

**Masan Consumer Corporation**  
Separate Financial Statements  
for the six-month period ended 30 June 2018

**Masan Consumer Corporation**  
**Statement of the Board of Management**

**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 8 March 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
Mr Ho Hung Anh	Member (until 12 April 2018)
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Quang	Member
Mr Seokhee Won	Member (until 27 February 2018)
Mr Danny Le	Member (from 24 April 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**

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

**Masan Consumer Corporation**  
**Separate balance sheet as at 30 June 2018**

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

	Code	Note	30/6/2018 VND	1/1/2018 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>2,859,551,184,611</b>	<b>3,339,470,305,579</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>1,283,058,256,541</b>	<b>677,000,209,110</b>
Cash	111		23,519,992,020	9,100,209,110
Cash equivalents	112		1,259,538,264,521	667,900,000,000
<b>Short-term financial investments</b>	<b>120</b>		-	<b>4,175,720,000</b>
Held-to-maturity investments	123	5(a)	-	4,175,720,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>1,085,221,631,985</b>	<b>2,499,118,637,158</b>
Accounts receivable from customers	131		196,669,874,383	399,624,323,346
Prepayments to suppliers	132		25,234,423,163	49,900,293,622
Other short-term receivables	136	6(a)	863,317,334,439	2,049,594,020,190
<b>Inventories</b>	<b>140</b>	<b>8</b>	<b>467,868,125,391</b>	<b>152,755,900,467</b>
Inventories	141		471,333,998,576	152,868,576,847
Allowance for inventories	149		(3,465,873,185)	(112,676,380)
<b>Other current assets</b>	<b>150</b>		<b>23,403,170,694</b>	<b>6,419,838,844</b>
Short-term prepaid expenses	151		23,403,170,694	6,419,838,844

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

**Masan Consumer Corporation**  
**Separate balance sheet as at 30 June 2018 (continued)**

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

	Code	Note	30/6/2018 VND	1/1/2018 VND
<b>Long-term assets</b> (200 = 210 + 220 + 240 + 250 + 260)	<b>200</b>		<b>13,086,386,439,538</b>	<b>11,666,944,521,078</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>6,244,940,912,211</b>	<b>5,766,298,135,597</b>
Loans receivable – long-term	215	7	5,730,716,876,592	5,430,716,876,592
Other long-term receivables	216	6(b)	514,224,035,619	335,581,259,005
<b>Fixed assets</b>	<b>220</b>		<b>205,774,340,786</b>	<b>230,800,048,905</b>
Tangible fixed assets	221	9	37,874,478,160	45,445,819,566
<i>Cost</i>	222		88,052,169,275	97,363,398,884
<i>Accumulated depreciation</i>	223		(50,177,691,115)	(51,917,579,318)
Intangible fixed assets	227	10	167,899,862,626	185,354,229,339
<i>Cost</i>	228		275,158,645,160	276,228,537,827
<i>Accumulated depreciation</i>	229		(107,258,782,534)	(90,874,308,488)
<b>Long-term work in progress</b>	<b>240</b>		<b>3,950,312,440</b>	<b>3,246,249,258</b>
Construction in progress	242	11	3,950,312,440	3,246,249,258
<b>Long-term financial investments</b>	<b>250</b>		<b>6,488,771,509,348</b>	<b>5,551,271,509,348</b>
Investments in subsidiaries	251	5(b)	6,488,771,509,348	5,551,271,509,348
<b>Other long-term assets</b>	<b>260</b>		<b>142,949,364,753</b>	<b>115,328,577,970</b>
Long-term prepaid expenses	261	12	7,159,115,040	9,035,644,733
Deferred tax assets	262		135,790,249,713	106,292,933,237
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>15,945,937,624,149</b>	<b>15,006,414,826,657</b>

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

**Masan Consumer Corporation**  
**Separate balance sheet as at 30 June 2018 (continued)**

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

	Code	Note	30/6/2018 VND	1/1/2018 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310)</b>	<b>300</b>		<b>6,185,954,251,177</b>	<b>3,029,487,280,688</b>
<b>Current liabilities</b>	<b>310</b>		<b>6,169,042,126,071</b>	<b>3,029,487,280,688</b>
Accounts payable to suppliers short-term	311	13	1,340,796,648,479	391,581,362,507
Advances from customers	312		55,636,805,976	15,924,045,598
Taxes payable to State Treasury	313	14	70,391,764,284	106,186,633,805
Payables to employees	314		23,265,682,871	-
Accrued expenses	315	15	711,223,608,566	576,395,617,148
Other short-term payables	319	16(a)	1,722,573,997,927	19,867,595,264
Short-term borrowings	320	17	2,245,153,617,968	1,919,532,026,366
<b>Long-term liabilities</b>	<b>330</b>		<b>16,912,125,106</b>	<b>-</b>
Other long-term payables	337	16(b)	16,912,125,106	-
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>9,759,983,372,972</b>	<b>11,976,927,545,969</b>
<b>Owners' equity</b>	<b>410</b>	<b>18</b>	<b>9,759,983,372,972</b>	<b>11,976,927,545,969</b>
Share capital	411	19	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	19	5,088,056,394,992	5,088,056,394,992
Treasury shares	415	19	(1,640,252,631,255)	(1,640,252,631,255)
Undistributed profits after tax	421		880,851,839,235	3,097,796,012,232
- Undistributed profits after tax brought forward	421a		734,698,515,732	20,098,996,208
- Undistributed profit after tax for the current period	421b		146,153,323,503	3,077,697,016,024
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>15,945,937,624,149</b>	<b>15,006,414,826,657</b>

24 July 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 separate financial statements*

**Masan Consumer Corporation**  
**Separate statement of income for the six-month period ended 30 June 2018**

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

	Code	Note	Quarter II		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
Revenue from sales of goods and provision of services	01	21	3,934,880,899,157	2,447,999,329,424	7,282,421,700,524	3,925,655,946,309
Revenue deductions	02	21	50,015,879,332	38,704,904,345	77,870,279,078	48,611,986,719
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>21</b>	<b>3,884,865,019,825</b>	<b>2,409,294,425,079</b>	<b>7,204,551,421,446</b>	<b>3,877,043,959,590</b>
Cost of sales	11	22	3,030,784,527,873	1,814,121,414,082	5,617,459,429,208	2,954,348,783,463
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>854,080,491,952</b>	<b>595,173,010,997</b>	<b>1,587,091,992,238</b>	<b>922,695,176,127</b>
Financial income	21	23	106,495,682,107	83,215,356,475	203,680,872,576	412,931,035,594
Financial expenses	22	24	22,919,433,963	19,408,399,127	46,865,295,862	30,115,419,960
<i>In which: Interest expense</i>	23		22,862,255,825	19,344,406,249	46,730,891,703	29,914,028,866
Selling expenses	25		741,939,014,311	567,825,215,921	1,403,453,241,134	974,311,086,404
General and administration expenses	26		78,805,209,060	75,720,211,988	161,186,332,426	149,132,231,561
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) - (25 + 26)}</b>	<b>30</b>		<b>116,912,516,725</b>	<b>15,434,540,436</b>	<b>179,267,995,392</b>	<b>182,067,473,796</b>
Other income	31		43,291,219	288,196,844	49,219,165	354,057,122
Other expenses	32		66,204	74,402,871	2,178,183,506	360,351,543
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>43,225,015</b>	<b>213,793,973</b>	<b>(2,128,964,341)</b>	<b>(6,294,421)</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>116,955,741,740</b>	<b>15,648,334,409</b>	<b>177,139,031,051</b>	<b>182,061,179,375</b>

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

**Masan Consumer Corporation**

**Separate statement of income for the six-month period ended 30 June 2018 (continued)**

**Form B 02a – DN**

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

	Code Note	Quarter II		Year to date	
		2018 VND	2017 VND	2018 VND	2017 VND
Accounting profit before tax (50 = 30 + 40) (brought forward from previous page)	50	116,955,741,740	15,648,334,409	177,139,031,051	182,061,179,375
Income tax expense - current	51	28,361,714,521	-	60,483,024,024	-
Income tax benefit - deferred	52	(4,980,006,083)	-	(29,497,316,476)	-
<b>Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>	<b>93,574,033,302</b>	<b>15,648,334,409</b>	<b>146,153,323,503</b>	<b>182,061,179,375</b>

24 July 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 separate financial statements*

**Masan Consumer Corporation**  
**Separate statement of cash flows for the six-month period ended 30 June 2018**  
**(Indirect method)**

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

	Code	For the six-month period ended 30/6/2018 VND	30/6/2017 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Accounting profit before tax	01	177,139,031,051	182,061,179,375
<b>Adjustments for</b>			
Depreciation and amortisation	02	23,387,755,935	23,802,385,881
Allowances and provisions of monetary items denominated in foreign currencies	03 04	9,283,494,788 (10,257,877)	3,548,152,930 16,081,019
(Gains)/losses on disposals of fixed assets	05	(19,578,367)	(250,000,000)
Interest income, distributed profits and related income from investing activities	05	(203,366,116,850)	(412,754,309,757)
Interest expense	06	46,730,891,703	29,914,028,866
<b>Operating profit/(loss) before changes in working capital</b>	<b>08</b>	<b>53,145,220,383</b>	<b>(173,662,481,686)</b>
Change in receivables and other current assets	09	210,815,515,908	(25,518,341,145)
Change in inventories	10	(324,395,719,712)	(50,905,398,422)
Change in payables and other liabilities	11	1,161,673,086,460	(1,419,872,437,132)
Change in prepaid expenses	12	(14,278,498,156)	10,423,546,014
		<b>1,086,959,604,883</b>	<b>(1,659,535,112,371)</b>
Interest paid	14	(46,565,517,194)	(29,929,659,906)
Corporate income tax paid	15	(66,689,494,478)	(48,221,652,715)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>973,704,593,211</b>	<b>(1,737,686,424,992)</b>

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



**Masan Consumer Corporation**  
**Separate statement of cash flows for the six-month period ended 30 June 2018**  
**(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	For the six-month period ended	
		30/6/2018	30/6/2017
		VND	VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(2,624,806,492)	(2,356,416,477)
Proceeds from disposals of fixed assets	22	881,026,550	250,000,000
Loans provided	23	(300,000,000,000)	(3,330,405,000,000)
Placement of term deposits to banks	23	(15,511,720,000)	(742,018,000,000)
Withdrawal of term deposits from banks	24	19,687,440,000	2,021,966,841,175
Payments for investments in subsidiaries	25	(937,500,000,000)	-
Receipts of interest and distributed profits	27	1,229,703,899,713	1,883,952,463,804
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(5,364,160,229)</b>	<b>(168,610,111,498)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings from banks	33	3,590,727,310,565	2,280,359,942,349
Payments to settle loan principals to banks	34	(3,265,105,718,963)	(2,269,450,482,751)
Payments of dividends	36	(688,015,536,200)	(1,150,886,772,700)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(362,393,944,598)</b>	<b>(1,139,977,313,102)</b>
<b>Net cash flows during the period</b> (50 = 20 + 30 + 40)	<b>50</b>	<b>605,946,488,384</b>	<b>(3,046,273,849,592)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>677,000,209,110</b>	<b>4,696,551,755,028</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>111,559,047</b>	<b>5,661,296</b>
<b>Cash and cash equivalents at the end of the period</b> (70 = 50 + 60 + 61)	<b>70</b>	<b>1,283,058,256,541</b>	<b>1,650,283,566,732</b>

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

**Masan Consumer Corporation**  
**Separate statement of cash flows for the six-month period ended 30 June 2018**  
**(Indirect method – continued)**

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

**NON-CASH INVESTING AND FINANCING TRANSACTIONS**

	<b>For the six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Net-off dividends payable with loan receivables from related parties	-	1,187,405,000,000
	1,187,405,000,000	

24 July 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*



## **Masan Consumer Corporation**

### **Notes to the separate financial statements for the six-month period ended 30 June 2018**

**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 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 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.

##### **(d) Company structure**

As at 30 June 2018, the Company had 1,035 employees (1/1/2018: 1,080 employees).

#### **2. Basis of preparation**

##### **(a) Statement of compliance**

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

The Company prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the consolidated financial position as at 30 June 2018 of the Company and its subsidiaries (collectively referred to as “the Group”), their consolidated results of operations and their consolidated cash flows for the period then ended, these separate financial statements should be read in conjunction with the consolidated financial statements of the Group for the period ended 30 June 2018.

##### **(b) Basis of measurement**

These separate 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.

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the six-month period ended 30 June 2018**  
**(continued)**

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
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**(c) Annual accounting period**

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

**3. Summary of significant accounting policies**

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

**(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.

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the six-month period ended 30 June 2018**  
**(continued)**

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

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

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

**(ii) Investments in subsidiaries**

For the purpose of the separate 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 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 Company applies the perpetual method of accounting for inventories.

**Masan Consumer Corporation**

**Notes to the separate financial statements for the six-month period ended 30 June 2018**

**(continued)**

**Form B 09a – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
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**(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:

▪ buildings	4 – 6 years
▪ 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 asset. Software costs are amortised on a straight-line basis over their useful lives ranging from 4 to 10 years.

**(ii) Brand name**

Cost of acquiring a brand name is capitalised and treated as an intangible 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 financial statements for the six-month period ended 30 June 2018**  
**(continued)**

**Form B 09a – DN**  
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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 are amortised on a straight-line basis over a period ranging from 2 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. Incremental costs directly attributable to the issue 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.

**(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.

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**(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 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.

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

**4. Cash and cash equivalents**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	7,730,987	77,070,074
Cash in banks	23,512,261,033	9,023,139,036
Cash equivalents	1,259,538,264,521	667,900,000,000
	<hr/>	<hr/>
	1,283,058,256,541	677,000,209,110
	<hr/>	<hr/>

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

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**5. Investments**

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

	30/6/2018	1/1/2018
	VND	VND
<b>Held-to-maturity investments - short-term</b>		
▪ Term deposits at banks	-	4,175,720,000
	-	4,175,720,000

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

**(b) Investments in subsidiaries**

	30/6/2018		1/1/2018	
	owned and % voting rights	Cost VND	owned and % voting rights	Cost VND
Investments in subsidiaries:				
• Masan Food Company Limited (*)	100%	2,109,000,009,348	100%	2,103,500,009,348
• Masan Beverage Company Limited (**)	100%	4,315,000,000,000	100%	3,383,000,000,000
• Masan Consumer (Thailand) Limited (***)	99.99%	64,771,500,000	99.99%	64,771,500,000
		6,488,771,509,348		5,551,271,509,348

The Company has not determined the fair values of the equity investments for disclosure in the separate 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 values of the equity investments may differ from their carrying amounts.

**Masan Consumer Corporation**

Notes to the separate financial statements for the six-month period ended 30 June 2018

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- (\*) Masan Food Company Limited has 8 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 (formerly known as Saigon Nutri Food Joint Stock Company) (“MSJ”) and Nam Ngu Phu Quoc One Member Company Limited (“NPQ”).
- (\*\*) Masan Beverage Company Limited has 5 subsidiaries, which include VinaCafé Bien Hoa Joint Stock Company (“VCF”), CDN Production Trading Corporation (“CDN”), Vinh Hao Mineral Water Corporation (“VHC”), Kronfa., JSC (“KRP”) and Quang Ninh Mineral Water Corporation (“QNW”).
- (\*\*\*) Masan Consumer (Thailand) Limited (“MTH”) was established in 2016.

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

**6. Other receivables****(a) Other short-term receivables**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Non-trade amounts due from related parties		
▪ Distributed profits receivable	824,431,695,809	2,027,777,099,313
▪ Other receivables	17,419,536,343	-
Accrued interests receivable from deposits at banks	2,776,055,812	1,879,747,645
Short-term deposits	17,871,060,390	17,736,998,330
Others	818,986,085	2,200,174,902
	<b>863,317,334,439</b>	<b>2,049,594,020,190</b>

**(b) Other long-term receivables**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Accrued interests receivable	509,656,326,618	333,545,014,144
Long-term deposits	4,567,709,001	2,036,244,861
	<b>514,224,035,619</b>	<b>335,581,259,005</b>

**Masan Consumer Corporation**  
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**7. Loans receivable – long-term**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Long-term loans receivable	5,730,716,876,592	5,430,716,876,592
	5,730,716,876,592	5,430,716,876,592
	5,730,716,876,592	5,430,716,876,592

**8. Inventories**

	<b>30/6/2018</b>		<b>1/1/2018</b>	
	<b>Cost</b>	<b>Allowance</b>	<b>Cost</b>	<b>Allowance</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Goods in transit	22,987,756,207	-	5,542,163,766	-
Raw materials	33,831,766,012	-	22,587,397,115	-
Tools and supplies	433,000	-	-	-
Finished goods	8,443,812,948	-	1,124,900,926	-
Merchandise inventories	403,771,067,084	(3,465,873,185)	123,614,115,040	(112,676,380)
Goods on consignment	2,299,163,325	-	-	-
	471,333,998,576	(3,465,873,185)	152,868,576,847	(112,676,380)
	471,333,998,576	(3,465,873,185)	152,868,576,847	(112,676,380)

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

	<b>For the six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Opening balance	112,676,380	279,293,596
Increase in allowance during the period	9,283,494,788	3,548,152,930
Allowance utilised during the period	(5,930,297,983)	(1,581,618,559)
Closing balance	3,465,873,185	2,245,827,967

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**9. Tangible fixed assets**

	<b>Buildings VND</b>	<b>Leasehold improvements VND</b>	<b>Office equipment VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Total VND</b>
<b>Cost</b>						
Opening balance	1,511,680,743	55,688,424,678	21,192,153,171	3,791,659,980	15,179,480,312	97,363,398,884
Transfer from construction in progress	-	-	51,800,000	-	-	51,800,000
Disposals	-	-	-	-	(3,230,430,673)	(3,230,430,673)
Written off	-	-	(365,599,725)	-	(5,766,999,211)	(6,132,598,936)
Closing balance	1,511,680,743	55,688,424,678	20,878,353,446	3,791,659,980	6,182,050,428	88,052,169,275
<b>Accumulated depreciation</b>						
Opening balance	1,511,680,743	22,833,269,300	11,292,323,337	3,087,042,785	13,193,263,153	51,917,579,318
Charge for the period	-	5,225,854,536	933,760,896	218,025,990	384,051,801	6,761,693,223
Disposals	-	-	-	-	(2,368,982,490)	(2,368,982,490)
Written off	-	-	(365,599,725)	-	(5,766,999,211)	(6,132,598,936)
Closing balance	1,511,680,743	28,059,123,836	11,860,484,508	3,305,068,775	5,441,333,253	50,177,691,115
<b>Net book value</b>						
Opening balance	-	32,855,155,378	9,899,829,834	704,617,195	1,986,217,159	45,445,819,566
Closing balance	-	27,629,300,842	9,017,868,938	486,591,205	740,717,175	37,874,478,160

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the six-month period ended 30 June 2018**  
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**10. Intangible fixed assets**

	<b>Software VND</b>	<b>Brand name VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance	275,592,174,191	636,363,636	276,228,537,827
Transfer to long-term prepayment	(1,069,892,667)	-	(1,069,892,667)
Closing balance	274,522,281,524	636,363,636	275,158,645,160
<b>Accumulated amortisation</b>			
Opening balance	90,237,944,852	636,363,636	90,874,308,488
Charge for the period	16,626,062,712	-	16,626,062,712
Transfer to long-term prepayment	(241,588,666)	-	(241,588,666)
Closing balance	106,622,418,898	636,363,636	107,258,782,534
<b>Net book value</b>			
Opening balance	185,354,229,339	-	185,354,229,339
Closing balance	167,899,862,626	-	167,899,862,626

**11. Construction in progress**

<b>For the six-month period ended</b>	<b>30/6/2018 VND</b>
Opening balance	3,246,249,258
Additions during the period	755,863,182
Transfer to tangible fixed assets	(51,800,000)
Closing balance	3,950,312,440

**Masan Consumer Corporation**  
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**12. Long-term prepaid expenses**

For the six-month period ended	30/6/2018
	Tools and supplies VND
Opening balance	9,035,644,733
Additions	931,534,711
Transfer from intangible fixed assets	828,304,001
Amortisation for the period	(3,636,368,405)
Closing balance	<u><u>7,159,115,040</u></u>

**13. Accounts payable to suppliers – short-term**

	30/6/2018		1/1/2018	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Short-term	1,340,796,648,479	1,340,796,648,479	391,581,362,507	391,581,362,507

**14. Taxes payable to State Treasury**

	30/6/2018 VND	1/1/2018 VND
Value added tax	16,938,413,645	50,503,782,781
Corporate income tax	47,709,466,063	53,915,936,517
Personal income tax	5,743,884,576	1,766,914,507
	<u><u>70,391,764,284</u></u>	<u><u>106,186,633,805</u></u>

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	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Advertising and promotion expenses	482,100,817,516	424,409,525,794
Logistic expenses	88,095,511,245	49,763,823,968
Exhibition expense	25,430,250,803	11,203,662,963
Bonus and 13th month salary	16,275,743,505	39,862,208,085
Sales discounts	30,730,116,678	8,011,083,372
Market research expenses	15,080,087,451	15,279,254,584
Accrued interest expenses	4,263,504,148	4,098,129,639
Accrued information and technology expenses	30,484,620,046	14,910,270,008
Purchases not yet received invoices	9,533,209,023	970,613,231
Others	9,229,748,151	7,887,045,504
	<hr/>	<hr/>
	711,223,608,566	576,395,617,148
	<hr/>	<hr/>



**Masan Consumer Corporation**  
**Notes to the separate financial statements for the six-month period ended 30 June 2018**  
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**16. Other payables**

**(a) Other short-term payables**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Dividends payable	1,677,652,506,300	2,570,546,000
Obligation to issue shares	26,910,256,500	4,705,416,500
Trade union fees, social insurance, health insurance and unemployment insurance	11,011,532,394	12,555,998,725
Others	6,999,702,733	35,634,039
	<u>1,722,573,997,927</u>	<u>19,867,595,264</u>

**(b) Other long-term payables**

	<b>30/6/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits	16,912,125,106	-
	<u>16,912,125,106</u>	<u>-</u>

**17. Short-term borrowings**

	<b>30/6/2018</b>		<b>1/1/2018</b>	
	<b>Carrying amount</b>	<b>Amount within</b>	<b>Carrying amount</b>	<b>Amount within</b>
	<b>VND</b>	<b>repayment capacity</b>	<b>VND</b>	<b>repayment capacity</b>
		<b>VND</b>		<b>VND</b>
Short-term borrowings	2,245,153,617,968	2,245,153,617,968	1,919,532,026,366	1,919,532,026,366
	<u>2,245,153,617,968</u>	<u>2,245,153,617,968</u>	<u>1,919,532,026,366</u>	<u>1,919,532,026,366</u>

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

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	<b>Share capital VND</b>	<b>Share premium VND</b>	<b>Treasury shares VND</b>	<b>Undistributed profit after tax VND</b>	<b>Total VND</b>
Balance at 1 January 2017	5,381,601,170,000	5,088,056,394,992	(1,640,252,631,255)	2,360,819,522,708	11,190,224,456,445
Net profit for the period	-	-	-	182,061,179,375	182,061,179,375
Dividends	-	-	-	(2,340,720,526,500)	(2,340,720,526,500)
Balance at 30 June 2017	<u>5,381,601,170,000</u>	<u>5,088,056,394,992</u>	<u>(1,640,252,631,255)</u>	<u>202,160,175,583</u>	<u>9,031,565,109,320</u>
Balance at 1 January 2018	5,431,327,770,000	5,088,056,394,992	(1,640,252,631,255)	3,097,796,012,232	11,976,927,545,969
Net profit for the period	-	-	-	146,153,323,503	146,153,323,503
Dividends	-	-	-	(2,363,097,496,500)	(2,363,097,496,500)
Balance at 30 June 2018	<u>5,431,327,770,000</u>	<u>5,088,056,394,992</u>	<u>(1,640,252,631,255)</u>	<u>880,851,839,235</u>	<u>9,759,983,372,972</u>

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**19. 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
<b>Authorised and issued share capital</b>				
Ordinary shares	543,132,777	5,431,327,770,000	543,132,777	5,431,327,770,000
<b>Treasury shares</b>				
Ordinary shares	18,000,000	1,640,252,631,255	18,000,000	1,640,252,631,255
<b>Shares currently in circulation</b>				
Ordinary shares	525,132,777	5,251,327,770,000	525,132,777	5,251,327,770,000
<b>Share premium</b>	-	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.

Movements of shares currently in circulation during the period were as follows:

	For the six-month period ended			
	30/6/2018		30/6/2017	
	Number of shares	Par value VND	Number of shares	Par value VND
Opening balance - currently in circulation	525,132,777	5,251,327,770,000	520,160,117	5,201,601,170,000
Closing balance - currently in circulation	525,132,777	5,251,327,770,000	520,160,117	5,201,601,170,000

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**Notes to the separate financial statements for the six-month period ended 30 June 2018**  
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**20. Off balance sheet items**

**Foreign currency**

	30/6/2018		1/1/2018	
	Original currency	Equivalent VND	Original currency	Equivalent VND
USD	638,927	14,644,217,154	3,971	89,980,821
		<u>14,644,217,154</u>		<u>89,980,821</u>

**21. Revenue from sale of goods**

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

Net revenue comprised of:

	For the six-month period ended	
	30/6/2018 VND	30/6/2017 VND
Total revenue	7,282,421,700,524	3,925,655,946,309
Less revenue deductions		
▪ Sales discounts	71,301,395,353	5,853,113,935
▪ Sales returns	6,568,883,725	42,758,872,784
	<u>77,870,279,078</u>	<u>48,611,986,719</u>
Net revenue	<u>7,204,551,421,446</u>	<u>3,877,043,959,590</u>

**22. Cost of sales**

	For the six-month period ended	
	30/6/2018 VND	30/6/2017 VND
Total cost of sales		
▪ Goods sold	5,608,175,934,420	2,950,800,630,533
▪ Allowance for inventories	9,283,494,788	3,548,152,930
	<u>5,617,459,429,208</u>	<u>2,954,348,783,463</u>

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**23. Financial income**

	<b>For the six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits to banks	27,254,804,376	92,136,089,451
Interest income from financial activities	176,111,312,474	63,731,050,368
Distributed profits income from subsidiaries	-	256,887,169,938
Foreign exchange gains	314,755,726	176,725,837
	<b>203,680,872,576</b>	<b>412,931,035,594</b>
	<b>203,680,872,576</b>	<b>412,931,035,594</b>

**24. Financial expenses**

	<b>For the six-month period ended</b>	
	<b>30/6/2018</b>	<b>30/6/2017</b>
	<b>VND</b>	<b>VND</b>
Interest expense on borrowings from banks	46,730,891,703	29,914,028,866
Foreign exchange losses	134,404,159	201,391,094
	<b>46,865,295,862</b>	<b>30,115,419,960</b>
	<b>46,865,295,862</b>	<b>30,115,419,960</b>

**Masan Consumer Corporation**

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

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**25. Significant transactions with related parties**

During the period and as at 30 June 2018, the Company has the following significant transactions and balances with its related parties:

Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		For the six-month period ended		30/6/2018	1/1/2018
		30/6/2018	30/6/2017	VND	VND
<b>Parent company</b>					
MasanConsumerHoldings Company limited	Dividends declared	2,270,686,203,000	2,270,686,203,000	(1,670,686,203,000)	-
	Net-off dividends payable with loan receivables from related parties	-	1,187,405,000,000	-	-
	Dividends paid by cash	600,000,000,000	1,083,281,203,000	-	-
<b>Subsidiaries</b>					
Masan Food Company Limited	Distributed profits	-	256,887,169,938	555,510,611,809	826,856,015,313
	Capital contribution	5,500,000,000	-	-	-
Masan Industrial One Member Company Limited	Sales of merchandise inventories	118,072,896,955	71,016,267,608	-	78,686,317,617
	Purchases of goods and services	2,031,699,632,725	1,369,206,543,604	(328,294,393,309)	-
	Prepayments for purchases of goods	-	-	-	14,639,880,515
	Loans provided	300,000,000,000	3,330,405,000,000	5,730,716,876,592	5,430,716,876,592
	Collection of loan through net-off with dividends payable	-	1,187,405,000,000	-	-
	Interest income receivable	176,111,312,474	63,731,050,368	509,656,326,618	333,545,014,144
Viet Tien Food Technology One Member Company Limited	Sales of merchandise inventories	3,277,191,512	4,894,524,228	-	-
	Purchases of goods	262,537,617,353	290,140,377,821	(115,115,110,173)	(178,743,996,256)

**Masan Consumer Corporation**

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

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		For the six-month period ended 30/6/2018 VND	30/6/2017 VND	30/6/2018 VND	1/1/2018 VND
<b>Subsidiaries</b>					
Masan HD One Member	Sales of merchandise inventories	10,624,252,059	5,086,033,524	-	-
	Prepayments for purchases of goods	-	11,313,585,894	-	-
	Purchases of goods	413,084,686,974	286,181,581,390	(168,459,588,035)	(103,660,354,580)
Masan MB One Member	Sales of merchandise inventories	81,187,735,953	36,750,957,070	-	-
	Purchases of goods	1,448,841,291,136	865,188,688,991	(260,754,763,688)	(19,950,867,204)
Ma San PQ Corporation	Sales of merchandise inventories	3,940,239	1,279,868	4,334,263	-
Nam Ngu Phu Quoc One Member Company Limited	Sales of merchandise inventories	345,958,449	161,819,829	25,309,310	208,000,020
	Prepayments for purchases of goods	15,236,827,975	32,847,209,051	15,236,827,975	18,531,591,916
	Purchases of goods	60,706,048,903	23,671,957,770	-	-
Masan Beverage Member Company Limited	Distributed profits	-	-	268,921,084,000	1,200,921,084,000
	Capital contribution	932,000,000,000	-	-	-
Vinacafé Bien Hoa Joint Stock Company	Sales of merchandise inventories	28,303,748,062	20,200,660,707	-	3,870,083,455
	Purchases of goods	1,138,634,423,887	243,016,869	(232,760,459,286)	-
	Management fee	-	79,593,962,710	-	87,828,531,406

**Masan Consumer Corporation**

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

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		For the 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
<b>Subsidiaries</b>					
CDN Production Trading Corporation	Sales of merchandise inventories	1,024,504	1,955,890	-	-
	Purchases of goods	2,042,580,100	25,800,000	(2,245,711,156)	-
Masan JinJu Joint Stock Company (formerly known as Saigon Nutri Food Joint Stock Company)	Sales of merchandise inventories	1,060,721,588	874,915,000	-	-
	Purchases of goods	58,049,073,394	67,127,135,004	(8,166,535,189)	(9,636,224,394)
Vinh Hao Mineral Water Corporation	Sales of merchandise inventories	407,890,769	8,404,491,370	-	-
	Purchases of goods and services	153,956,941,475	7,477,272	(50,157,481,687)	-
	Management fee	-	22,779,704,582	-	19,654,007,992
Quang Ninh Mineral Water Corporation	Sales of merchandise inventories	1,612,423,893	38,309,858	-	-
	Purchases of goods	117,296,461,626	-	(92,421,169,011)	-
Masan Consumer (Thailand) Limited	Sales of merchandise inventories	25,611,456,499	-	8,180,427,285	18,163,278,771



**Masan Consumer Corporation**

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

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		For the six-month period ended		30/6/2018	1/1/2018
		30/6/2018	30/6/2017	VND	VND
		VND	VND	VND	VND
<b>Other related parties</b>					
Masan Brewery PY One Member Company Limited	Sales of merchandise inventories	13,958,867	9,303,950	15,354,754	-
Masan Brewery Distribution One Member Company Limited	Sales of merchandise inventories	-	29,652,360	-	10,614,490
	Purchases of goods	206,850,045	295,403,362	-	-
	Management fee	12,310,607,577	22,125,100,397	58,560,989,355	46,467,302,338
Masan Brewery HG One Member Company Limited	Sales of merchandise inventories	8,736,398	29,961,804	9,610,037	-
	Management fee	1,065,061,320	1,318,174,519	2,971,756,411	1,906,695,091
Agro Nutrition International Joint Stock Company	Sales of merchandise inventories	27,224,000	42,990,627	-	-
	Management fee	2,836,848,133	8,917,402,057	3,120,532,946	8,970,161,887
Agro Nutrition International Tien Giang One Member Limited Company	Sales of merchandise inventories	-	6,844,745	-	-
	Management fee	851,989,905	-	937,188,896	1,373,793,155
Agro Nutrition International Thai Nguyen Company Limited	Sales of merchandise inventories	16,860,000	6,516,573	4,118,400	-
	Management fee	864,835,111	-	951,318,622	1,386,217,181

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

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		For the 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
<b>Other related parties</b>					
Aqua Nutrition International Joint Venture Co., Ltd	Sales of merchandise inventories	-	16,924,336	-	-
	Management fee	931,429,271	-	1,024,572,198	1,537,180,683
Agro Nutrition International Hau Giang One Member Limited Liability Company	Sales of merchandise inventories	-	1,875,273	-	-
	Management fee	614,036,690	-	675,440,359	993,478,103
Agro Nutrition International Nghe An Company Limited	Sales of merchandise inventories	13,592,000	5,953,991	-	-
	Management fee	874,691,436	-	962,160,580	1,416,606,447
MNS Farm Nghe An Company Limited	Sales of merchandise inventories	9,563,891	421,936	-	-
	Management fee	2,199,903,319	-	8,794,040,627	6,898,790,674
MNS Meat Ha Nam Company Limited	Sales of merchandise inventories	8,399,110	-	2,741,200	-
Vietnamese – French Cattle Feed Joint Stock Company	Sales of merchandise inventories	34,704,800	132,675,545	-	-
	Management fee	5,906,481,305	9,135,409,067	6,497,129,435	15,432,135,658

**Masan Consumer Corporation**

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

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		For the six-month period ended 30/6/2018 VND	30/6/2017 VND	30/6/2018 VND	1/1/2018 VND
<b>Other related parties</b>					
Proconco Can Tho One Member Company Limited	Sales of merchandise inventories	-	17,861,973	-	-
	Management fee	1,200,386,481	-	1,320,425,129	1,959,543,205
Conco Binh Dinh Co.,Ltd	Sales of merchandise inventories	-	6,469,691	-	-
	Management fee	1,001,954,516	-	1,102,149,968	1,619,539,159
Proconco Hung Yen Manufacturing and Trading Company Limited	Sales of merchandise inventories	3,744,000	6,985,391	-	-
	Management fee	729,440,197	-	802,384,217	1,187,025,716
<b>Key management personnel</b>	Remuneration to key management personnel (*)	16,057,448,530	13,142,617,617	-	-

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

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the six-month period ended 30 June 2018**  
**(continued)**

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## 26. Explanation of profit

Net Profit After Tax (“NPAT”) for quarter 2 of 2018 increased by VND77.9 billion as compared to the same previous year. This is mainly due to:

- Gross margin increased VND1,475 billion by 61% as compared the quarter 2 of previous year by result of the transformation from sales driven to brand driven business model and centralising of the sale and distribution of the Company's subsidiaries to sell through the Company in the beverage segment;
- Net financial result increased by 31% as compared to the same previous year driven by the higher finance activities.

## 27. Subsequent event after the balance sheet date

In July 2018, the Company has issued 5,240,827 its ordinary shares at par value to its employees under employees stock ownership plan (“ESOP”). As the results of this event, the Company share capital and ordinary shares increased to VND 5,483,736,040,000 and 548,373,604 shares, respectively.

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

24 July 2018

Prepared by:  
  
Phan Thi Thuy Hoa  
Chief Accountant

  
Huynh Viet Thang  
Acting Chief Financial Officer

Approved by:  
  
  
Trương Công Thang  
Chairman of the Board of Directors