



Masan Consumer Corporation
Separate Interim Financial Statements
for the six-month period ended 30 June 2020

Masan Consumer Corporation Corporate Information

Enterprise Registration Certificate No.

0302017440

31 May 2000

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is dated 15 July 2020. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Mr Danny Le

Chairman
(from 30 June 2020)

Member
(until 30 June 2020)

Mr Truong Cong Thang

Chairman
(until 30 June 2020)

Member
(from 30 June 2020)

Dr Nguyen Dang Quang

Member

Ms Nguyen Hoang Yen

Member

Mr Nguyen Thieu Quang

Member

Board of Management

Mr Truong Cong Thang

Chief Executive Officer

Ms Nguyen Hoang Yen

Deputy Chief Executive Officer

Mr Pham Hong Son

Deputy Chief Executive Officer

Mr Nguyen Anh Nguyen

Deputy Chief Executive Officer
(until 12 April 2020)

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 separate interim financial statements of the Company for the six-month period ended 30 June 2020.

The Company’s Board of Management is responsible for the preparation and fair presentation of the separate 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 separate interim financial statements set out on pages 5 to 44 give a true and fair view of the separate financial position of the Company as at 30 June 2020, and of its separate results of operations and its separate 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 Company 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 separate interim financial statements for issue.

On behalf of the Board of Management



Nguyen Hoang Yen
Authorised Representative

Ho Chi Minh City, 12 August 2020



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

INTERIM FINANCIAL INFORMATION REVIEW REPORT

To the Shareholders Masan Consumer Corporation

We have reviewed the accompanying separate interim financial statements of Masan Consumer Corporation (“the Company”), which comprise the separate balance sheet as at 30 June 2020, the separate 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 12 August 2020, as set out on pages 5 to 44.

Board of Management’s Responsibility

The Company’s Board of Management is responsible for the preparation and fair presentation of these separate 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 separate 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 separate 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 separate interim financial statements do not give a true and fair view, in all material respects, of the separate financial position of Masan Consumer Corporation as at 30 June 2020 and of its separate results of operations and its separate 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.: 20-01-00251-20-1



Trương Vinh Phúc
Practicing Auditor Registration
Certificate No. 1901-2018-007-1
Deputy General Director

Nguyễn Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2018-007-1

Ho Chi Minh City, 12 August 2020

Masan Consumer Corporation
Separate balance sheet as at 30 June 2020

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

	Code	Note	30/6/2020 VND	1/1/2020 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		4,018,377,559,263	5,308,882,755,413
Cash and cash equivalents	110	7	879,200,325,640	1,409,367,132,962
Cash	111		19,739,625,640	14,967,132,962
Cash equivalents	112		859,460,700,000	1,394,400,000,000
Short-term financial investments	120		-	150,604,109,559
Trading securities	121	8(a)	-	150,604,109,559
Accounts receivable – short-term	130		2,563,303,933,995	3,357,440,669,322
Accounts receivable from customers	131	9	386,551,508,355	310,423,899,804
Prepayments to suppliers	132		11,884,571,813	11,297,745,747
Short-term loans receivable	135	10(a)	1,448,500,000,000	1,200,000,000,000
Other short-term receivables	136	11(a)	716,367,853,827	1,835,719,023,771
Inventories	140	12	550,493,597,789	383,016,961,802
Inventories	141		557,959,141,675	395,247,821,242
Allowance for inventories	149		(7,465,543,886)	(12,230,859,440)
Other current assets	150		25,379,701,839	8,453,881,768
Short-term prepaid expenses	151		25,379,701,839	8,453,881,768

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

Masan Consumer Corporation
Separate balance sheet as at 30 June 2020 (continued)

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

	Code	Note	30/6/2020 VND	1/1/2020 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		17,226,123,312,056	16,585,385,718,276
Accounts receivable – long-term	210		9,548,951,875,296	8,882,257,469,321
Long-term loans receivable	215	10(b)	8,033,716,876,592	7,655,716,876,592
Other long-term receivables	216	11(b)	1,515,234,998,704	1,226,540,592,729
Fixed assets	220		119,980,215,714	143,312,835,605
Tangible fixed assets	221	13	15,922,796,228	22,357,447,117
<i>Cost</i>	222		87,576,426,948	87,426,926,948
<i>Accumulated depreciation</i>	223		(71,653,630,720)	(65,069,479,831)
Intangible fixed assets	227	14	104,057,419,486	120,955,388,488
<i>Cost</i>	228		278,488,281,116	278,488,281,116
<i>Accumulated amortisation</i>	229		(174,430,861,630)	(157,532,892,628)
Long-term work in progress	240		1,917,002,850	-
Construction in progress	242		1,917,002,850	-
Long-term financial investments	250		7,429,671,509,348	7,429,671,509,348
Investments in subsidiaries	251	8(b)	7,429,671,509,348	7,429,671,509,348
Other long-term assets	260		125,602,708,848	130,143,904,002
Long-term prepaid expenses	261	15	5,558,320,106	3,258,628,454
Deferred tax assets	262	16	120,044,388,742	126,885,275,548
TOTAL ASSETS (270 = 100 + 200)	270		21,244,500,871,319	21,894,268,473,689

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

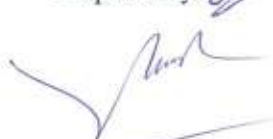
Masan Consumer Corporation
Separate balance sheet as at 30 June 2020 (continued)

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

	Code	Note	30/6/2020 VND	1/1/2020 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		7,167,589,072,002	8,071,672,446,359
Current liabilities	310		7,144,668,709,566	8,048,323,180,639
Accounts payable to suppliers	311	17	878,073,907,705	3,106,605,047,439
Advances from customers	312		44,933,218,004	40,813,457,144
Taxes payable to State Treasury	313	18	101,756,224,746	87,503,609,584
Payables to employees	314		30,268,096,976	6,994,718
Accrued expenses	315	19	717,596,880,315	758,974,279,727
Other short-term payables	319	20(a)	102,740,988,445	10,219,792,027
Short-term borrowings	320	21	5,269,299,393,375	4,044,200,000,000
Long-term liabilities	330		22,920,362,436	23,349,265,720
Other long-term payables	337	20(b)	22,920,362,436	23,349,265,720
EQUITY (400 = 410)	400		14,076,911,799,317	13,822,596,027,330
Owners' equity	410	22	14,076,911,799,317	13,822,596,027,330
Share capital	411	23	7,229,246,040,000	7,229,246,040,000
- Ordinary shares with voting rights	411a		7,229,246,040,000	7,229,246,040,000
Share premium	412	23	3,555,999,144,992	3,555,999,144,992
Treasury shares	415	23	(1,640,252,631,255)	(1,640,252,631,255)
Undistributed profits after tax	421		4,931,919,245,580	4,677,603,473,593
- Undistributed profits after tax brought forward	421a		4,677,603,473,593	684,760,794,910
- Undistributed profit after tax for the current period/prior year	421b		254,315,771,987	3,992,842,678,683
TOTAL RESOURCES (440 = 300 + 400)	440		21,244,500,871,319	21,894,268,473,689

12 August 2020

Prepared by:



Phan Thi Thuy Hoa
 Chief Accountant

Approved by:



Huynh Viet Thang
 Chief Financial Officer




Nguyen Hoang Yen
 Authorised Representative

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

Masan Consumer Corporation
Separate statement of income for the six-month period ended 30 June 2020

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

	Code	Note	Six-month period ended	
			30/6/2020 VND	30/6/2019 VND
Revenue from sale of goods	01	26	10,213,346,445,716	8,311,206,363,594
Revenue deductions	02	26	356,413,244,523	281,397,019,724
Net revenue (10 = 01 - 02)	10	26	9,856,933,201,193	8,029,809,343,870
Cost of sales	11	27	7,898,690,384,947	6,670,623,362,343
Gross profit (20 = 10 - 11)	20		1,958,242,816,246	1,359,185,981,527
Financial income	21	28	330,524,230,451	354,690,273,461
Financial expenses	22	29	135,357,403,602	74,883,028,790
<i>In which: Interest expense</i>	23		<i>128,710,558,676</i>	<i>74,326,944,583</i>
Selling expenses	25	30	1,636,092,431,967	1,310,144,346,088
General and administration expenses	26	31	198,832,559,411	183,550,768,084
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		318,484,651,717	145,298,112,026
Other income	31		125,065,808	144,545,598
Other expenses	32		77,292	416,459
Results of other activities (40 = 31 - 32)	40		124,988,516	144,129,139
Accounting profit before tax (50 = 30 + 40)	50		318,609,640,233	145,442,241,165
Income tax expense – current	51	33	57,452,981,440	-
Income tax expense – deferred	52	33	6,840,886,806	9,088,448,233
Net profit after tax (60 = 50 - 51 - 52)	60		254,315,771,987	136,353,792,932

12 August 2020

Prepared by: 
Phan Thi Thuy Hoa
Chief Accountant


Huynh Viet Thang
Chief Financial Officer

Approved by: 

Nguyen Hoang Yen
Authorised Representative

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

Masan Consumer Corporation
Separate statement of cash flows for the six-month period ended 30 June 2020
(Indirect method)

Form B 03a – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Six-month period ended 30/6/2020 VND	30/6/2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	318,609,640,233	145,442,241,165
Adjustments for			
Depreciation and amortisation	02	23,482,119,891	23,409,219,735
Allowances and provisions	03	15,212,840,376	5,954,481,561
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	1,151,021,516	(1,437,850)
Interest income, distributed profits and related income from investing activities	05	(325,450,077,187)	(354,015,227,678)
Interest expense	06	128,710,558,676	74,326,944,583
Operating gain/(loss) before changes in working capital	08	161,716,103,505	(104,883,778,484)
Change in receivables and other assets	09	(90,693,262,294)	20,594,246,774
Change in inventories	10	(182,689,476,363)	1,160,180,772
Change in payables and other liabilities	11	(2,174,716,542,192)	391,279,292,394
Change in prepaid expenses	12	(19,225,511,723)	(26,364,746,823)
Change in trading securities	13	150,604,109,559	-
		(2,155,004,579,508)	281,785,194,633
Interest paid	14	(116,923,103,966)	(71,197,010,868)
Corporate income tax paid	15	(23,362,725,979)	(22,625,173,264)
Net cash flows from operating activities	20	(2,295,290,409,453)	187,963,010,501
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(2,066,502,850)	(493,200,000)
Payments for granting loans	23	(626,500,000,000)	(400,000,000,000)
Payments for other investments	23	(430,000,000,000)	-
Withdrawal of other investments	24	150,000,000,000	-
Payments for investments in subsidiaries	25	-	(193,000,000,000)
Receipts of interest and distributed profits	27	1,449,389,335,257	945,856,641,904
Net cash flows from investing activities	30	540,822,832,407	352,363,441,904


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

Masan Consumer Corporation
Separate statement of cash flows for the six-month period ended 30 June 2020
(Indirect method – continued)

Form B 03a – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)


	Code	Six-month period ended	
		30/6/2020 VND	30/6/2019 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings from banks	33	9,353,672,937,664	4,897,854,983,214
Payments to settle loan principals to banks	34	(8,128,898,546,892)	(4,912,310,456,071)
Payments of dividends	36	(331,936,100)	(128,612,974,500)
Net cash flows from financing activities	40	1,224,442,454,672	(143,068,447,357)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(530,025,122,374)	397,258,005,048
Cash and cash equivalents at the beginning of the period	60	1,409,367,132,962	822,064,867,520
Effect of exchange rate fluctuations on cash and cash equivalents	61	(141,684,948)	(13,761,001)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	879,200,325,640	1,219,309,111,567

12 August 2020

Prepared by: 


Phan Thi Thuy Hoa
Chief Accountant

Approved by: 


Huynh Viet Thang
Chief Financial Officer




Nguyen Hoang Yen
Authorized Representative

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

Masan Consumer Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2020

Form B 09a – DN
(Issued under Circular No. 200/2014/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 separate interim financial statements.

1. Reporting entity

(a) Ownership structure

Masan Consumer Corporation (“the Company”) is a joint stock company incorporated in Vietnam.

(b) Principal activities

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

(c) Normal operating cycle

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

(d) Company structure

As at 30 June 2020, the Company had 1,217 employees (1/1/2020: 1,238 employees).

2. Basis of preparation

(a) Statement of compliance

These separate 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.

The Company prepares and issues its consolidated interim financial statements separately. For a comprehensive understanding of the consolidated financial position as at 30 June 2020 of the Company and its subsidiaries (collectively referred to as “the Group”), their consolidated results of operations and their consolidated cash flows for the six-month period then ended, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements of the Group for the six-month period ended 30 June 2020.

Masan Consumer Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December. These separate interim financial statements are prepared for the six-month period ended 30 June 2020.

(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 2020 were brought forward from the audited figures as at 31 December 2019.

3. Summary of significant accounting policies

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

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

(a) 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 rate and selling rate at the end of the accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

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

Masan Consumer Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(b) 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.

(c) Investments

(i) Trading securities

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

(ii) Investments in subsidiaries

For the purpose of the separate interim financial statements, investments in subsidiaries are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the subsidiary has suffered a loss, except where such a loss was anticipated by the Company's Board of Management before making the investment. The allowance is reversed if the subsidiary subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(d) Accounts receivable from customers and other receivables

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

(e) 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 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 Company applies the perpetual method of accounting for inventories.

Masan Consumer Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(f) 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 separate 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:

▪ leasehold improvements	3 – 5 years
▪ office equipment	3 – 8 years
▪ machinery and equipment	3 – 7 years
▪ motor vehicles	3 – 7 years

(g) Intangible fixed assets

(i) 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 years to 10 years.

(ii) Brand name

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

(h) 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.

Masan Consumer Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(i) Long-term prepaid expenses

Tools and supplies

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

(j) Accounts payable to suppliers and other payables

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

(k) Provisions

A provision is recognised if, as a result of a past event, the Company 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.

(l) Equity

(i) Share capital and share premium

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

(ii) 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.

Masan Consumer Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2020 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(m) Taxation

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

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

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

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

(n) Revenue

Sale of goods

Revenue from sale of goods is recognised in the separate 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.

(o) 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, profits distributed by subsidiaries and foreign exchange gains.

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

Profits distributed by subsidiaries are recognised when the right to receive profits distributed by subsidiaries is established. Distributed profits which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

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(ii) Financial expenses

Financial expenses mainly comprise interest expense on borrowings and foreign exchange losses.

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

(p) Operating lease payments

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

(q) Related parties

Parties are considered to be related to the Company 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 whether the Company 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.

4. Seasonality of operations

Total revenue of the Company 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 Company typically increases the purchases of seasonings, convenience food and non-alcoholic drinks products from its subsidiaries 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 separate interim financial statements, the Company's 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 separate annual financial statements or those made in the same interim period of the prior year.

6. Changes in the composition of the Company

There were no changes in the composition of the Company since the end of the last accounting period which affect the Company's separate interim financial statements for the six-month period ended 30 June 2020.

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7. Cash and cash equivalents

	30/6/2020	1/1/2020
	VND	VND
Cash on hand	141,718,491	223,439,876
Cash at banks	19,597,907,149	14,743,693,086
Cash equivalents	859,460,700,000	1,394,400,000,000
	<hr/>	<hr/>
	879,200,325,640	1,409,367,132,962
	<hr/>	<hr/>

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

Masan Consumer Corporation
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8. Investments

(a) Trading securities

	30/6/2020				1/1/2020			
	Quantity	Cost VND	Fair value VND	Allowance for diminution in value VND	Quantity	Cost VND	Fair value VND	Allowance for diminution in value VND
Bonds	-	-	-	-	15,000	150,604,109,559	(*)	-

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



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(b) Investments in subsidiaries

	30/6/2020		1/1/2020	
	% of equity owned and % voting rights	Cost VND	% of equity owned and % voting rights	Cost VND
Investments in subsidiaries:				
▪ Masan Food Company Limited (i)	100%	2,444,900,009,348	100%	2,444,900,009,348
▪ Masan Beverage Company Limited (ii)	100%	4,315,000,000,000	100%	4,315,000,000,000
▪ Masan Consumer (Thailand) Limited (iii)	99.99%	64,771,500,000	99.99%	64,771,500,000
▪ Masan HPC Company Limited (iv)	100%	605,000,000,000	100%	605,000,000,000
		7,429,671,509,348		7,429,671,509,348

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

There was no allowance from diminution in value of these investments in subsidiaries in these separate interim financial statements for the six-month periods ended 30 June 2020 and 2019.

- (i) Masan Food Company Limited has 9 subsidiaries, which include Masan Industrial One Member Company Limited (“MSI”), Viet Tien Food Technology One Member Company Limited (“VTF”), Masan PQ Corporation (“MPQ”), Masan HD One Member Company Limited (“MHD”), Masan MB One Member Company Limited (“MMB”), Masan HG One Member Company Limited (“MHG”), Masan JinJu Joint Stock Company (“MSJ”), Nam Ngu Phu Quoc One Member Company Limited (“NPQ”) and Masan Long An Company Limited (“MLA”). These subsidiaries, except for MHG and MLA, are manufacturing companies and sell their products to the Company who then distributes them to the market. MHG was established in 2015 and MLA was established in 2019 and as at the date of issuance of these separate interim financial statements, these entities have not yet started their operations. Please see Note 34 for significant transactions between the Company and these subsidiaries.
- (ii) Masan Beverage Company Limited has 5 subsidiaries, which include VinaCafé Bien Hoa Joint Stock Company (“VCF”), Café De Nam Joint Stock Company (“CDN”), Vinh Hao Mineral Water Corporation (“VHC”), Kronfa., JSC (“Kronfa”) and Quang Ninh Mineral Water Corporation (“QNW”). These subsidiaries are manufacturing companies and sell their products to the Company who then distributes them to the market. Please see Note 34 for significant transactions between the Company and these subsidiaries.
- (iii) Masan Consumer (Thailand) Limited (“MTH”) was established in 2016.

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- (iv) Masan HPC Company Limited (“HPC”) has one subsidiary, Net Detergent Joint Stock Company (“NET”). NET is the home care products manufacturing company and distributes its products directly to the market and through the Company. Please see Note 34 for significant transactions between the Company and these subsidiaries.

MTH is incorporated in Thailand. Other subsidiaries are incorporated in Vietnam.

Movements of the investments in subsidiaries during the period were as follows:

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Opening balance	7,429,671,509,348	6,510,771,509,348
Additions during the period	-	193,000,000,000
Closing balance	<u>7,429,671,509,348</u>	<u>6,703,771,509,348</u>

9. Accounts receivable from customers

	30/6/2020	1/1/2020
	VND	VND
Receivable from third parties	114,095,274,139	171,174,295,803
Receivable from related parties	272,456,234,216	139,249,604,001
	<u>386,551,508,355</u>	<u>310,423,899,804</u>

Please see Note 34 for balances between the Company and the related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 30 – 180 days from invoice date.

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10. Loans receivable

(a) Short-term loans receivable

	30/6/2020	1/1/2020
	VND	VND
Short-term loans receivable from a related party	248,500,000,000	-
Long-term loans receivable within 12 months	1,200,000,000,000	1,200,000,000,000
	<hr/>	<hr/>
	1,448,500,000,000	1,200,000,000,000
	<hr/>	<hr/>

The short-term loans receivable from a related party were unsecured and earned interest at 6.5% per annum as at 30 June 2020 (1/1/2020: nil). These loans mature within 12 months from the drawdown dates. Interest is receivable on the maturity date of loan agreements.

(b) Long-term loans receivable

	30/6/2020	1/1/2020
	VND	VND
Long-term loans receivable from related parties	9,233,716,876,592	8,855,716,876,592
Receivable within 12 months	(1,200,000,000,000)	(1,200,000,000,000)
	<hr/>	<hr/>
	8,033,716,876,592	7,655,716,876,592
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The long-term loans receivable were unsecured and earned interest at 6.5% per annum as at 30 June 2020 (1/1/2020: 6.5% per annum). These loans mature on 31 December 2022. Interest is receivable on the maturity date of loan agreements.

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11. Other receivables

(a) Other short-term receivables

	30/6/2020	1/1/2020
	VND	VND
Non-trade amounts due from related parties:		
▪ Distributed profits receivable	379,672,994,860	1,795,989,914,373
▪ Accrued interest receivable (*)	3,041,198,630	24,041,096
▪ Other receivables (**)	22,223,360,277	7,974,881,347
Short-term deposits (***)	301,349,268,780	18,344,329,780
Accrued interest receivable from deposits at banks	807,104,866	3,010,684,932
Others	9,273,926,414	10,375,172,243
	<hr/>	<hr/>
	716,367,853,827	1,835,719,023,771
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(b) Other long-term receivables

	30/6/2020	1/1/2020
	VND	VND
Accrued interest receivable from related parties (*)	1,509,134,620,843	1,217,570,536,868
Long-term deposits	6,100,377,861	8,970,055,861
	<hr/>	<hr/>
	1,515,234,998,704	1,226,540,592,729
	<hr/>	<hr/>

(*) These represented interest income receivable from loans provided to related parties. Please see Notes 10 and 34 for further information.

(**) Other receivables from related parties were unsecured, interest free and are receivable on demand.

(***) Included in short-term deposits as at 30 June 2020 was VND280,000 million (1/1/2020: nil) of deposits paid to a third party for the investment in business cooperation contracts.

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12. Inventories

	30/6/2020		1/1/2020	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	13,674,273,496	-	3,884,300,800	-
Raw materials	77,362,657,868	(554,722,017)	33,819,566,835	(678,394,538)
Tools and supplies	433,000	-	3,553,000	-
Finished goods	59,159,689,770	(383,498,700)	23,574,905,415	(361,405,062)
Merchandise inventories	406,055,664,371	(6,527,323,169)	333,965,495,192	(11,191,059,840)
Goods on consignment	1,706,423,170	-	-	-
	557,959,141,675	(7,465,543,886)	395,247,821,242	(12,230,859,440)

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

	Six-month period ended	
	30/6/2020 VND	30/6/2019 VND
Opening balance	12,230,859,440	4,022,158,351
Increase in allowance during the period	15,289,328,429	7,456,038,248
Allowance utilised during the period	(19,978,155,930)	(4,577,960,643)
Written back	(76,488,053)	(1,501,556,687)
Closing balance	7,465,543,886	5,398,679,269

Included in inventories as at 30 June 2020 was VND7,466 million (1/1/2020: VND12,231 million) of slow-moving inventories.

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	Leasehold improvements VND	Office equipment VND	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost					
Opening balance	52,666,866,594	24,872,026,185	3,618,331,741	6,269,702,428	87,426,926,948
Additions during the period	-	61,000,000	88,500,000	-	149,500,000
Closing balance	52,666,866,594	24,933,026,185	3,706,831,741	6,269,702,428	87,576,426,948
Accumulated depreciation					
Opening balance	40,715,129,350	15,023,882,076	3,357,244,555	5,973,223,850	65,069,479,831
Charge for the period	5,225,854,536	1,230,495,252	61,133,595	66,667,506	6,584,150,889
Closing balance	45,940,983,886	16,254,377,328	3,418,378,150	6,039,891,356	71,653,630,720
Net book value					
Opening balance	11,951,737,244	9,848,144,109	261,087,186	296,478,578	22,357,447,117
Closing balance	6,725,882,708	8,678,648,857	288,453,591	229,811,072	15,922,796,228

Included in tangible fixed assets were assets costing VND15,264 million which were fully depreciated as of 30 June 2020 (1/1/2020: VND15,204 million), but which are still in active use.

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14. Intangible fixed assets

	Software VND	Brand name VND	Total VND
Cost			
Opening and closing balances	277,851,917,480	636,363,636	278,488,281,116
Accumulated amortisation			
Opening balance	156,896,528,992	636,363,636	157,532,892,628
Charge for the period	16,897,969,002	-	16,897,969,002
Closing balance	173,794,497,994	636,363,636	174,430,861,630
Net book value			
Opening balance	120,955,388,488	-	120,955,388,488
Closing balance	104,057,419,486	-	104,057,419,486

Included in intangible fixed assets were assets costing VND11,019 million which were fully amortised as of 30 June 2020 (1/1/2020: VND11,019 million), but which are still in active use.

15. Long-term prepaid expenses

	Tools and supplies VND
Opening balance	3,258,628,454
Additions during the period	3,406,068,548
Amortisation for the period	(1,106,376,896)
Closing balance	5,558,320,106

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16. Deferred tax assets

Recognised deferred tax assets

	30/6/2020 VND	1/1/2020 VND
Accrued advertising and promotion expenses	68,309,297,056	78,071,356,273
Accrued logistic expense	19,036,322,847	20,249,218,279
Accrued sales discounts	15,991,660,520	15,300,614,186
Other accruals	16,707,108,319	13,264,086,810
	<hr/>	<hr/>
	120,044,388,742	126,885,275,548
	<hr/>	<hr/>

17. Accounts payable to suppliers

	30/6/2020 Cost/Amount within payment capacity VND	1/1/2020 Cost/Amount within payment capacity VND
Payable to third parties	130,925,150,360	183,410,728,203
Payable to related parties	747,148,757,345	2,923,194,319,236
	<hr/>	<hr/>
	878,073,907,705	3,106,605,047,439
	<hr/>	<hr/>

Please see Note 34 for balances between the Company and the related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice date.

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	1/1/2020 VND	Incurred VND	Paid VND	Deducted/Refunded VND	30/6/2020 VND
Value added tax	50,056,107,151	978,635,365,886	(71,820,512,377)	(927,137,148,183)	29,733,812,477
Corporate income tax	34,202,134,764	57,452,981,440	(23,362,725,979)	-	68,292,390,225
Personal income tax	3,245,367,669	43,306,289,734	(40,952,771,164)	(1,868,864,195)	3,730,022,044
Import-export tax	-	1,108,771,273	(1,108,771,273)	-	-
Other taxes	-	18,996,972,334	(18,996,972,334)	-	-
	87,503,609,584	1,099,500,380,667	(156,241,753,127)	(929,006,012,378)	101,756,224,746

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19. Accrued expenses

	30/6/2020	1/1/2020
	VND	VND
Advertising and promotion expenses	341,546,485,281	390,356,781,366
Logistic expense	95,181,614,235	101,246,091,395
Sales discounts	79,958,302,600	76,503,070,931
Bonus and 13 th month salary	63,454,051,152	97,128,286,151
Exhibition expense	38,211,693,825	26,709,655,659
Accrued information and technology expenses	27,658,080,137	19,670,592,138
Accrued interest expense	25,864,560,723	14,077,106,013
Purchases not yet received invoices	24,087,681,631	12,679,714,612
Market research expense	8,213,605,750	8,829,022,402
Others	13,420,804,981	11,773,959,060
	<hr/>	<hr/>
	717,596,880,315	758,974,279,727
	<hr/>	<hr/>

20. Other payables

(a) Other short-term payables

	30/6/2020	1/1/2020
	VND	VND
Obligation to issue shares	93,460,700,000	-
Trade union fee, social, health and unemployment insurances	6,490,582,115	6,958,231,034
Others	2,789,706,330	3,261,560,993
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	102,740,988,445	10,219,792,027
	<hr/>	<hr/>

(b) Other long-term payables

	30/6/2020	1/1/2020
	VND	VND
Long-term deposits received	22,920,362,436	23,349,265,720
	<hr/>	<hr/>

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21. Short-term borrowings

	1/1/2020		Movements during the period			30/6/2020	
	Carrying amount VND	Amount within repayment capacity VND	Addition VND	Decrease VND	Revaluation VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	4,044,200,000,000	4,044,200,000,000	9,353,672,937,664	(8,128,898,546,892)	325,002,603	5,269,299,393,375	5,269,299,393,375

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

	Currency	Annual interest rate	30/6/2020 VND	1/1/2020 VND
Unsecured bank loans	VND	4.00% - 5.70%	4,735,000,000,000	4,044,200,000,000
Unsecured bank loans	USD	2.10% - 2.60%	534,299,393,375	-
			<u>5,269,299,393,375</u>	<u>4,044,200,000,000</u>

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22. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Undistributed profits after tax VND	Total VND
Balance as at 1 January 2019	6,279,291,230,000	4,292,501,204,992	(1,640,252,631,255)	3,429,441,848,410	12,360,981,652,147
Net profit for the period	-	-	-	136,353,792,932	136,353,792,932
Dividends	-	-	-	(2,744,681,053,500)	(2,744,681,053,500)
Balance as at 30 June 2019	6,279,291,230,000	4,292,501,204,992	(1,640,252,631,255)	821,114,587,842	9,752,654,391,579
Balance as at 1 January 2020	7,229,246,040,000	3,555,999,144,992	(1,640,252,631,255)	4,677,603,473,593	13,822,596,027,330
Net profit for the period	-	-	-	254,315,771,987	254,315,771,987
Balance as at 30 June 2020	7,229,246,040,000	3,555,999,144,992	(1,640,252,631,255)	4,931,919,245,580	14,076,911,799,317

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23. Share capital, treasury shares and share premium

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

	30/6/2020		1/1/2020	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	722,924,604	7,229,246,040,000	722,924,604	7,229,246,040,000
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	704,924,604	7,049,246,040,000	704,924,604	7,049,246,040,000
Share premium		3,555,999,144,992		3,555,999,144,992

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.

There were no movements of shares currently in circulation during the period.



24. Dividends

The Annual General Meeting of Shareholders of the Company on 30 June 2020 resolved to distribute dividends by cash amounting to VND3,172,161 million. The dividend payable will be accrued upon the approval of Board of Directors and the list of shareholders entitled is determined. On 27 July 2020, the Company announced the date of finalising the list of shareholders to entitle for dividends which is on 11 August 2020.

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25. Off balance sheet items

(a) Lease commitments

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

	30/6/2020	1/1/2020
	VND	VND
Within 1 year	41,951,558,000	63,048,361,853
Within 2 to 5 years	41,931,762,140	40,641,183,340
	<hr/>	<hr/>
	83,883,320,140	103,689,545,193
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(b) Foreign currency

	30/6/2020		1/1/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	352,485	8,151,569,035	164,183	3,794,279,992
		<hr/>		<hr/>

(c) Capital expenditure commitments

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

	30/6/2020	1/1/2020
	VND	VND
Approved but not contracted	1,340,469,276	668,000,000
Approved and contracted	1,839,394,704	-
	<hr/>	<hr/>
	3,179,863,980	668,000,000
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Total revenue represents the gross value of goods sold exclusive of value added tax.

Net revenue comprised of:

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Total revenue		
▪ Sale of goods	10,210,655,527,100	8,308,021,432,403
▪ Other sales	2,690,918,616	3,184,931,191
	<hr/>	<hr/>
	10,213,346,445,716	8,311,206,363,594
	<hr/>	<hr/>
Less revenue deductions		
▪ Sales discounts	324,577,259,928	248,407,474,593
▪ Sales returns	31,835,984,595	32,989,545,131
	<hr/>	<hr/>
	356,413,244,523	281,397,019,724
	<hr/>	<hr/>
Net revenue	9,856,933,201,193	8,029,809,343,870
	<hr/>	<hr/>

27. Cost of sales

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Total cost of sales		
▪ Goods sold	7,883,477,544,571	6,664,668,880,782
▪ Allowance for inventories	15,212,840,376	5,954,481,561
	<hr/>	<hr/>
	7,898,690,384,947	6,670,623,362,343
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28. Financial income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Interest income from loans provided to related parties	294,605,282,605	230,138,600,147
Profits distributed by a subsidiary	-	100,000,000,000
Interest income from deposits at banks and other investments	30,844,794,582	23,876,627,531
Foreign exchange gains	5,074,153,264	675,045,783
	<hr/>	<hr/>
	330,524,230,451	354,690,273,461
	<hr/>	<hr/>

29. Financial expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Interest expense on borrowings from banks	128,710,558,676	74,326,944,583
Foreign exchange losses	5,963,124,588	269,258,763
Others	683,720,338	286,825,444
	<hr/>	<hr/>
	135,357,403,602	74,883,028,790
	<hr/>	<hr/>

30. Selling expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Advertising and promotion expenses	975,926,065,640	684,943,230,323
Logistic expense	304,868,240,076	292,642,912,288
Staff costs	197,717,734,810	172,729,895,158
Exhibition expense	85,010,355,112	81,932,264,862
Leased line system and information technology services	26,624,296,930	20,710,005,388
Marketing research expense	16,527,601,786	27,762,914,862
Others	29,418,137,613	29,423,123,207
	<hr/>	<hr/>
	1,636,092,431,967	1,310,144,346,088
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31. General and administration expenses

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Staff costs	98,008,565,893	99,063,254,398
Office rental	29,570,797,886	28,905,904,131
Leased line system and information technology services	19,123,947,097	13,619,747,384
Depreciation and amortisation of fixed assets	14,750,311,721	14,746,236,045
Research and development expenses	5,123,130,153	3,890,403,628
Others	32,255,806,661	23,325,222,498
	<hr/>	<hr/>
	198,832,559,411	183,550,768,084
	<hr/>	<hr/>

32. Trading and business costs by elements

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Cost of merchandise goods sold	7,883,477,544,571	6,664,668,880,782
Staff costs	295,726,300,703	271,793,149,556
Depreciation and amortisation	23,482,119,891	23,409,219,735
Outside services	1,462,774,434,680	1,154,407,382,866
Others	68,154,976,480	50,039,843,576
	<hr/>	<hr/>

33. Income tax

(a) Recognised in the separate statement of income

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Current tax expense		
Current period	57,452,981,440	-
Deferred tax expense		
Origination and reversal of temporary differences	6,840,886,806	9,088,448,233
	<hr/>	<hr/>
Income tax expense	64,293,868,246	9,088,448,233
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(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2020	30/6/2019
	VND	VND
Accounting profit before tax	318,609,640,233	145,442,241,165
Tax at the Company's income tax rate	63,721,928,047	29,088,448,233
Tax exempt income	-	(20,000,000,000)
Non-deductible expenses	571,940,199	-
	64,293,868,246	9,088,448,233

(c) Applicable tax rates

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

(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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34. Significant transactions and balances with related parties

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

Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		30/6/2020 VND	30/6/2019 VND	30/6/2020 VND	1/1/2020 VND
Parent company					
MasanConsumerHoldings Company Limited	Dividends declared	-	2,611,289,133,000	-	-
Subsidiaries					
Masan Food Company Limited	Distributed profits	-	100,000,000,000	379,672,994,860	1,795,989,914,373
	Capital contribution	-	193,000,000,000	-	-
Masan Industrial One Member Company Limited	Sale of goods	201,386,734,993	179,934,877,538	38,085,953,764	-
	Purchase of goods and services	3,016,053,130,379	2,290,446,193,780	(135,765,233,492)	(591,543,910,924)
	Loans provided	378,000,000,000	-	3,409,716,876,592	3,031,716,876,592
	Interest income from loans receivable	102,802,659,317	101,105,408,365	981,503,620,843	878,700,961,526
Viet Tien Food Technology One Member Company Limited	Sale of goods	9,250,429	1,790,570,083	-	-
	Purchase of goods	-	128,406,350,546	(21,093,348,841)	(61,972,189,384)
Masan HD One Member Company Limited	Sale of goods	59,214,962,499	14,707,361,899	7,373,751,969	-
	Purchase of goods	774,661,601,175	432,023,472,130	-	(90,218,292,179)
	Prepayment for purchase of goods	3,551,011,869	-	3,551,011,869	-

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		Six-month period ended 30/6/2020 VND	30/6/2019 VND	30/6/2020 VND	1/1/2020 VND
Masan HG One Member Company Limited	Loans provided	248,500,000,000	-	248,500,000,000	-
	Interest income from loans receivable	3,041,198,630	-	3,041,198,630	-
	Sale of goods	230,100,688	-	253,110,757	-
Masan PQ Corporation	Sale of goods	6,097,912	9,495,870	-	-
	Purchase of goods	614,070,690	186,233,700	(1,070,710,436)	(401,940,380)
Nam Ngu Phu Quoc One Member Company Limited	Sale of goods	1,019,515,784	769,977,721	-	-
	Purchase of goods	101,206,041,969	70,507,820,397	(60,118,436,385)	(46,638,259,241)
VinaCafé Bien Hoa Joint Stock Company	Sale of goods	45,683,638,929	29,978,502,525	-	-
	Purchase of goods and services	1,088,575,452,554	1,141,739,982,067	(146,320,097,520)	(1,177,933,303,323)
Café De Nam Joint Stock Company	Sale of goods	140,694,925	602,910	-	-
	Purchase of goods	1,841,051,247	5,313,669,000	(69,183,037)	(1,268,774,450)
Masan MB One Member Company Limited	Sale of goods	109,430,531,159	98,270,996,561	11,142,438,130	-
	Purchase of goods	1,844,676,135,615	1,673,075,539,729	(154,629,952,957)	(612,049,216,638)
	Loans provided	-	400,000,000,000	5,824,000,000,000	5,824,000,000,000
	Interest income from loans receivable	188,761,424,658	129,033,191,782	527,631,000,000	338,869,575,342
Masan JinJu Joint Stock Company	Sale of goods and services	2,172,607,940	2,095,162,802	-	-
	Purchase of goods	312,950,409,424	104,184,285,472	(56,718,935,874)	(55,715,890,787)
Vinh Hao Mineral Water Corporation	Sale of goods	155,012,857	4,020,071,480	-	-
	Purchase of goods and services	228,341,038,441	409,267,010,272	(45,371,938,777)	(218,196,622,572)

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		Six-month period ended 30/6/2020 VND	30/6/2019 VND	30/6/2020 VND	1/1/2020 VND
Quang Ninh Mineral Water Corporation	Sale of goods	84,768,696	21,972,720	-	-
	Purchase of goods and services	113,852,830,541	142,276,661,385	(119,326,885,759)	(67,135,919,358)
Masan Consumer (Thailand) Limited	Sale of goods	84,890,066,233	28,181,482,470	64,244,497,689	13,297,723,713
Masan HPC Company Limited	Interest income from loans receivable	-	-	-	24,041,096
Net Detergent Joint Stock Company	Purchase of goods	39,425,941,485	-	(2,505,672,158)	-
Other related parties					
Masan Brewery Company Limited	Sale of services	-	-	-	1,000,000,000
Masan Brewery PY One Member Company Limited	Sale of goods	32,629,155	7,770,840	35,892,071	-
Masan Master Brewer Company Limited	Sale of goods	1,147,198	-	1,261,918	-
Masan Brewery Distribution One Member Company Limited	Sale of goods	515,055,906	803,880	-	-
	Sale returns	-	1,194,673,977	-	-
	Purchase of goods	3,268,473,349	444,400,151	-	-
	Prepayment for purchase of goods	-	263,075,436	-	146,127,485
	Management fee	14,432,366,872	26,840,167,756	88,402,227,965	76,560,997,745

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		Six-month period ended 30/6/2020 VND	30/6/2019 VND	30/6/2020 VND	1/1/2020 VND
Masan Brewery HG One Member Company Limited	Sale of goods	30,675,075	24,076,958	33,742,583	-
	Purchase of goods	-	41,541,848	-	-
	Return of goods	-	55,814,418	-	-
	Management fee	2,253,592,373	2,017,683,715	6,185,078,308	3,901,450,010
Agro Nutrition International Joint Stock Company	Sale of goods	50,920,001	15,940,000	18,270,002	6,587,800
	Management fee	993,809,712	1,816,228,582	1,093,190,683	1,851,733,472
MNS Feed Tien Giang Company Limited	Sale of goods	10,585,455	-	-	-
	Management fee	538,826,723	553,826,409	592,709,395	565,193,852
MNS Feed Thai Nguyen Company Limited	Sale of goods	22,557,272	12,992,000	-	-
	Management fee	560,819,715	454,069,765	616,901,687	463,338,369
MNS Feed Vinh Long Company Limited	Sale of goods	2,236,364	-	-	-
	Management fee	161,643,256	578,765,570	177,807,582	590,657,722
MNS Feed Hau Giang Company Limited	Sale of goods	11,330,909	-	-	-
	Management fee	416,776,538	456,471,020	458,454,192	465,644,364
MNS Feed Nghe An Company Limited	Sale of goods	51,965,454	26,849,818	14,652,000	-
	Management fee	565,773,601	716,268,072	622,350,961	730,275,716
MNS Farm Nghe An Company Limited	Sale of goods	246,258,990	-	-	-
	Management fee	2,648,186,199	2,103,482,937	2,913,004,819	2,678,874,657

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		Six-month period ended 30/6/2020 VND	30/6/2019 VND	30/6/2020 VND	1/1/2020 VND
Vietnamese – French Cattle Feed Joint Stock Company	Sale of goods	115,478,182	36,120,000	-	-
	Management fee	2,715,903,139	2,949,806,671	2,987,493,454	3,005,475,157
Proconco Can Tho One Member Company Limited	Sale of goods	51,734,545	-	-	-
	Management fee	1,179,399,946	1,246,267,616	1,297,339,941	1,269,531,065
Conco Binh Dinh Co., Ltd	Sale of goods	16,101,818	-	-	-
	Management fee	675,738,565	663,188,076	743,312,422	676,273,315
Proconco Hung Yen Manufacturing and Trading Company Limited	Sale of goods	1,192,727	-	-	5,610,000
	Management fee	139,650,264	63,973,978	153,615,290	66,007,008
Masan MEATLife Corporation	Sale of goods	128,632,729	6,555,636	39,450,002	-
	Management fee	4,486,807,787	4,806,827,491	4,935,488,566	5,009,393,771
MNS Meat Ha Nam Company Limited	Sale of goods	558,217,195	44,732,364	142,520,100	116,949,047
	Purchase of goods	9,262,023,868	6,509,335	(4,158,362,109)	-
	Management fee	6,746,856,486	3,776,857,881	7,421,542,135	5,856,548,984
Nui Phao Mining Company Limited	Sale of goods	757,696,359	670,767,855	107,099,880	75,409,765
	Management fee	1,626,658,986	1,254,521,598	4,665,530,472	2,992,606,068
Masan Blue Corporation	Sale of goods	122,360,755	-	-	3,302,403,296
	Management fee	1,976,225,880	-	1,976,225,880	1,539,672,402

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		Six-month period ended	Six-month period ended	30/6/2020	1/1/2020
		30/6/2020	30/6/2019	VND	VND
		VND	VND	VND	VND
Vincommerce General	Sale of goods	193,926,920,700	-	37,467,729,406	17,548,537,996
Commercial Services Joint Joint Stock Company	Purchase of goods and services	941,235,203	-	-	(120,000,000)
Vineco Agricultural Investment Development and Production Limited Liability Company	Sale of goods	90,994,545	-	4,125,000	-
Masan Group Corporation	Sale of goods	4,432,603,559	106,641,736	4,816,224,323	-
	Management fee	1,934,516,166	1,439,326,008	5,656,601,147	3,647,590,054
Key management personnel	Remuneration to key management personnel (*)	7,294,807,543	7,850,647,074	-	-

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As at 30 June 2020 and 1 January 2020, the Company has current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank at normal trading terms.

- (*) No board fees were paid to members of the Board of Directors of the Company for the six-month periods ended 30 June 2020 and 2019.

35. Post balance sheet events

In July 2020, Masan Beverage Company Limited, a subsidiary directly owned of the Company, has successfully acquired an additional 20,140 shares (equivalent to 0.07% equity interests) in VinaCafé Bien Hoa Joint Stock Company (“VCF”) and an additional 213,307 shares (equivalent to 1.62% equity interests) in Vinh Hao Mineral Water Corporation (“VHW”). As the results of these transactions, the Company’s equity interests in VCF has increased from 98.72% to 98.79% and the equity interests in VHW has increased from 88.56% to 90.18%.

In August 2020, Masan Food Company Limited, a subsidiary directly owned of the Company, has established a new subsidiary named Masan HN Company Limited (“HNF”) under the Enterprise Registration Certificate No. 0700841110 issued by the Department of Planning and Investment of Ha Nam Province. As a result of this event, HNF became a subsidiary indirectly owned by the Company.

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

12 August 2020

Prepared by:


Phan Thi Thuy Hoa
Chief Accountant

Approved by:


Huynh Viet Thang
Chief Financial Officer


Nguyen Hoang Yen
Authorised Representative

