



**KPMG'S COPY**

**Masan Consumer Corporation and its subsidiaries**

Consolidated interim financial statements for the  
six-month period ended 30 June 2017

**Masan Consumer Corporation  
Corporate Information**

**Business Registration Certificate No.** 0302017440

31 May 2000

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 2 August 2017. 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 (from 23 June 2017)
Dr Nguyen Dang Quang	Member (from 23 June 2017)
	Chairman (until 23 June 2017)
Mr Ho Hung Anh	Member
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Quang	Member
Mr Seokhee Won	Member

**Board of Management**

Mr Seokhee Won	Chief Executive Officer
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 Le Trung Thanh	Deputy Chief Executive Officer (until 15 February 2017)
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

**Auditor**

KPMG Limited  
Vietnam

## **Masan Consumer Corporation and its subsidiaries Statement of the Board of Management**

The Board of Management of Masan Consumer Corporation (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the six-month period ended 30 June 2017.

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

- (a) the consolidated interim financial statements set out on pages 5 to 62 give a true and fair view of the consolidated financial position of the Group as at 30 June 2017, and of its consolidated results of operations and its consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Seokhee Won  
*Chief Executive Officer*

Ho Chi Minh City, 15 August 2017



KPMG Limited Branch  
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115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## **INTERIM FINANCIAL STATEMENTS REVIEW REPORT**

### **To the Shareholders Masan Consumer Corporation**

We have reviewed the accompanying consolidated interim financial statements of Masan Consumer Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 30 June 2017, the consolidated statement 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 15 August 2017, as set out on pages 5 to 62.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 - Review of interim financial information performed by the independent auditor of the entity.

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


### Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated interim financial position of Masan Consumer Corporation and its subsidiaries as at 30 June 2017 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

### KPMG Limited's Branch in Ho Chi Minh City



Vietnam  
Review Report No.: 17-01-254/1

  
Chong Kwang Puay  
Practicing Auditor Registration  
Certificate No. 0864-2013-007-1  
*Deputy General Director*

Ho Chi Minh City, 15 August 2017

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 June 2017**

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

	Code	Note	30/6/2017 VND	1/1/2017 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>5,551,949,675,823</b>	<b>11,519,694,860,637</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>8</b>	<b>3,630,943,915,345</b>	<b>6,914,244,921,330</b>
Cash	111		91,160,182,012	113,124,921,330
Cash equivalents	112		3,539,783,733,333	6,801,120,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>555,100,000,000</b>	<b>1,732,948,841,175</b>
Held-to-maturity investments	123	9(a)	555,100,000,000	1,732,948,841,175
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>372,127,017,876</b>	<b>2,121,205,426,935</b>
Accounts receivable from customers	131	10	199,214,247,050	232,759,444,755
Prepayments to suppliers	132		90,497,854,454	61,482,083,206
Short-term loans receivable	135	11	-	1,663,716,876,592
Other short-term receivables	136	12(a)	82,491,815,285	164,464,049,739
Allowance for doubtful debts	137	13	(76,898,913)	(1,217,027,357)
<b>Inventories</b>	<b>140</b>	<b>14</b>	<b>955,034,501,484</b>	<b>715,921,028,319</b>
Inventories	141		961,185,965,507	729,024,288,790
Allowance for inventories	149		(6,151,464,023)	(13,103,260,471)
<b>Other current assets</b>	<b>150</b>		<b>38,744,241,118</b>	<b>35,374,642,878</b>
Short-term prepaid expenses	151		14,739,780,186	19,718,137,599
Deductible value added tax	152		24,004,460,932	15,656,505,279

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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 June 2017 (continued)**

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

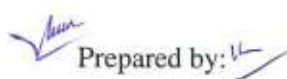
	Code	Note	30/6/2017 VND	1/1/2017 VND
<b>Long-term assets</b> <b>(200 = 210 + 220 + 240 + 250 + 260)</b>	<b>200</b>		<b>9,721,074,311,625</b>	<b>5,858,131,385,763</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>4,005,620,104,891</b>	<b>24,757,902,339</b>
Long-term loans receivable	215	11	3,806,716,876,592	-
Other long-term receivables	216	12(b)	198,903,228,299	24,757,902,339
<b>Fixed assets</b>	<b>220</b>		<b>4,372,347,956,198</b>	<b>4,444,692,083,576</b>
Tangible fixed assets	221	15	3,129,838,902,348	3,132,110,361,000
Cost	222		4,896,293,625,815	4,694,881,086,995
Accumulated depreciation	223		(1,766,454,723,467)	(1,562,770,725,995)
Intangible fixed assets	227	16	1,242,509,053,850	1,312,581,722,576
Cost	228		2,102,760,656,155	2,102,498,034,268
Accumulated amortisation	229		(860,251,602,305)	(789,916,311,692)
<b>Long-term work in progress</b>	<b>240</b>		<b>348,620,238,343</b>	<b>371,351,502,339</b>
Construction in progress	242	17	348,620,238,343	371,351,502,339
<b>Long-term financial investments</b>	<b>250</b>		<b>249,391,858,906</b>	<b>249,391,858,906</b>
Investment in an associate	252	9(b)	249,391,858,906	249,391,858,906
<b>Other long-term assets</b>	<b>260</b>		<b>745,094,153,287</b>	<b>767,938,038,603</b>
Long-term prepaid expenses	261	18	191,479,188,346	193,229,086,523
Deferred tax assets	262	19	163,479,082,475	150,172,693,140
Goodwill	269	20	390,135,882,466	424,536,258,940
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>15,273,023,987,448</b>	<b>17,377,826,246,400</b>

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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 June 2017 (continued)**

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

	Code	Note	30/6/2017 VND	1/1/2017 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>5,055,501,823,736</b>	<b>5,449,387,898,339</b>
<b>Current liabilities</b>	<b>310</b>		<b>4,657,783,823,379</b>	<b>4,942,371,387,944</b>
Accounts payable to suppliers – short-term	311	21	683,333,806,666	708,987,463,602
Advances from customers	312		38,828,512,933	18,887,115,066
Taxes payable to State Treasury	313	22	171,514,290,871	312,750,964,401
Payables to employees	314		37,403,622	4,383,144,705
Accrued expenses	315	23	833,093,069,934	958,703,296,344
Other short-term payables	319	24(a)	56,078,191,177	27,461,089,550
Short-term borrowings	320	25(a)	2,851,674,621,437	2,887,958,787,537
Bonus and welfare funds	322		23,223,926,739	23,239,526,739
<b>Long-term liabilities</b>	<b>330</b>		<b>397,718,000,357</b>	<b>507,016,510,395</b>
Accounts payable to suppliers – long-term	331	21	78,525,018,000	88,334,503,000
Other long-term payables	337	24(b)	19,731,317,625	22,360,630,839
Long-term borrowings	338	25(b)	123,426,410,346	209,856,177,246
Deferred tax liabilities	341	19	167,424,210,136	177,354,781,060
Provisions – long-term	342		8,611,044,250	9,110,418,250
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>10,217,522,163,712</b>	<b>11,928,438,348,061</b>
<b>Owners' equity</b>	<b>410</b>	<b>26</b>	<b>10,217,522,163,712</b>	<b>11,928,438,348,061</b>
Share capital	411	27	5,381,601,170,000	5,381,601,170,000
- Ordinary shares with voting rights	411a		5,381,601,170,000	5,381,601,170,000
Share premium	412	27	5,088,056,394,992	5,088,056,394,992
Other capital	414		(265,775,657,006)	(265,775,657,006)
Treasury shares	415	27	(1,640,252,631,255)	(1,640,252,631,255)
Foreign exchange differences	417		1,035,858,356	(2,253,725,216)
Investment and development fund	418		22,731,972,844	22,731,972,844
Undistributed profits after tax	421		711,983,285,796	2,434,650,312,379
- Undistributed profits after tax brought forward	421a		93,929,785,879	326,210,121,712
- Undistributed profit after tax for the current period/prior year	421b		618,053,499,917	2,108,440,190,667
Non-controlling interests	429		918,141,769,985	909,680,511,323
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>15,273,023,987,448</b>	<b>17,377,826,246,400</b>

Prepared by: 

  
 Huynh Viet Thang  
 Chief Accountant

15 August 2017

  
 Phạm Đình Toại  
 Acting Chief Financial Officer

Approved by:   
  
 Seokhee Won  
 Chief Executive Officer

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



**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of income for the six-month period ended 30 June 2017**

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

	Code	Note	Six-month period ended	
			30/6/2017 VND	30/6/2016 VND
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>30</b>	<b>5,586,471,508,131</b>	<b>5,907,282,346,836</b>
<b>Revenue deductions</b>	<b>02</b>	<b>30</b>	<b>124,107,244,977</b>	<b>103,741,272,218</b>
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>30</b>	<b>5,462,364,263,154</b>	<b>5,803,541,074,618</b>
<b>Cost of sales</b>	<b>11</b>	<b>31</b>	<b>3,039,121,471,356</b>	<b>3,313,772,680,123</b>
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>2,423,242,791,798</b>	<b>2,489,768,394,495</b>
Financial income	21	32	209,244,670,649	272,953,596,471
Financial expenses	22	33	56,337,661,145	54,628,104,624
<i>In which: Interest expense</i>	23		<i>54,163,803,973</i>	<i>53,699,054,660</i>
Share of profit in an associate	24		5,318,434,000	3,456,901,037
Selling expenses	25	34	1,492,266,429,523	1,202,478,325,474
General and administration expenses	26	35	378,118,592,118	410,157,832,577
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>711,083,213,661</b>	<b>1,098,914,629,328</b>
Other income	31		897,274,849	2,623,498,560
Other expenses	32		1,242,928,714	3,522,425,555
<b>Results of other activities</b> <b>(40 = 31 - 32)</b>	<b>40</b>		<b>(345,653,865)</b>	<b>(898,926,995)</b>
<b>Accounting profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>		<b>710,737,559,796</b>	<b>1,098,015,702,333</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>36</b>	<b>107,459,768,200</b>	<b>160,159,629,556</b>
<b>Income tax benefit – deferred</b>	<b>52</b>	<b>36</b>	<b>(23,236,960,259)</b>	<b>(27,062,366,104)</b>
<b>Net profit after tax (60 = 50 - 51 - 52)</b> <b>(carried forward to next page)</b>	<b>60</b>		<b>626,514,751,855</b>	<b>964,918,438,881</b>


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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of income for the six-month period ended 30 June 2017 (continued)**

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

	Code	Note	Six-month period ended	
			30/6/2017 VND	30/6/2016 VND
<b>Net profit after tax</b> (brought forward from previous page)	<b>60</b>		<b>626,514,751,855</b>	<b>964,918,438,881</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		618,053,499,917	962,560,615,361
Non-controlling interests	62		8,461,251,938	2,357,823,520
<hr/>				
<b>Earnings per share</b>				
Basic earnings per share	70	37	1,188	1,861
<hr/>				

15 August 2017

Prepared by: 

  
 Huynh Viet Thang  
 Chief Accountant

  
 Pham Dinh Toai  
 Acting Chief Financial Officer

Approved by:   
  
 Seokhee Won  
 Chief Executive Officer

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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2017**  
**(Indirect method)**

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

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>710,737,559,796</b>	<b>1,098,015,702,333</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	327,652,248,664	329,998,505,606
Allowances and provisions	03	8,626,788,559	23,024,080,450
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	1,295,433,330	(287,786,363)
Losses on disposals and written-off of fixed assets and construction in progress	05	292,951,794	2,837,953,195
Interest income from investing activities	05	(208,010,584,436)	(269,553,537,619)
Share of profit in an associate	05	(5,318,434,000)	(3,456,901,037)
Interest expense	06	54,163,803,973	53,699,054,660
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>889,439,767,680</b>	<b>1,234,277,071,225</b>
Change in receivables and other assets	09	(20,133,559,713)	63,146,327,670
Change in inventories	10	(248,263,135,724)	(272,478,465,856)
Change in payables and other liabilities	11	(190,703,893,937)	(241,519,711,647)
Change in prepaid expenses	12	21,807,606,159	9,090,959,420
		<b>452,146,784,465</b>	<b>792,516,180,812</b>
Interest paid	14	(56,572,722,899)	(53,420,010,303)
Corporate income tax paid	15	(156,820,459,562)	(212,651,725,987)
Other payments for operating activities	17	(15,600,000)	(11,907,883,276)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>238,738,002,004</b>	<b>514,536,561,246</b>

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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2017**  
**(Indirect method – continued)**

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

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(259,399,456,295)	(239,038,929,273)
Proceeds from disposals of fixed assets and construction in progress	22	848,823,767	2,917,160,275
Payments for granting loans	23	(3,330,405,000,000)	(3,131,978,712,592)
Receipts from collecting of loans	24	-	6,729,614,068,000
Placement of term deposits to banks	23	(2,029,018,000,000)	(19,892,800,000,000)
Withdrawal of term deposits from banks	24	3,206,866,841,175	16,822,300,000,000
Payments for acquisition of non-controlling interests in subsidiaries	25	-	(392,281,424,762)
Acquisition of a subsidiary, net of cash acquired	25	-	(11,555,624,763)
Proceeds from pre-acquisition dividends received from an associate	26	-	5,320,434,000
Receipts of interest	27	159,391,138,230	547,675,203,998
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(2,251,715,653,123)</b>	<b>440,172,174,883</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share capital issued	31	-	30,000,000,000
Proceeds from bank borrowings	33	3,514,014,878,605	4,173,670,916,203
Payments to settle loan principals to banks	34	(3,636,728,811,605)	(4,661,189,419,097)
Payments of dividends	36	(1,150,886,772,700)	(999,057,130,400)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(1,273,600,705,700)</b>	<b>(1,456,575,633,294)</b>
<b>Net cash flows during the period</b> (50 = 20 + 30 + 40)	<b>50</b>	<b>(3,286,578,356,819)</b>	<b>(501,866,897,165)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>6,914,244,921,330</b>	<b>3,366,663,621,920</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>(12,239,462)</b>	<b>350,416,841</b>
<b>Currency translation differences</b>	<b>61</b>	<b>3,289,590,296</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b> (70 = 50 + 60 + 61)	<b>70</b>	<b>3,630,943,915,345</b>	<b>2,865,147,141,596</b>

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

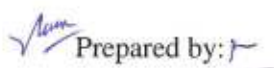
**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2017**  
**(Indirect method – continued)**

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

**NON-CASH INVESTING AND FINANCING ACTIVITIES**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Net-off dividend payable with loans receivable from the parent company	1,187,405,000,000	1,889,261,836,000

15 August 2017

Prepared by: 

  
 Huynh Viet Thang  
 Chief Accountant

Approved by:

   
 Pham Dinh Toai  
 Acting Chief Financial Officer

   
 Seokhee Won  
 Chief Executive Officer

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

**Masan Consumer Corporation and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2017**

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

These notes form an integral part of and should be read in conjunction with these accompanying consolidated interim financial statements.

**1. Reporting entity**

**(a) Ownership structure**

Masan Consumer Corporation (“the Company”) is a joint stock company incorporated in Vietnam. The consolidated interim financial statements for the six-month period ended 30 June 2017 comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in an associate.

**(b) Principal activities**

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

**(c) Normal operating cycle**

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

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**(d) Group structure**

As at 30 June 2017, the Group has 3 directly owned subsidiaries, 13 indirectly owned subsidiaries and 1 associate (1/1/2017: 4 directly owned subsidiaries, 13 indirectly owned subsidiaries and 1 associate). Information of the subsidiaries and an associate are described as follows:

Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			30/6/2017	1/1/2017	30/6/2017	1/1/2017
<b>Directly owned subsidiaries</b>						
Masan Food Company Limited	Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
Masan Beverage Company Limited	Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
Masan DN One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Street No. 7, Hoa Khanh Industrial Park, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City, Vietnam.	-	100%	-	100%
Masan Consumer (Thailand) Limited	Trading and distribution	4th Floor, 83 Amnuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand	99.99%	99.99%	99.99%	99.99%
<b>Indirectly owned subsidiaries</b>						
Masan Industrial One Member Company Limited	(ii) Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Di An Ward, Binh Duong Province, Vietnam.	100%	100%	100%	100%

**Masan Consumer Corporation and its subsidiaries**

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Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			30/6/2017	1/1/2017	30/6/2017	1/1/2017
Viet Tien Food Technology One Member Company Limited	(ii) Seasonings manufacturing	Lot III-10, Street No. 1, Industrial Group III, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
Ma San PQ Corporation	(ii) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam.	99.99%	99.99%	99.99%	99.99%
Masan HD One Member Company Limited	(ii) Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam.	100%	100%	100%	100%
Masan MB One Member Company Limited	(ii) Seasonings, convenience food manufacturing and packaging	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Loc District, Nghe An Province, Vietnam.	100%	100%	100%	100%
Masan HG One Member Company Limited	(ii) Seasonings, convenience food manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam.	100%	100%	100%	100%
Saigon Nutri Food Joint Stock Company	(ii) Convenience food manufacturing and trading	Lot K4, No. 2 Street, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam.	99.99%	99.99%	99.99%	99.99%
Nam Ngu Phu Quoc One Member Company Limited	(ii) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam.	100%	100%	100%	100%



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Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			30/6/2017	1/1/2017	30/6/2017	1/1/2017
VinaCafé Bien Hoa Joint Stock Company	(iii) Beverage manufacturing and trading	Bien Hoa Industrial Park I, Bien Hoa City, Dong Nai Province, Vietnam.	68.46%	68.46%	68.46%	68.46%
Vinh Hao Mineral Water Corporation	(iii) Beverage manufacturing and trading and packaging	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam.	88.56%	88.56%	88.56%	88.56%
KronFa., JSC	(iv) Beverage manufacturing	Km 37, Highway 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam.	88.55%	88.55%	99.99%	99.99%
Quang Ninh Mineral Water Corporation	(iii) Beverage manufacturing and trading	No. 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam.	65.68%	65.68%	65.68%	65.68%
CDN Production Trading Corporation	(v) Beverage manufacturing and trading	No. 10 Hung Gia 2, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam.	58.19%	58.19%	85%	85%
<b>An associate</b>						
Cholimex Food Joint Stock Company	(ii) Seasonings manufacturing and trading	Lot C40 – 43/I, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.	32.83%	32.83%	32.83%	32.83%

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- (i) Masan DN One Member Company Limited (“MDN”) was established on 12 September 2014 under the Business Registration Certificate No. 0401622417 issued by the Department of Planning and Investment of Da Nang City. The Board of Director’s Resolution No. 7/2017/NQ-HDQT on 28 April 2017 resolved and approved to dissolve MDN. As at the date of issuance of these consolidated interim financial statements, the dissolution process of MDN has been completed.
- (ii) These subsidiaries and an associate are indirectly owned by the Company through Masan Food Company Limited (“MSF”).
- (iii) These subsidiaries are indirectly owned by the Company through Masan Beverage Company Limited (“MSB”).
- (iv) KronFa., JSC is indirectly owned by the Company through Vinh Hao Mineral Water Corporation.
- (v) CDN Production Trading Corporation is indirectly owned by the Company through VinaCafé Bien Hoa Joint Stock Company.

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

As at 30 June 2017, the Group had 4,362 employees (1/1/2017: 4,625 employees).

## **2. Basis of preparation**

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

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

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

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

### **(c) Annual accounting period**

The annual accounting period of the Group is from 1 January to 31 December. The consolidated interim financial statements are prepared for the six-month period ended 30 June 2017.

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**(d) Accounting and presentation currency**

The Group's accounting currency is Vietnam Dong ("VND") which is also the currency used for financial statement presentation purpose.

**(e) Corresponding figures**

The corresponding figures as at 1 January 2017 were brought forward from the audited figures as at 31 December 2016.

**3. Summary of significant accounting policies**

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

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

**(a) Basis of consolidation**

**(i) Subsidiaries**

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

**(ii) Non-controlling interests**

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with shareholders. Prior to 1 January 2015, the difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in other capital under equity. From 1 January 2015, as a result of the adoption of Circular 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance ("Circular 202"), such difference is recorded directly in undistributed profits after tax under equity.

**(iii) Loss of control**

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

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**(iv) Associates (equity accounted investees)**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). The consolidated interim financial statements include the Group's share of the income and expenses of the equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

**(v) Transactions eliminated on consolidation**

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

**(vi) Business combinations under common control**

Business combination where the same group of shareholders ("the Controlling Shareholders") control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling Shareholders. Such common control business combination is specifically excluded from the scope of Vietnamese Accounting Standard 11 – *Business Combination* and in selecting its accounting policies with respect to such transaction, the Group has considered Vietnamese Accounting Standard 01 – *Framework* and Vietnamese Accounting Standard 21 – *Presentation of Financial Statements*. Based on these standards, the Group has adopted the merger ("carry-over") basis of accounting. The assets and liabilities of the combining companies are consolidated using the existing book values from the Controlling Shareholders' perspective. Prior to 1 January 2015, any difference between the cost of acquisition and net assets value acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in other capital under equity. From 1 January 2015, as a result of the adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity.

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

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**(vii) Business combinations under non-common control**

Non-common control business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

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

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

**(b) Foreign currency**

**(i) Foreign currency transactions**

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

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the average of the account transfer buying rates and selling rates at the end of the accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions.

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

**(ii) Foreign operations**

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

Foreign currency differences arising from the translation of foreign operation's financial statements to VND are recognised in the consolidated balance sheet under the caption "Foreign exchange differences" in equity.

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**(c) Cash and cash equivalents**

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

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

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

**(e) Accounts receivable from customers and other receivables**

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

**(f) Inventories**

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

The Group applies the perpetual method of accounting for inventories.

**(g) Tangible fixed assets**

**(i) Cost**

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

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**(ii) Depreciation**

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

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

**(h) Intangible fixed assets**

**(i) Land use rights**

Land use rights comprise:

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

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

**(ii) Software**

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

**(iii) Exploitation rights**

Expenditure on obtaining exploitation rights for mineral water resources is capitalised and treated as an intangible asset. Amortisation is computed on a straight-line basis over their useful lives ranging from 8 to 30 years.

**(iv) Brand name**

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

The fair value of brand name that is acquired by the Group on the acquisition of a subsidiary is recognised as an intangible asset and amortised on a straight-line basis over their useful lives ranging from 10 to 20 years. The fair value of brand name acquired in a business combination is determined based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned.

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**(v) Customer relationships**

The fair value of customer relationships that is acquired by the Group on the acquisition of a subsidiary is capitalised and treated as an intangible asset. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationships is amortised on a straight-line basis over their useful lives ranging from 5 to 15 years.

**(vi) Mineral water resources**

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

**(i) Construction in progress**

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

**(j) Long-term prepaid expenses**

**(i) Prepaid land costs**

Prepaid land costs comprise prepaid land lease rentals, including those for which the land use rights certificate was obtained but are not qualified as intangible fixed assets under prevailing regulation and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease from 42 to 50 years.



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**(ii) Goodwill from equitisation**

Goodwill arising from equitisation of the state-owned enterprise is recognised as long-term prepaid expenses. Goodwill arising from equitisation of the state-owned enterprise includes brand name value and potential development value. Brand name value is determined on the basis of actual costs incurred for creation and protection of trademarks, trade name in the course of the enterprise's operation for the period of five years before the valuation date (including establishment costs and expenditures on training, advertising and promotional activities incurred to promote and introduce the enterprise and its products and website costs...). Potential development value is evaluated on the basis of profitability of the enterprise in the future taking into account the enterprise's profit ratio and interest rates of 5-year government bonds. Goodwill arising from equitisation of the state-owned enterprise is amortised on a straight-line basis over 10 years starting from the date of transformation from a state-owned enterprise into a joint stock company (date of business registration certificate to transform to joint stock company).

**(iii) Tools and supplies**

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

**(k) Goodwill**

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

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

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

**(l) Accounts payable to suppliers and other payables**

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

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**(m) Provisions**

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

***Severance allowance***

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their current salary level.

Provision for severance allowance to be paid to the existing eligible employees as of 30 June 2017 has been made based on the eligible employees’ years of service, being the total employees’ years of service less the number of years for which the employees participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group, if any, and their average salary for the year prior to the end of the accounting period.

**(n) 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) *Other capital***

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

**(iii) *Treasury shares***

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

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**(o) Taxation**

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

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

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

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

**(p) Revenue**

**(i) Sale of goods**

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

**(ii) Rental income**

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

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

**(i) Financial income**

Financial income mainly comprise interest income from deposits at banks, interest income from loans and foreign exchange gains.

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

**(ii) Financial expenses**

Financial expenses mainly comprise interest expenses on borrowings from banks and associated costs and foreign exchange losses.

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

**(r) Operating lease payments**

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

**(s) Earnings per share**

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

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

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**(t) Segment reporting**

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

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

**(u) Related parties**

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

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

**4. Seasonality of operations**

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

**5. Changes in accounting estimates**

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

**Masan Consumer Corporation and its subsidiaries**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)**

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**6. Segment reporting**

**(a) Business segments**

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

**For the six-month period ended 30 June 2017**

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

**Masan Consumer Corporation and its subsidiaries**

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	<b>For the six-month period ended 30 June 2016</b>	<b>Seasonings VND</b>	<b>Convenience food (*) VND</b>	<b>Beverage (*) VND</b>	<b>Others VND</b>	<b>Consolidated VND</b>
Total segment revenue - net		2,356,378,465,585	1,823,272,152,420	1,615,540,306,541	8,350,150,072	5,803,541,074,618
Segment gross profit		1,265,011,934,815	638,434,176,561	578,345,867,372	7,976,415,747	2,489,768,394,495
Segment results		882,082,777,353	220,365,074,783	(4,763,506,333)	7,976,415,747	1,105,660,761,550
Unallocated general and administration expenses						225,071,624,069
Financial income						272,953,596,471
Financial expenses						54,628,104,624
Net operating profit						1,098,914,629,328
Other income						2,623,498,560
Other expenses						3,522,425,555
Income tax expense						133,097,263,452
Net profit after tax						964,918,438,881

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

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

**Masan Consumer Corporation and its subsidiaries**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)**

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(\*) The segment results of the Convenience food and Beverage segments included amortisation of goodwill amounting to VND34,400 million (for the six-month period ended 30/6/2016: VND33,268 million), amortisation of fair values of intangible fixed assets arisen in business combinations amounting to VND49,690 million (for the six-month period ended 30/6/2016: VND72,246 million) and depreciation of fair values uplift of tangible fixed assets arisen in business combinations amounting to VND11,004 million (for the six-month period ended 30/6/2016: VND12,297 million) during the period.

<b>As at 30 June 2017</b>	<b>Seasonings VND</b>	<b>Convenience food VND</b>	<b>Beverage VND</b>	<b>Consolidated VND</b>
Segment assets	2,067,759,666,274	1,299,879,119,537	2,778,488,421,533	6,146,127,207,344
Unallocated assets				9,126,896,780,104
<b>Total assets</b>				<b>15,273,023,987,448</b>
Segment liabilities	185,262,380,548	217,500,132,341	724,179,306,087	1,126,941,818,976
Unallocated liabilities				3,928,560,004,760
<b>Total liabilities</b>				<b>5,055,501,823,736</b>
<b>For the six-month period ended 30 June 2017</b>				
Capital expenditure	157,974,171,633	24,971,663,978	21,730,738,050	204,676,573,661
Unallocated capital expenditure				37,478,996,517
Depreciation of tangible fixed assets	91,735,942,094	53,251,791,575	70,024,418,581	215,012,152,250
Unallocated depreciation of tangible fixed assets				7,138,652,312
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	2,412,833,964	8,079,480,264	89,056,165,163	99,548,479,391
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses				27,491,906,994



**Masan Consumer Corporation and its subsidiaries**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)**

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<b>As at 1 January 2017</b>	<b>Seasonings VND</b>	<b>Convenience food VND</b>	<b>Beverage VND</b>	<b>Consolidated VND</b>
Segment assets	1,875,082,609,128	1,356,020,120,800	2,783,135,920,430	6,014,238,650,358
Unallocated assets				11,363,587,596,042
<b>Total assets</b>				<b>17,377,826,246,400</b>
Segment liabilities	181,934,564,179	170,732,625,606	702,777,024,481	1,055,444,214,266
Unallocated liabilities				4,393,943,684,073
<b>Total liabilities</b>				<b>5,449,387,898,339</b>
<b>For the six-month period ended 30 June 2016</b>				
Capital expenditure	42,394,811,479	9,566,664,775	56,106,973,348	108,068,449,602
Unallocated capital expenditure				194,148,570,664
Depreciation of tangible fixed assets	77,370,779,966	53,564,485,859	58,835,508,867	189,770,774,692
Unallocated depreciation of tangible fixed assets				13,957,686,045
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	3,076,897,769	10,730,706,060	107,894,454,311	121,702,058,140
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses				22,870,931,317

**Masan Consumer Corporation and its subsidiaries****Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)****Form B 09a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Details of unallocated assets and unallocated liabilities are as follows:

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Cash and cash equivalents	3,630,943,915,345	6,914,244,921,330
Held-to-maturity investments – short-term	555,100,000,000	1,732,948,841,175
Accounts receivable – short-term – net	255,190,627,546	2,029,920,765,380
Inventories	129,345,173,839	103,734,755,658
Other current assets	7,652,324,057	11,967,257,413
Accounts receivable – long-term	4,005,620,104,891	24,757,902,339
Fixed assets	255,945,510,626	278,110,907,616
Construction in progress	30,497,262,249	22,495,594,849
Other long-term assets	256,601,861,551	245,406,650,282
	<hr/>	<hr/>
Unallocated assets	9,126,896,780,104	11,363,587,596,042
	<hr/>	<hr/>
Accounts payable to suppliers – short-term	46,341,709,781	155,692,783,011
Advances from customers	18,759,999,550	9,862,385,864
Taxes payable to State Treasury	147,300,770,907	266,538,737,389
Payables to employees	13,583,173	14,847,747
Accrued expenses	528,128,668,431	664,106,554,350
Other short-term payables	45,047,441,024	20,934,183,491
Short-term borrowings	2,851,674,621,437	2,887,958,787,537
Other long-term payables	442,589,975	1,624,446,378
Long-term borrowings	123,426,410,346	209,856,177,246
Deferred tax liabilities	167,424,210,136	177,354,781,060
	<hr/>	<hr/>
Unallocated liabilities	3,928,560,004,760	4,393,943,684,073
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**(b) Geographical segments**

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

**Masan Consumer Corporation and its subsidiaries**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)**

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

There were no change in the composition of the Group since the end of the latest annual accounting period which affect the Group's consolidated interim financial statements for the six-month period ended 30 June 2017.

**8. Cash and cash equivalents**

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	727,115,901	2,064,520,061
Cash in banks	90,433,066,111	111,060,401,269
Cash equivalents	3,539,783,733,333	6,801,120,000,000
	<hr/>	<hr/>
	3,630,943,915,345	6,914,244,921,330
	<hr/>	<hr/>

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

**9. Financial investments**

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

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
<b>Held-to-maturity investments – short-term</b>		
▪ Term deposits at banks	555,100,000,000	1,732,948,841,175
	<hr/>	<hr/>

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.

**Masan Consumer Corporation and its subsidiaries**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)**

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**(b) Investment in an associate**

	30/6/2017	1/1/2017
	Number of shares	% of equity owned and % of voting rights
	Carrying value under equity method	Carrying value under equity method
	VND	VND
Investments in an associate:		
▪ Cholimex Food Joint Stock Company	2,659,217	32.83%
	249,391,858,906	2,659,217
		32.83%
		249,391,858,906

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

During the period, the Group does not have any significant transactions with Cholimex Food Joint Stock Company ("CLX"). Please see Note 1(d) for principal activities of CLX.

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

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

**Masan Consumer Corporation and its subsidiaries****Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)****Form B 09a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***10. Accounts receivable from customers****Accounts receivable from customers who are related parties:**

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
<b>Other related parties</b>		
▪ Masan Brewery PY One Member Company Limited	-	5,644,586
▪ Masan Brewery Distribution One Member Company Limited	32,311,187,473	31,752,716,796
▪ Masan Brewery HG One Member Company Limited	3,985,214,192	3,833,035,010
▪ Agro Nutrition International Joint Stock Company	2,047,484,783	-
▪ Vietnamese – French Cattle Feed Joint Stock Company	880,413,612	-

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

**11. Loans receivable**

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Loans receivable from a related party		
▪ Short-term	-	1,663,716,876,592
▪ Long-term	3,806,716,876,592	-

The long-term loans receivable were unsecured and earned interest at 6.5% per annum as at 30 June 2017. These loans matures after 60 months from the drawdown date. Interests are receivables on the maturity date of loan agreements.

**Masan Consumer Corporation and its subsidiaries**  
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**30 June 2017 (continued)**

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**12. Other receivables**

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

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Non-trade amounts due from related parties		
▪ Dividend receivables from an associate	5,318,434,000	-
▪ Accrued interest receivables (*)	-	114,905,802,559
▪ Other receivables (**)	50,380,756,626	11,546,396,400
Accrued interests receivable from deposits at banks	11,758,771,279	26,870,375,441
Short-term deposits	8,543,261,910	3,932,192,910
Others	6,490,591,470	7,209,282,429
	<hr/>	<hr/>
	82,491,815,285	164,464,049,739
	<hr/>	<hr/>

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

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Accrued interest receivable from a related party (*)	178,636,852,927	-
Long-term deposits	20,266,375,372	24,757,902,339
	<hr/>	<hr/>
	198,903,228,299	24,757,902,339
	<hr/>	<hr/>

(\*) These represented interest income receivable from loans provided to a related party. Please see Notes 11 and 38 for further information.

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

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**13. Allowance for doubtful debts**

Overdue days	30/6/2017		1/1/2017		Recoverable amount VND	
	Cost VND	Allowance VND	Recoverable amount VND	Allowance VND		
0 – 30 days	50,251,234,376	-	50,251,234,376	43,712,307,539	-	43,712,307,539
31 – 180 days	21,336,325,899	-	21,336,325,899	562,712,024	-	562,712,024
181 – 365 days	4,746,299	-	4,746,299	119,942,347	(4,553,821)	115,388,526
Over 365 days	102,362,077	(76,898,913)	25,463,164	1,283,068,350	(1,212,473,536)	70,594,814
	71,694,668,651	(76,898,913)	71,617,769,738	45,678,030,260	(1,217,027,357)	44,461,002,903
Allowance for doubtful debts		(76,898,913)			(1,217,027,357)	
Movements in the allowance for doubtful debts during the period were as follows:						
Opening balance					Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Allowance utilised during the period					1,217,027,357	805,801,581
Written back					(1,116,628,444)	-
					(23,500,000)	(48,032,644)
Closing balance					76,898,913	757,768,937

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**14. Inventories**

	30/6/2017		1/1/2017	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	27,799,533,235	-	23,020,158,807	-
Raw materials	539,344,139,184	(3,893,481,113)	350,142,495,576	(9,590,373,377)
Tools and supplies	78,155,220,072	-	71,745,888,578	-
Work in progress	72,441,945,062	-	67,061,968,283	-
Finished goods	237,469,721,116	(2,257,650,702)	212,346,462,681	(3,512,887,094)
Merchandise inventories	5,975,406,838	(332,208)	4,707,314,865	-
	<hr/>		<hr/>	
	961,185,965,507	(6,151,464,023)	729,024,288,790	(13,103,260,471)

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

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Opening balance	13,103,260,471	16,622,900,983
Increase in allowance during the period	9,920,965,801	27,514,490,401
Allowance utilised during the period	(16,101,459,007)	(19,358,418,148)
Written back	(771,303,242)	(4,300,746,182)
	<hr/>	<hr/>
Closing balance	6,151,464,023	20,478,227,054

Included in inventories of the Group as at 30 June 2017 was VND6,151 million (1/1/2017: VND13,103 million) of slow-moving inventories.



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**15. Tangible fixed assets**

	Buildings VND	Leasehold improvements VND	Office equipment VND	Machinery and equipment VND	Motor vehicles VND	Total VND
<b>Cost</b>						
Opening balance	1,324,954,035,367	62,791,110,984	63,408,917,510	3,211,564,534,175	32,162,488,959	4,694,881,086,995
Additions during the period	221,314,858	-	73,015,454	842,828,000	75,821,200	1,212,979,512
Transfer from construction in progress	57,293,182,698	-	1,473,068,000	160,815,397,496	185,000,000	219,766,648,194
Disposals	(1,527,366,870)	-	(335,304,545)	(8,781,822,987)	(3,730,082,616)	(14,374,577,018)
Written off	(2,357,977,674)	-	(2,635,915,146)	(198,619,048)	-	(5,192,511,868)
Closing balance	1,378,583,188,379	62,791,110,984	61,983,781,273	3,364,242,317,636	28,693,227,543	4,896,293,625,815
<b>Accumulated depreciation</b>						
Opening balance	234,785,355,878	19,484,246,535	32,794,245,843	1,258,023,912,009	17,682,965,730	1,562,770,725,995
Charge for the period	37,169,835,919	5,225,854,540	3,924,270,505	173,762,624,382	2,068,219,216	222,150,804,562
Disposals	(1,515,537,341)	-	(323,092,827)	(8,004,074,110)	(3,438,124,286)	(13,280,828,564)
Written off	(2,357,977,674)	-	(2,629,381,804)	(198,619,048)	-	(5,185,978,526)
Closing balance	268,081,676,782	24,710,101,075	33,766,041,717	1,423,583,843,233	16,313,060,660	1,766,454,723,467
<b>Net book value</b>						
Opening balance	1,090,168,679,489	43,306,864,449	30,614,671,667	1,953,540,622,166	14,479,523,229	3,132,110,361,000
Closing balance	1,110,501,511,597	38,081,009,909	28,217,739,556	1,940,658,474,403	12,380,166,883	3,129,838,902,348

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Included in the cost of tangible fixed assets of the Group were assets costing VND357,809 million, which were fully depreciated as of 30 June 2017 (1/1/2017: VND303,992 million), but which are still in active use.

As at 30 June 2017 and 1 January 2017, certain of the Group's tangible fixed assets were pledged with banks as security for loans granted to the Group and the parent company.

The carrying amount of the Group's temporarily idle equipment in tangible fixed assets amounted to VND23,943 million as of 30 June 2017 (1/1/2017: VND11,261 million).

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**16. Intangible fixed asset**

	Land use rights VND	Software VND	Exploitation rights VND	Brand name VND	Customer relationships VND	Mineral water resources VND	Total VND
<b>Cost</b>							
Opening balance	119,085,818,402	290,444,510,787	117,800,213,296	758,354,816,571	404,114,911,701	412,697,763,511	2,102,498,034,268
Additions during the period	-	1,069,892,667	-	-	-	-	1,069,892,667
Written off	-	(807,270,780)	-	-	-	-	(807,270,780)
Closing balance	119,085,818,402	290,707,132,674	117,800,213,296	758,354,816,571	404,114,911,701	412,697,763,511	2,102,760,656,155
<b>Accumulated amortisation</b>							
Opening balance	26,068,492,542	63,380,703,674	7,817,687,894	318,335,873,925	344,785,103,101	29,528,450,556	789,916,311,692
Charge for the period	1,903,335,438	17,685,270,479	3,029,272,699	33,446,434,254	4,069,420,620	10,967,334,138	71,101,067,628
Written off	-	(765,777,015)	-	-	-	-	(765,777,015)
Closing balance	27,971,827,980	80,300,197,138	10,846,960,593	351,782,308,179	348,854,523,721	40,495,784,694	860,251,602,305
<b>Net book value</b>							
Opening balance	93,017,325,860	227,063,807,113	109,982,525,402	440,018,942,646	59,329,808,600	383,169,312,955	1,312,581,722,576
Closing balance	91,113,990,422	210,406,935,536	106,953,252,703	406,572,508,392	55,260,387,980	372,201,978,817	1,242,509,053,850

Included in the cost of intangible fixed assets of the Group were assets costing VND12,193 million, which were fully amortised as of 30 June 2017 (1/1/2017: VND12,270 million), but which are still in active use.

**Masan Consumer Corporation and its subsidiaries****Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)****Form B 09a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***17. Construction in progress**

	<b>Six-month period ended 30/6/2017 VND</b>
Opening balance	371,351,502,339
Additions during the period	212,481,592,669
Transfer to tangible fixed assets	(219,766,648,194)
Transfer to long-term prepaid expenses	(15,446,208,471)
Closing balance	<u>348,620,238,343</u>

Major constructions in progress were as follows:

	<b>30/6/2017 VND</b>	<b>1/1/2017 VND</b>
Buildings	40,375,098,694	62,320,901,859
Machinery and equipment	307,335,280,682	307,133,072,485
Software	904,610,625	197,379,408
Others	5,248,342	1,700,148,587
	<u>348,620,238,343</u>	<u>371,351,502,339</u>

As at 30 June 2017, there was no construction in progress of the Group was pledged with banks as security for loans granted to the Group and the parent company. As at 1 January 2017, certain construction in progress of the Group was pledged with banks as security for loans granted to the Group and the parent company.

During the period, there was no borrowing costs capitalised into construction in progress of the Group (for the six-month period ended 30 June 2016: VND7,207 million).

Masan Consumer Corporation and its subsidiaries

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

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**18. Long-term prepaid expenses**

	Prepaid land costs VND	Goodwill from equitisation VND	Tools and supplies VND	Total VND
Opening balance	85,372,636,895	28,209,340,381	79,647,109,247	193,229,086,523
Additions during the period	-	-	4,344,821,599	4,344,821,599
Transfer from construction in progress	2,432,979,833	-	13,013,228,638	15,446,208,471
Amortisation for the period	(1,083,276,651)	(1,567,185,576)	(18,888,480,056)	(21,538,942,283)
Disposals	-	-	(33,221,531)	(33,221,531)
Reclassification	(4,856,782)	-	4,856,782	-
Translation differences	-	-	31,235,567	31,235,567
Closing balance	86,717,483,295	26,642,154,805	78,119,550,246	191,479,188,346

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**19. Deferred tax assets and liabilities**

**Recognised deferred tax assets and liabilities**

	30/6/2017		1/1/2017	
	Deferred tax assets VND	Deferred tax liabilities VND	Deferred tax assets VND	Deferred tax liabilities VND
Accrued advertising and promotion expenses	110,648,519,021	-	105,248,849,406	-
Accrued logistic expenses	20,968,876,662	-	17,374,503,772	-
Accrued sales discounts	3,982,461,790	-	5,161,030,851	-
Other accruals	20,498,734,411	-	18,846,737,999	-
Unrealised profits	7,380,490,591	-	3,541,571,112	-
Tangible fixed assets	-	(3,845,477,406)	-	(5,546,199,648)
Intangible fixed assets	-	(163,578,732,730)	-	(171,808,581,412)
	163,479,082,475	(167,424,210,136)	150,172,693,140	(177,354,781,060)

**20. Goodwill**

	Six-month period ended 30/6/2017 VND
<b>Cost</b>	
Opening and closing balances	693,961,414,227
<b>Accumulated amortisation</b>	
Opening balance	269,425,155,287
Charge for the period	34,400,376,474
Closing balance	303,825,531,761
<b>Net book value</b>	
Opening balance	424,536,258,940
Closing balance	390,135,882,466

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**21. Accounts payable to suppliers**

**Accounts payable to suppliers classified by payment term**

	30/6/2017		1/1/2017	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Short-term	683,333,806,666	683,333,806,666	708,987,463,602	708,987,463,602
Long-term	78,525,018,000	78,525,018,000	88,334,503,000	88,334,503,000
	<hr/> 761,858,824,666	<hr/> 761,858,824,666	<hr/> 797,321,966,602	<hr/> 797,321,966,602

Masan Consumer Corporation and its subsidiaries  
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22. Taxes payable to State Treasury

	1/1/2017 VND	Incurred VND	Paid/refunded VND	Deducted VND	30/6/2017 VND
Value added tax	142,285,775,265	888,825,479,587	(248,402,261,031)	(735,330,576,206)	47,378,417,615
Import-export tax	-	2,182,119,655	(2,182,119,655)	-	-
Corporate income tax	165,922,388,261	107,459,768,200	(156,820,459,562)	-	116,561,696,899
Personal income tax	3,257,586,774	32,303,789,631	(28,299,643,996)	(1,779,669,318)	5,482,063,091
Other taxes	1,285,214,101	42,001,854,365	(41,194,955,200)	-	2,092,113,266
	312,750,964,401	1,072,773,011,438	(476,899,439,444)	(737,110,245,524)	171,514,290,871



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**23. Accrued expenses**

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Advertising and promotion expenses	433,240,686,241	572,533,158,360
Logistic expenses	113,983,589,987	92,335,239,793
Exhibition expense	14,149,933,606	19,595,353,810
Bonus and 13 <sup>th</sup> month salary	55,051,307,651	88,970,497,961
Sales discounts	20,575,097,337	29,710,794,483
Market research expenses	24,678,235,548	16,534,099,796
Accrued interest expenses	3,378,066,962	5,786,985,888
Construction in progress	14,351,495,434	26,528,811,619
Purchases not yet received invoices	53,898,379,241	29,565,152,100
Accrued information and technology expenses	33,648,365,274	17,931,285,060
Others	66,137,912,653	59,211,917,474
	<hr/>	<hr/>
	833,093,069,934	958,703,296,344
	<hr/>	<hr/>

**24. Other payables**

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

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Trade union fees, social, health and unemployment insurances	15,388,795,840	12,599,617,645
Short-term deposits	4,450,682,955	5,108,373,944
Dividend payable	5,503,215,800	3,074,462,000
Obligation to issue shares	28,639,696,500	4,611,749,500
Others	2,095,800,082	2,066,886,461
	<hr/>	<hr/>
	56,078,191,177	27,461,089,550
	<hr/>	<hr/>

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

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits	19,731,317,625	22,360,630,839
	<hr/>	<hr/>

Masan Consumer Corporation and its subsidiaries

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**25. Borrowings**

(a) Short-term borrowings

	1/1/2017		Movement during the period		30/6/2017	
	Carrying amount VND	Amount within repayment capacity VND	Addition VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	2,804,302,605,157	2,804,302,605,157	3,514,014,878,605	(3,521,499,044,705)	2,796,818,439,057	2,796,818,439,057
Current portion of long-term borrowings	83,656,182,380	83,656,182,380	27,428,091,190	(56,228,091,190)	54,856,182,380	54,856,182,380
	<u>2,887,958,787,537</u>	<u>2,887,958,787,537</u>	<u>3,541,442,969,795</u>	<u>(3,577,727,135,895)</u>	<u>2,851,674,621,437</u>	<u>2,851,674,621,437</u>

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

	<b>Currency</b>	<b>Annual interest rate</b>	<b>30/6/2017 VND</b>	<b>1/1/2017 VND</b>
<b>Short-term borrowings</b>				
▪ Secured bank loans	VND	4.0% - 5.2%	254,484,489,488	453,236,733,465
▪ Unsecured bank loans	VND	4.0% - 5.2%	2,542,333,949,569	2,351,065,871,692
			2,796,818,439,057	2,804,302,605,157

As at 30 June 2017 and 1 January 2017, the secured bank loans of the Group were guaranteed by the Company.

**(b) Long-term borrowings**

	<b>30/6/2017 VND</b>	<b>1/1/2017 VND</b>
Long-term borrowings	178,282,592,726	293,512,359,626
Repayable within twelve months	(54,856,182,380)	(83,656,182,380)
	123,426,410,346	209,856,177,246

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

	<b>Currency</b>	<b>Annual interest rate</b>	<b>Year of maturity</b>	<b>30/6/2017 VND</b>	<b>1/1/2017 VND</b>
<b>Long-term borrowings</b>					
▪ Secured bank loans	VND	9.0% - 9.3%	2020	178,282,592,726	293,512,359,626

The secured bank loans of the Group were secured over fixed assets of the Group with a carrying amount of VND648,351 million (1/1/2017: fixed assets and construction in progress with carrying amount of VND816,233 million and VND3,306 million, respectively).

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

As at 30 June 2017 and 1 January 2017, the Group does not have any overdue borrowings including principle and interest.

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**26. Changes in owners' equity**

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Investment and development fund VND	Undistributed profits after tax VND	Non-controlling interests ("NCI") VND	Total VND
<b>Balance at 1 January 2016</b>	5,351,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	22,731,972,844	2,984,708,427,270	1,274,377,326,585	12,815,447,003,430
Share capital issued (Note 27)	30,000,000,000	-	-	-	-	-	-	30,000,000,000
Net profit for the period	-	-	-	-	-	962,560,615,361	2,357,823,520	964,918,438,881
Dividends (Note 28)	-	-	-	-	-	(2,896,096,655,200)	-	(2,896,096,655,200)
Board of Directors' fees of a subsidiary	-	-	-	-	-	(984,173,903)	(599,578,097)	(1,583,752,000)
NCI at acquisition date	-	-	-	-	-	-	1,380,686,995	1,380,686,995
Acquisition of additional equity interest in subsidiaries from NCI	-	-	-	-	-	(147,403,906,967)	(281,011,181,520)	(428,415,088,487)
<b>Balance at 30 June 2016</b>	5,381,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	22,731,972,844	902,784,306,561	996,505,077,483	10,485,650,633,619

**Masan Consumer Corporation and its subsidiaries**

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	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Undistributed profits after tax VND	Non-controlling interests ("NCI") VND	Total VND
<b>Balance at 1 January 2017</b>	5,381,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	(2,253,725,216)	22,731,972,844	2,434,650,312,379	909,680,511,323	11,928,438,348,061
Net profit for the period	-	-	-	-	-	-	618,053,499,917	8,461,251,938	626,514,751,855
Dividends (Note 28)	-	-	-	-	-	-	(2,340,720,526,500)	-	(2,340,720,526,500)
Translation differences	-	-	-	-	3,289,583,572	-	-	6,724	3,289,590,296
<b>Balance at 30 June 2017</b>	5,381,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	1,035,858,356	22,731,972,844	711,983,285,796	918,141,769,985	10,217,522,163,712

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**27. Share capital, share premium and treasury shares**

The Company's authorised and issued share capital are:

	30/6/2017		1/1/2017	
	Number of shares	VND	Number of shares	VND
<b>Authorised and issued share capital</b>				
Ordinary shares	538,160,117	5,381,601,170,000	538,160,117	5,381,601,170,000
<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	520,160,117	5,201,601,170,000	520,160,117	5,201,601,170,000
<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 in shares currently in circulation during the period were as follows:

	Six-month period ended			
	30/6/2017		30/6/2016	
	Number of shares	Par value VND	Number of shares	Par value VND
Balance at the beginning of the period - currently in circulation	520,160,117	5,201,601,170,000	517,160,117	5,171,601,170,000
Shares issued during the period	-	-	3,000,000	30,000,000,000
Balance at the end of the period - currently in circulation	520,160,117	5,201,601,170,000	520,160,117	5,201,601,170,000

**28. Dividends**

The Annual General Meeting of Shareholders of the Company on 20 April 2017 resolved to distribute dividends by cash amounting to VND2,340,721 million (for the six-month period ended 30 June 2016: VND2,896,097 million).

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**29. Off balance sheet items**

**(a) Lease commitments**

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

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Within 1 year	97,835,089,781	130,627,053,331
Within 2 to 5 years	35,695,335,764	105,726,617,900
	<hr/>	<hr/>
	133,530,425,545	236,353,671,231
	<hr/>	<hr/>

**(b) Foreign currencies**

	<b>30/6/2017</b>		<b>1/1/2017</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND Equivalent</b>
USD	258,223	5,854,005,964	616,066	13,997,015,659
THB	91,617,652	59,643,091,666	97,959,692	60,637,049,233
		<hr/>		<hr/>
		65,497,097,630		74,634,064,892
		<hr/>		<hr/>

**(c) Capital expenditure commitments**

As at 30 June 2017, the Group had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Approved and contracted	139,872,209,300	260,303,831,552
Approved but not contracted	137,438,004,534	125,949,862,404
	<hr/>	<hr/>
	277,310,213,834	386,253,693,956
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**30. Revenue from sales of goods and provision of services**

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

Net revenue comprised:

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Sales of goods	5,568,481,371,088	5,887,162,414,069
▪ Other sales	17,990,137,043	20,119,932,767
	<hr/>	<hr/>
	5,586,471,508,131	5,907,282,346,836
	<hr/>	<hr/>
Less revenue deductions		
▪ Sales discounts	45,338,417,193	72,095,613,748
▪ Sales returns	78,768,827,784	31,645,658,470
	<hr/>	<hr/>
	124,107,244,977	103,741,272,218
	<hr/>	<hr/>
Net revenue	5,462,364,263,154	5,803,541,074,618
	<hr/>	<hr/>

**31. Cost of sales**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales		
▪ Goods sold	2,993,641,669,566	3,256,454,838,795
▪ Other cost of goods sold	36,330,139,231	34,104,097,109
▪ Allowance for inventories	9,149,662,559	23,213,744,219
	<hr/>	<hr/>
	3,039,121,471,356	3,313,772,680,123
	<hr/>	<hr/>



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**32. Financial income**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits at banks	144,279,534,068	144,280,573,726
Interest income from loans provided to a related party	63,731,050,368	69,961,067,444
Interest income from other loan investing activities	-	55,311,896,449
Foreign exchange gains	1,234,086,213	890,637,962
Realised gains from derivative financial instruments	-	2,509,420,890
	<b>209,244,670,649</b>	<b>272,953,596,471</b>

**33. Financial expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Interest expense on borrowings from banks	54,163,803,973	53,699,054,660
Foreign exchange losses	2,173,857,172	929,049,964
	<b>56,337,661,145</b>	<b>54,628,104,624</b>

**34. Selling expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Advertising and promotion expenses	1,010,786,016,270	737,108,020,353
Logistic expenses	253,406,290,954	274,238,580,150
Staff costs	123,119,390,904	133,797,503,459
Exhibition expenses	40,380,640,615	23,340,748,867
Marketing research expenses	26,732,861,705	13,589,715,935
Others	37,841,229,075	20,403,756,710
	<b>1,492,266,429,523</b>	<b>1,202,478,325,474</b>

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**35. General and administration expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Staff costs	109,201,058,182	119,224,026,894
Amortisation of fair value uplift of fixed assets arising in business combination	60,694,291,926	84,544,333,538
Leased line system and information technology services	54,767,620,412	64,513,018,653
Amortisation of goodwill	34,400,376,474	33,268,038,679
Office rental	26,226,449,117	25,573,706,402
Research and development expenses	6,042,149,413	12,718,029,996
Depreciation and amortisation of fixed assets	31,870,504,988	27,729,813,245
Others	54,916,141,606	42,586,865,170
	<b>378,118,592,118</b>	<b>410,157,832,577</b>

**36. Income tax**

**(a) Recognised in the consolidated statement of income**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>		
Current period	107,210,853,961	159,798,817,823
Under provision in prior periods	248,914,239	360,811,733
	<b>107,459,768,200</b>	<b>160,159,629,556</b>
<b>Deferred tax benefit</b>		
Origination and reversal of temporary differences	(17,717,197,926)	(24,655,863,469)
Effect of change in tax rate	(5,519,762,333)	(2,406,502,635)
	<b>(23,236,960,259)</b>	<b>(27,062,366,104)</b>
Income tax expense	<b>84,222,807,941</b>	<b>133,097,263,452</b>

**Masan Consumer Corporation and its subsidiaries**  
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**(b) Reconciliation of effective tax rate**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	710,737,559,796	1,098,015,702,333
Tax at the Company's income tax rate	142,147,511,959	219,603,140,468
Effect of incentive tax rates in subsidiaries	(82,788,387,547)	(119,922,036,914)
Effect of share of profit in an associate	(1,063,686,800)	(691,380,208)
Non-deductible expenses	1,575,412,938	1,000,975,110
Under provision in prior periods	248,914,239	360,811,733
Tax losses utilised	(213,273,480)	-
Effect of amortisation of goodwill	6,880,075,295	6,653,607,736
Deferred tax assets not recognised	17,436,241,337	26,092,145,527
	84,222,807,941	133,097,263,452

**(c) Applicable tax rates**

The Company has an obligation to pay corporate income tax to the government at corporate income tax rate of 20% from 2016 onwards.

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

**(d) Tax contingencies**

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

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**37. Earnings per share**

**(a) Basic earnings per share**

The calculation of basic earnings per share for the six-month period ended 30 June 2017 was based on the profit attributable to ordinary shareholders of the Company after deducting the amounts appropriated to bonus and welfare funds for the period, of VND618,053 million (for the six-month period ended 30 June 2016: VND962,561 million) and a weighted average number of ordinary shares outstanding of 520,160,117 (for the six-month period ended 30 June 2016: 517,308,469), calculated as follows:

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

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Net profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds	618,053,499,917	962,560,615,361

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

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
Issued ordinary shares at the beginning of the period - currently in circulation	520,160,117	517,160,117
Effect of shares issued during the period	-	148,352
Weighted average number of ordinary shares at the end of the period - currently in circulation	520,160,117	517,308,469

**(iii) Basic earnings per share**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Basic earnings per share	1,188	1,861

**(b) Diluted earnings per share**

As at 30 June 2017 and 1 January 2017, the Company did not have potential ordinary shares therefore the presentation of diluted earnings per share is not applicable.

**Masan Consumer Corporation and its subsidiaries**

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**38. Significant transactions with related parties**

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

Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		Six-month period ended 30/6/2017 VND	30/6/2016 VND	30/6/2017 VND	1/1/2017 VND
<b>Parent company</b>					
Masan Consumer Holdings Company Limited	Loans receivable	3,330,405,000,000	3,131,978,712,592	3,806,716,876,592	1,663,716,876,592
	Collection of loan through net-off with dividends payable	1,187,405,000,000	1,889,261,836,000	-	-
	Interest income receivable from loans	63,731,050,368	69,961,067,444	178,636,852,927	114,905,802,559
	Dividends declared	2,270,686,203,000	2,799,261,836,000	-	-
	Dividends paid by cash	1,083,281,203,000	910,000,000,000	-	-
<b>Associate</b>					
Cholimex Food Joint Stock Company	Pre-acquisition dividends received	-	5,320,434,000	-	-
	Post-acquisition dividends receivable	5,318,434,000	-	5,318,434,000	-
<b>Other related parties</b>					
Masan Brewery PY One Member Company Limited	Sales of goods	9,303,950	2,217,000	-	5,644,586
Masan Brewery Distribution One Member Company Limited	Purchases of goods	1,465,633,227	1,164,839,000	-	-
	Sales of goods	805,500,570	-	850,796,780	-
	Management fee	22,125,100,397	14,874,957,831	53,585,491,090	31,752,716,796

**Masan Consumer Corporation and its subsidiaries**

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		Six-month period ended 30/6/2017 VND	30/6/2016 VND	30/6/2017 VND	1/1/2017 VND
Masan Brewery HG One Member Company Limited	Sales of goods	163,896,227	1,441,050	158,286,439	6,107,257
	Management fee	1,318,174,519	1,328,019,948	4,601,277,859	3,826,927,753
	Purchases of goods	10,000,000	-	(4,400,000)	-
	Payment on behalf of land rental fee	-	-	11,546,396,400	11,546,396,400
Agro Nutrition International Joint Stock Company	Sales of goods	81,527,481	-	-	-
	Management fee	8,917,402,057	-	9,103,537,037	-
Vietnamese – French Cattle Feed Joint Stock Company	Sales of goods	163,992,600	-	-	-
	Management fee	9,135,409,067	-	9,215,446,668	-
<b>Key management personnel</b>	<b>Remuneration to key management personnel (*)</b>	<b>13,142,617,617</b>	<b>14,633,166,252</b>		

As at 30 June 2017, the Group has current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank at normal term.

(\*) No board fees were paid to Board of Directors members of the Company for the periods ended 30 June 2017 and 2016.

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**39. Post balance sheet events**

On 18 July 2017, the Company successfully issued 4,972,660 ordinary shares at par value to its employees under employees stock ownership plan (“ESOP”) after obtaining shareholders’ approval at its Annual General Meeting in April 2017. As a result of this event, the Company share capital and ordinary shares increased to VND5,431,327,770,000 and 543,132,777 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 consolidated interim financial statements.

15 August 2017

Prepared by: 



Huynh Viet Thang  
Chief Accountant



Pham Dinh Toai  
Acting Chief Financial Officer

Approved by:



Seokhee Won  
Chief Executive Officer