied with the loan covenants on the above borrowings.

As at 30 June 2018 and 1 January 2018, the Group does not have any overdue borrowings including principle 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 interests ("NCP") VND	Total VND
Balance as at 1 January 2017	5,381,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	(2,253,725,216)	22,731,972,844	2,434,650,312,379	909,680,511,323	11,928,438,348,061
Net profit for the period	-	-	-	-	-	-	618,053,499,917	8,461,251,938	626,514,751,855
Dividends (Note 28)	-	-	-	-	-	-	(2,340,720,526,500)	-	(2,340,720,526,500)
Currency translation differences	-	-	-	-	3,289,583,572	-	-	6,724	3,289,590,296
Balance as at 30 June 2017	5,381,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	1,035,858,356	22,731,972,844	711,983,285,796	918,141,769,985	10,217,522,163,712

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	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 interests (“NCI”) VND	Total VND
Balance as at 1 January 2018	5,431,327,770,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	2,951,013,886	22,731,972,844	2,226,022,362,372	466,766,233,907	11,331,827,459,740
Net profit for the period	-	-	-	-	-	-	1,514,624,839,800	24,521,416,082	1,539,146,255,882
Dividends (Note 28)	-	-	-	-	-	-	(2,363,097,496,500)	-	(2,363,097,496,500)
Acquisition of NCI (Note 7(a))	-	-	-	-	-	-	(1,301,506,857,458)	(311,418,585,035)	(1,612,925,442,493)
Capital contribution in a subsidiary by NCI (Note 7(b))	-	-	-	-	-	-	34,076,874,945	42,266,450,754	76,343,325,699
Currency translation differences	-	-	-	-	(92,973,129)	-	-	675	(92,972,454)
Balance as at 30 June 2018	5,431,327,770,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	2,858,040,757	22,731,972,844	110,119,723,159	222,135,516,383	8,971,201,129,874

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27. Share capital, share premium and treasury shares

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

	30/6/2018		1/1/2018	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	543,132,777	5,431,327,770,000	543,132,777	5,431,327,770,000
Treasury shares				
Ordinary shares	18,000,000	1,640,252,631,255	18,000,000	1,640,252,631,255
Shares currently in circulation				
Ordinary shares	525,132,777	5,251,327,770,000	525,132,777	5,251,327,770,000
Share premium		5,088,056,394,992		5,088,056,394,992

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.

28. Dividends

The Annual General Meeting of Shareholders of the Company on 24 April 2018 resolved to distribute dividends by cash amounting to VND2,363,097 million (for the six-month period ended 30 June 2017: VND2,340,721 million).

29. Off balance sheet items

(a) Lease commitments

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

	30/6/2018	1/1/2018
	VND	VND
Within 1 year	66,572,404,848	68,171,420,108
Within 2 to 5 years	41,533,579,800	34,583,920,018
	108,105,984,648	102,755,340,126

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(b) Foreign currencies

	30/6/2018		1/1/2018	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	814,967	18,679,055,247	68,009	1,541,076,916
THB	97,061,141	65,710,392,789	84,093,681	56,931,421,922
		<hr/>		<hr/>
		84,389,448,036		58,472,498,838
		<hr/>		<hr/>

(c) Capital expenditure commitments

As at reporting date, the Group had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

	30/6/2018 VND	1/1/2018 VND
Approved and contracted	65,266,121,876	34,772,517,932
Approved but not contracted	339,089,934,812	59,105,280,099
		<hr/>
	404,356,056,688	93,877,798,031
		<hr/>

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30. Revenue from sale of goods and provision of services

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

Net revenue comprised:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Total revenue		
▪ Sale of goods	7,417,008,108,043	5,568,481,371,088
▪ Other sales	14,696,647,077	17,990,137,043
	<hr/>	<hr/>
	7,431,704,755,120	5,586,471,508,131
	<hr/>	<hr/>
Less revenue deductions		
▪ Sales discounts	78,141,526,489	45,338,417,193
▪ Sales returns	15,833,174,582	78,768,827,784
	<hr/>	<hr/>
	93,974,701,071	124,107,244,977
	<hr/>	<hr/>
Net revenue	7,337,730,054,049	5,462,364,263,154
	<hr/>	<hr/>

31. Cost of sales

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Total cost of sales		
▪ Goods sold	3,938,808,448,375	2,993,641,669,566
▪ Other cost of goods sold	33,403,849,352	36,330,139,231
▪ Allowance for inventories	12,887,147,891	9,149,662,559
	<hr/>	<hr/>
	3,985,099,445,618	3,039,121,471,356
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32. Financial income

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Interest income from loans provided to a related party	191,131,833,020	63,731,050,368
Interest income from deposits at banks and other investments	67,597,345,386	144,279,534,068
Foreign exchange gains	1,419,548,520	1,234,086,213
	<hr/>	<hr/>
	260,148,726,926	209,244,670,649
	<hr/>	<hr/>

33. Financial expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Interest expense on borrowings from banks	86,436,367,294	54,163,803,973
Foreign exchange losses	531,202,797	2,173,857,172
	<hr/>	<hr/>
	86,967,570,091	56,337,661,145
	<hr/>	<hr/>

34. Selling expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Advertising and promotion expenses	930,758,033,643	1,010,786,016,270
Logistic expense	267,092,535,815	253,406,290,954
Staff costs	120,800,253,983	123,119,390,904
Exhibition expenses	61,008,260,542	40,380,640,615
Marketing research expense	17,821,333,147	26,732,861,705
Others	38,927,001,271	37,841,229,075
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	1,436,407,418,401	1,492,266,429,523
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35. General and administration expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Staff costs	119,503,264,717	109,201,058,182
Amortisation of fair value uplift of fixed assets arising in business combination	50,841,878,628	60,694,291,926
Leased line system and information technology services	42,322,218,023	54,767,620,412
Amortisation of goodwill	34,400,376,474	34,400,376,474
Depreciation and amortisation of fixed assets	23,461,348,730	31,870,504,988
Office rental	25,070,075,244	26,226,449,117
Research and development expenses	6,607,289,813	6,042,149,413
Others	28,282,353,218	54,916,141,606
	<hr/>	<hr/>
	330,488,804,847	378,118,592,118
	<hr/>	<hr/>

36. Income tax

(a) Recognised in the consolidated statement of income

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Current tax expense		
Current period	255,644,347,957	107,210,853,961
(Over)/under provision in prior periods	(7,560,723,358)	248,914,239
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	248,083,624,599	107,459,768,200
	<hr/>	<hr/>
Deferred tax benefit		
Origination and reversal of temporary differences	(27,698,944,180)	(17,717,197,926)
Effect of change in tax rate	-	(5,519,762,333)
	<hr/>	<hr/>
	(27,698,944,180)	(23,236,960,259)
	<hr/>	<hr/>
Income tax expense	220,384,680,419	84,222,807,941
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(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Accounting profit before tax	1,759,530,936,301	710,737,559,796
Tax at the Company's income tax rate	351,906,187,260	142,147,511,959
Effect of incentive tax rates in subsidiaries	(134,119,588,909)	(82,788,387,547)
Effect of share of profit in an associate	(1,063,686,800)	(1,063,686,800)
Non-deductible expenses	2,222,123,319	1,575,412,938
(Over)/under provision in prior periods	(7,560,723,358)	248,914,239
Tax losses utilised	(92,892,763)	(213,273,480)
Effect of amortisation of goodwill	6,880,075,295	6,880,075,295
Unrecognised deferred tax assets	2,213,186,375	17,436,241,337
	220,384,680,419	84,222,807,941

Deferred tax assets have not been recognised in some 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 corporate income tax rate of 20%.

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

(d) Tax contingencies

The taxation laws and their application in Vietnam are subject to interpretation and change over time as well as from one tax office to another. 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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37. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2018 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 VND1,514,625 million (for the six-month period ended 30 June 2017: VND618,053 million) and a weighted average number of ordinary shares outstanding of 525,132,777 (for the six-month period ended 30 June 2017: 520,160,117), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Net profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds	1,514,624,839,800	618,053,499,917

(ii) Weighted average number of ordinary shares

	Six-month period ended	
	30/6/2018	30/6/2017
Weighted average number of ordinary shares during the period – currently in circulation	525,132,777	520,160,117

(iii) Basic earnings per share

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Basic earnings per share	2,884	1,188

(b) Diluted earnings per share

As at 30 June 2018 and 1 January 2018, the Company did not have potential ordinary shares. Therefore the presentation of diluted earnings per share is not applicable.

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38. Significant transactions with related parties

During the period and as at the period ended, the Group has the following significant transactions and balances with their related parties:

Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		Six-month period ended 30/6/2018 VND	30/6/2017 VND	30/6/2018 VND	1/1/2018 VND
Parent company					
MasanConsumerHoldings Company Limited	Loans provided	300,000,000,000	3,330,405,000,000	6,196,716,876,592	5,896,716,876,592
	Collection of loans through net-off with dividends payable		- 1,187,405,000,000	-	-
	Interest income receivable from loans	191,131,833,020	63,731,050,368	526,170,600,589	335,038,767,569
	Dividends declared	2,270,686,203,000	2,270,686,203,000	(1,670,686,203,000)	-
	Dividends paid by cash	600,000,000,000	1,083,281,203,000	-	-
Associate					
Cholimex Food Joint Stock Company	Post-acquisition dividends received	5,318,434,000	5,318,434,000	-	-
Other related parties					
Masan Brewery PY One Member Company Limited	Sale of goods	20,864,617	9,303,950	15,354,754	-
Masan Brewery Distribution One Member Company Limited	Sale of goods	480,400	805,500,570	-	10,614,490
	Purchase of goods	754,516,408	1,465,633,227	(1,852,500)	(409,681,308)
	Management fee	12,310,607,577	22,125,100,397	58,560,989,355	46,467,302,338

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		Six-month period ended 30/6/2018 VND	30/6/2017 VND	30/6/2018 VND	1/1/2018 VND
Masan Brewery HG One Member Company Limited	Sale of goods	16,302,698	163,896,227	9,610,037	-
	Management fee	1,065,061,320	1,318,174,519	2,971,756,411	1,906,695,091
	Purchase of goods	-	10,000,000	-	(49,500,000)
Agro Nutrition International Joint Stock Company	Sale of goods	27,224,000	42,990,627	-	16,698,000
	Management fee	2,836,848,133	8,917,402,057	3,120,532,946	8,970,161,887
MNS Feed Tien Giang Company Limited (formerly known as Agro Nutrition International Tien Giang One Member Limited Company)	Sale of goods	-	6,844,745	-	-
	Management fee	851,989,905	-	937,188,896	1,373,793,155
MNS Feed Thai Nguyen Company Limited (formerly known as Agro Nutrition International Thai Nguyen Company Limited)	Sale of goods	16,860,000	6,516,573	4,118,400	-
	Management fee	864,835,111	-	951,318,622	1,386,217,181
MNS Feed Vinh Long Company Limited (formerly known as Aqua Nutrition International Joint Venture Co., Ltd)	Sale of goods	-	16,924,336	-	-
	Management fee	931,429,271	-	1,024,572,198	1,537,180,683
MNS Feed Hau Giang Company Limited (formerly known as Agro Nutrition International Hau Giang One Member Limited Liability Company)	Sale of goods	-	1,875,273	-	-
	Management fee	614,036,690	-	675,440,359	993,478,103

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		30/6/2018 VND	30/6/2017 VND	30/6/2018 VND	1/1/2018 VND
MNS Feed Nghe An Company Limited (formerly known as Agro Nutrition International Nghe An Company Limited)	Sale of goods Management fee	13,592,000 874,691,436	5,953,991 -	- 962,160,580	- 1,416,606,447
MNS Farm Nghe An Company Limited (formerly known as Masan Nutri-Farm (N.A) Limited Liability Company)	Sale of goods Management fee	9,563,891 2,199,903,319	421,936 -	- 8,794,040,627	- 6,898,790,674
MNS Meat Ha Nam Company Limited	Sale of goods	8,399,110	-	2,741,200	-
Vietnamese – French Cattle Feed Joint Stock Company	Sale of goods Management fee	34,704,800 5,906,481,305	132,675,545 9,135,409,067	- 6,497,129,435	- 15,432,135,658
Proconco Can Tho One Member Company Limited	Sale of goods Management fee	- 1,200,386,481	17,861,973 -	- 1,320,425,129	- 1,959,543,205
Conco Binh Dinh Co.,Ltd	Sale of goods Management fee	- 1,001,954,516	6,469,691 -	- 1,102,149,968	- 1,619,539,159
Proconco Hung Yen Manufacturing and Trading Company Limited	Sale of goods Management fee	3,744,000 729,440,197	6,985,391 -	- 802,384,217	- 1,187,025,716

Masan Consumer Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (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	
		Six-month period ended	Six-month period ended	30/6/2018	1/1/2018
		30/6/2018	30/6/2017	30/6/2018	1/1/2018
		VND	VND	VND	VND
Key management personnel	Remuneration to key management personnel (*)	29,321,053,633	13,142,617,617	-	-

As at 30 June 2018 and 1 January 2018, the Group has current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank at normal terms.

(*) No board fees were paid to members of the Board of Directors of the Company for the six-month periods ended 30 June 2018 and 2017.

Masan Consumer Corporation and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2018 (continued)

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39. Post balance sheet events

In July 2018, the Company has issued 5,240,827 ordinary shares at par value to its employees under employees stock ownership plan (“ESOP”) after obtaining shareholders’ approval at its Annual General Meeting in April 2018. As a result of this event, the Company’s share capital and ordinary shares increased to VND5,483,736,040,000 and 548,373,604 shares, respectively.

In August 2018, the Company’s Board of Directors approved to plan for the issuance of 79,556,040 bonus shares to the Company’s shareholders. As at the reporting date, the issuance of bonus shares have not been completed.

There has been no other significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated interim financial statements.

8 August 2018

Prepared by:

Phan Thi Thuy Hoa
Chief Accountant

Approved by:

Huynh Viet Thang
Acting Chief Financial Officer


Trương Công Thang
Chairman of the Board of Directors


M.S.D.N. 030.000.7440-2.1
CÔNG TY
CỔ PHẦN
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