



KPMG'S COPY

Masan Consumer Corporation
Separate 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

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

Auditor

KPMG Limited
Vietnam

Masan Consumer Corporation Statement of the Board of Management


The Board of Management of Masan Consumer Corporation (“the Company”) presents this statement and the accompanying separate interim financial statements of the Company for the six-month period ended 30 June 2017.

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

- (a) the separate interim financial statements set out on pages 5 to 42 give a true and fair view of the separate financial position of the Company as at 30 June 2017, and of its separate results of operations and its separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Company’s Board of Management has, on the date of this statement, authorised these accompanying separate 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
10th Floor, Sun Wah Tower
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 separate interim financial statements of Masan Consumer Corporation ("the Company"), which comprise the separate balance sheet as at 30 June 2017, the separate statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 15 August 2017, as set out on pages 5 to 42.

Management's Responsibility

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

Auditor's Responsibility

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

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



Auditor's Conclusion

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

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 17-01-254



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
Separate balance sheet as at 30 June 2017

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

	Code	Note	30/6/2017 VND	1/1/2017 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		2,781,253,217,924	10,349,274,001,384
Cash and cash equivalents	110	7	1,650,283,566,732	4,696,551,755,028
Cash	111		4,903,566,732	20,951,755,028
Cash equivalents	112		1,645,380,000,000	4,675,600,000,000
Short-term financial investments	120		-	1,279,948,841,175
Held-to-maturity investments	123	8(a)	-	1,279,948,841,175
Accounts receivable – short-term	130		1,000,145,053,702	4,283,852,563,033
Accounts receivable from customers	131	9	278,877,078,780	333,636,196,490
Prepayments to suppliers	132		49,818,712,268	6,589,975,715
Short-term loans receivable	135	10	-	1,663,716,876,592
Other short-term receivables	136	11(a)	671,449,262,654	2,279,909,514,236
Inventories	140	12	126,803,005,723	79,445,760,231
Inventories	141		129,048,833,690	79,725,053,827
Allowance for inventories	149		(2,245,827,967)	(279,293,596)
Other current assets	150		4,021,591,767	9,475,081,917
Short-term prepaid expenses	151		3,556,771,852	9,475,081,917
Deductible value added tax	152		464,819,915	-

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

Masan Consumer Corporation
Separate balance sheet as at 30 June 2017 (continued)

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

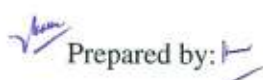
	Code	Note	30/6/2017 VND	1/1/2017 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		9,042,231,639,014	5,087,719,815,800
Accounts receivable – long-term	210		4,001,832,399,710	20,667,561,158
Long-term loans receivable	215	10	3,806,716,876,592	-
Other long-term receivables	216	11(b)	195,115,523,118	20,667,561,158
Fixed assets	220		254,349,415,376	277,006,087,390
Tangible fixed assets	221	13	52,262,137,781	59,257,935,176
<i>Cost</i>	222		97,214,208,884	98,550,132,221
<i>Accumulated depreciation</i>	223		(44,952,071,103)	(39,292,197,045)
Intangible fixed assets	227	14	202,087,277,595	217,748,152,214
<i>Cost</i>	228		276,132,945,827	275,063,053,160
<i>Accumulated amortisation</i>	229		(74,045,668,232)	(57,314,900,946)
Long-term work in progress	240		604,610,625	4,413,036,077
Construction in progress	242	15	604,610,625	4,413,036,077
Long-term financial investments	250		4,665,771,509,348	4,665,771,509,348
Investments in subsidiaries	251	8(b)	4,665,771,509,348	4,665,771,509,348
Other long-term assets	260		119,673,703,955	119,861,621,827
Long-term prepaid expenses	261	16	12,257,616,141	12,445,534,013
Deferred tax assets	262	17	107,416,087,814	107,416,087,814
TOTAL ASSETS (270 = 100 + 200)	270		11,823,484,856,938	15,436,993,817,184

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

Masan Consumer Corporation
Separate balance sheet as at 30 June 2017 (continued)

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


	Code	Note	30/6/2017 VND	1/1/2017 VND
RESOURCES				
LIABILITIES (300 = 310)	300		2,791,919,747,618	4,246,769,360,739
Current liabilities	310		2,791,919,747,618	4,246,769,360,739
Accounts payable to suppliers	311	18	414,763,728,096	1,671,575,048,391
Advances from customers	312		18,741,042,646	9,751,691,244
Taxes payable to State Treasury	313	19	4,822,125,145	107,811,056,859
Accrued expenses	315	20	437,845,369,883	581,410,189,142
Other short-term payables	319	21	45,525,612,783	16,908,965,636
Short-term borrowings	320	22	1,870,221,869,065	1,859,312,409,467
EQUITY (400 = 410)	400		9,031,565,109,320	11,190,224,456,445
Owners' equity	410	23	9,031,565,109,320	11,190,224,456,445
Share capital	411	24	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	24	5,088,056,394,992	5,088,056,394,992
Treasury shares	415	24	(1,640,252,631,255)	(1,640,252,631,255)
Undistributed profits after tax	421		202,160,175,583	2,360,819,522,708
- Undistributed profits after tax brought forward	421a		20,098,996,208	-
- Undistributed profit after tax for the current period/prior year	421b		182,061,179,375	2,360,819,522,708
TOTAL RESOURCES (440 = 300 + 400)	440		11,823,484,856,938	15,436,993,817,184

Prepared by: 

15 August 2017

Approved by:


 Huynh Viet Thang
 Chief Accountant


 Pham Dinh Toai
 Acting Chief Financial Officer


 Seokhee Won
 Chief Executive Officer


 M.S.D.N: 0302017440 - C.T.P
 CÔNG TY
 CỔ PHẦN
 HÀNG TIÊU DÙNG
 MASAN
 QUẬN 1 - T.P.HỒ CHÍ MINH

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

Masan Consumer Corporation
Separate statement of income for the six-month period ended 30 June 2017

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

	Code	Note	Six-month period ended	
			30/6/2017 VND	30/6/2016 VND
Revenue from sales of goods	01	27	3,925,655,946,309	4,377,561,337,269
Revenue deductions	02	27	48,611,986,719	26,547,859,285
Net revenue (10 = 01 - 02)	10	27	3,877,043,959,590	4,351,013,477,984
Cost of sales	11	28	2,954,348,783,463	3,558,323,789,430
Gross profit (20 = 10 - 11)	20		922,695,176,127	792,689,688,554
Financial income	21	29	412,931,035,594	590,175,481,562
Financial expenses	22	30	30,115,419,960	29,849,116,385
<i>In which: Interest expense</i>	23		29,914,028,866	29,691,472,997
Selling expenses	25	31	974,311,086,404	904,443,473,310
General and administration expenses	26	32	149,132,231,561	194,859,551,932
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		182,067,473,796	253,713,028,489
Other income	31		354,057,122	428,881,448
Other expenses	32		360,351,543	1,735,254,276
Results of other activities (40 = 31 - 32)	40		(6,294,421)	(1,306,372,828)
Accounting profit before tax (50 = 30 + 40)	50		182,061,179,375	252,406,655,661
Income tax expense – current	51	34	-	-
Income tax expense – deferred	52	34	-	3,111,424,737
Net profit after tax (60 = 50 - 51 - 52)	60		182,061,179,375	249,295,230,924

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 separate interim financial statements

Masan Consumer Corporation
Separate statement of cash flows for the six-month period ended 30 June 2017
(Indirect method)

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

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	182,061,179,375	252,406,655,661
Adjustments for			
Depreciation and amortisation	02	23,802,385,881	21,877,489,919
Allowances and provisions	03	3,548,152,930	6,694,437,786
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	16,081,019	34,871,000
(Gain)/losses on disposals of fixed assets and construction in progress	05	(250,000,000)	1,704,959,316
Interest income, distributed profits and related income from investing activities	05	(412,754,309,757)	(589,980,126,244)
Interest expense	06	29,914,028,866	29,691,472,997
Operating loss before changes in working capital	08	(173,662,481,686)	(277,570,239,565)
Change in receivables and other assets	09	(25,518,341,145)	36,110,503,161
Change in inventories	10	(50,905,398,422)	(60,434,045,428)
Change in payables and other liabilities	11	(1,419,872,437,132)	(526,917,716,800)
Change in prepaid expenses	12	10,423,546,014	223,511,124
		(1,659,535,112,371)	(828,587,987,508)
Interest paid	14	(29,929,659,906)	(29,903,528,926)
Corporate income tax paid	15	(48,221,652,715)	(66,057,681,306)
Net cash flows from operating activities	20	(1,737,686,424,992)	(924,549,197,740)

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

Masan Consumer Corporation
Separate statement of cash flows for the six-month period ended 30 June 2017
(Indirect method – continued)

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

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(2,356,416,477)	(23,092,667,958)
Proceeds from disposals of fixed assets and construction in progress	22	250,000,000	2,994,089,006
Payments for granting loans	23	(3,330,405,000,000)	(3,131,978,712,592)
Receipt from collecting loans	24	-	6,729,614,068,000
Placement of term deposits to banks	23	(742,018,000,000)	(14,411,800,000,000)
Withdrawal of term deposits from banks	24	2,021,966,841,175	11,938,800,000,000
Payments for investments in subsidiaries	25	-	(392,500,000,000)
Receipts of interests and distributed profits	27	1,883,952,463,804	1,360,299,101,008
Net cash flows from investing activities	30	(168,610,111,498)	2,072,335,877,464
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share capital issued	31	-	30,000,000,000
Proceeds from borrowings from banks	33	2,280,359,942,349	2,878,958,860,657
Payments to settle loan principals to banks	34	(2,269,450,482,751)	(2,998,583,082,871)
Payments of dividends	36	(1,150,886,772,700)	(999,045,130,400)
Net cash flows from financing activities	40	(1,139,977,313,102)	(1,088,669,352,614)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(3,046,273,849,592)	59,117,327,110
Cash and cash equivalents at the beginning of the period	60	4,696,551,755,028	1,448,427,905,127
Effect of exchange rate fluctuations on cash and cash equivalents	61	5,661,296	(34,445,109)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	1,650,283,566,732	1,507,510,787,128

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

Masan Consumer Corporation
Separate statement of cash flows for the six-month period ended 30 June 2017
(Indirect method – continued)

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

NON-CASH INVESTING AND FINANCING ACTIVITIES

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
▪ Net-off dividend payable with loan receivables from related parties	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 separate interim financial statements

Masan Consumer Corporation

Notes to the separate interim financial statements for the six-month period ended 30 June 2017

Form B 09a – DN

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

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

1. Reporting entity

(a) Ownership structure

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

(b) Principal activities

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

(c) Normal operating cycle

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

(d) Company structure

As at 30 June 2017, the Company had 1,084 employees (1/1/2017: 1,192 employees).

2. Basis of preparation

(a) Statement of compliance

These separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. The Company prepares and issues its consolidated interim financial statements separately. For a comprehensive understanding of the Company’s consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements.

(b) Basis of measurement

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

Masan Consumer Corporation

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

Form B 09a – DN

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Company'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 Company in the preparation of these separate interim financial statements.

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

(a) Foreign currency transactions

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

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

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

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known 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.

Masan Consumer Corporation

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

Form B 09a – DN

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

(c) Investments

(i) Held-to-maturity investments

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

(ii) Investments in subsidiaries

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

(d) Accounts receivable from customers and other receivables

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

(e) Inventories

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

The Company applies the perpetual method of accounting for inventories.

Masan Consumer Corporation

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

Form B 09a – DN

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

(f) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the separate 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.

(ii) Depreciation

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

▪ buildings	4 - 6 years
▪ leasehold improvements	3 - 5 years
▪ office equipment	3 - 8 years
▪ machinery and equipment	3 - 7 years
▪ motor vehicles	3 - 7 years

(g) Intangible fixed assets

(i) Software

Cost of acquiring 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.

(ii) 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.

(h) Construction in progress

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

Masan Consumer Corporation

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

Form B 09a – DN

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

(i) Long-term prepaid expenses

Tools and supplies

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

(j) Accounts payable to suppliers and other payables

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

(k) Provisions

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

(l) Equity

(i) *Share capital and share premium*

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

(ii) *Treasury shares*

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

Masan Consumer Corporation

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

Form B 09a – DN

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

(m) Taxation

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

(n) Revenue

Sale of goods

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

(o) Financial income and financial expenses

(i) *Financial income*

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

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

Profits distributed by subsidiaries are recognised when the right to receive dividend and profits distributed by subsidiaries is established. Share dividends are not recognised as income. Distributed profits which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

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

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(ii) Financial expenses

Financial expenses mainly comprise interest expenses on borrowings and foreign exchange losses. Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(p) Operating lease payments

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

(q) Related parties

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

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

4. Seasonality of operations

Total revenue of the Company typically increases in the fourth quarter of each year as distributors prepare for an anticipated increase in consumer demand in the months leading up to the Tet (Lunar New Year) holidays, which occur in the first quarter of each year. Accordingly, the Company typically increases the purchases of seasonings, convenience food and non-alcoholic drinks products from its subsidiaries and also increases advertising and 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 separate interim financial statements, the Company's 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 separate annual financial statements or those made in the same interim period of the prior year.

6. Changes in the composition of the Company

There were no changes in the composition of the Company since the end of the last annual accounting period which affect the Company's separate interim financial statements for the six-month period ended 30 June 2017.

Masan Consumer Corporation**Notes to the separate interim financial statements for the six-month period ended 30 June 2017 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***7. Cash and cash equivalents**

	30/6/2017 VND	1/1/2017 VND
Cash on hand	179,518,243	70,049,263
Cash in banks	4,724,048,489	20,881,705,765
Cash equivalents	1,645,380,000,000	4,675,600,000,000
	<hr/>	<hr/>
	1,650,283,566,732	4,696,551,755,028

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

8. Financial Investments**(a) Held-to-maturity investments – short-term**

	30/6/2017 VND	1/1/2017 VND
Held-to-maturity investments – short-term		
▪ Term deposits at banks		- 1,279,948,841,175
		<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.

(b) Investments in subsidiaries

	30/6/2017		1/1/2017	
	% of equity owned and voting rights	Cost VND	% of equity owned and voting rights	Cost VND
Investments in subsidiaries:				
▪ Masan Food Company Limited (*)	100%	1,906,000,009,348	100%	1,906,000,009,348
▪ Masan Beverage Company Limited (**)	100%	2,695,000,000,000	100%	2,695,000,000,000
▪ Masan Consumer (Thailand) Limited (***)	99.99%	64,771,500,000	99.99%	64,771,500,000
		<hr/>		<hr/>
		4,665,771,509,348		4,665,771,509,348

Masan Consumer Corporation

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

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

There were no allowance from diminution in value of these investments in subsidiaries in these separate interim financial statements for the six-month periods ended 30 June 2017 and 2016.

- (*) Masan Food Company Limited has 8 subsidiaries, which include Masan Industrial One Member Company Limited (“MSI”), Viet Tien Food Technology One Member Company Limited (“VTF”), Masan PQ Corporation (“MPQ”), Masan HD One Member Company Limited (“MHD”), Masan MB One Member Company Limited (“MMB”), Masan HG One Member Company Limited (“MHG”), Saigon Nutri Food Joint Stock Company (“SNF”) and Nam Ngu Phu Quoc One Member Company Limited (“NPQ”). These subsidiaries, except for MHG, are manufacturing companies and sell their products to the Company who then distributes them to the market. MHG was established in 2015, and as at the date of issuance of these separate interim financial statements, it has not yet started its operations. Please see Note 35 for significant transactions between the Company and these subsidiaries.
- (**) Masan Beverage Company Limited has 5 subsidiaries, which include VinaCafé Bien Hoa Joint Stock Company (“VCF”), CDN Production Trading Corporation (“CDN”), Vinh Hao Mineral Water Corporation (“VHC”), Kronfa., JSC and Quang Ninh Mineral Water Corporation (“QNW”). VCF, VHC and QNW are beverage manufacturing companies and distribute their products directly to the market. CDN is beverage manufacturing company and sell their products to VCF who then distributes them to the market. Please see Note 35 for significant transactions between the Company and these subsidiaries.
- (***) Masan Consumer (Thailand) Limited (“MTH”) was established in 2016.

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

Masan DN One Member Company Limited (“MDN”) is a wholly owned subsidiary of the Company and 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. As at 30 June 2017 and 1 January 2017, no capital contribution was made by the Company. The Board of Directors’ Resolution No. 07/2017/NQ-HDQT on 28 April 2017 resolved and approved to liquidate MDN. As at the date of issuance of these separate interim financial statements, the dissolution of MDN has been completed.

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9. Accounts receivable from customers**Accounts receivable from customers who are related parties**

	30/6/2017 VND	1/1/2017 VND
Related parties		
▪ Vinh Hao Mineral Water Corporation	26,151,887,120	40,873,126,994
▪ VinaCafé Bien Hoa Joint Stock Company	95,259,921,362	111,638,116,313
▪ Ma San PQ Corporation	1,512,305,917	1,510,898,062
▪ Masan HD One Member Company Limited	2,141,345,606	-
▪ Nam Ngu Phu Quoc One Member Company Limited	675,365,243	666,575,479
▪ CDN Production Trading Corporation	309,408	2,082,020
▪ Masan Brewery PY One Member Company Limited	-	5,644,586
▪ Masan Brewery Distribution One Member Company Limited	31,460,390,693	31,752,716,796
▪ Masan Brewery HG One Member Company Limited	3,844,486,327	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 related parties were unsecured, interest free and are due within 30 – 180 days from invoice date.

10. Loans receivable

	30/6/2017 VND	1/1/2017 VND
Loans receivable from a subsidiary		
▪ 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 dates. Interests are receivable on the maturity date of loan agreements.

Masan Consumer Corporation**Notes to the separate interim financial statements for the six-month period ended 30 June 2017 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***11. Other receivables****(a) Other short-term receivables**

	30/6/2017	1/1/2017
	VND	VND
Non-trade amounts due from related parties:		
▪ Distributed profits receivable	624,903,344,746	2,143,460,848,545
▪ Accrued interest receivable (**)	-	114,905,802,559
▪ Management fees (*)	38,834,360,226	-
Accrued interests receivable from deposits at banks	3,089,922,444	19,461,623,060
Short-term deposits	3,268,673,000	468,100,000
Others	1,352,962,238	1,613,140,072
	<hr/>	<hr/>
	671,449,262,654	2,279,909,514,236
	<hr/>	<hr/>

(b) Other long-term receivables

	30/6/2017	1/1/2017
	VND	VND
Accrued interest receivable (**)	178,636,852,927	-
Long-term deposits	16,478,670,191	20,667,561,158
	<hr/>	<hr/>
	195,115,523,118	20,667,561,158
	<hr/>	<hr/>

(*) The non-trade amounts due from related parties were unsecured, interest free and are receivable on demand.

(**) These represented interest income receivable from loans provided to a related party. Please see Notes 10 and 35 for further information.

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Notes to the separate interim financial statements for the six-month period ended
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12. Inventories

	30/6/2017		1/1/2017	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	5,686,634,340	-	3,237,879,500	-
Raw materials	14,179,166,457	-	9,974,429,552	-
Tools and supplies	55,000,000	-	55,000,000	-
Finished goods	162,580,748	-	24,604,198	-
Merchandise inventories	108,965,452,145	(2,245,827,967)	66,433,140,577	(279,293,596)
	<u>129,048,833,690</u>	<u>(2,245,827,967)</u>	<u>79,725,053,827</u>	<u>(279,293,596)</u>

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	279,293,596	-
Increase in allowance during the period	3,548,152,930	6,694,437,786
Allowance utilised during the period	(1,581,618,559)	(646,743,856)
Closing balance	<u>2,245,827,967</u>	<u>6,047,693,930</u>

Included in inventories as at 30 June 2017 was VND2,246 million (1/1/2017: VND279 million) of slow-moving inventories.

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

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13. Tangible fixed assets

	Buildings VND	Leasehold improvements VND	Office equipment VND	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost						
Opening balance	1,511,680,743	55,688,424,678	21,374,775,898	3,678,969,980	16,296,280,922	98,550,132,221
Additions during the period	-	-	-	-	75,821,200	75,821,200
Disposals	-	-	(219,122,727)	-	(1,192,621,810)	(1,411,744,537)
Closing balance	1,511,680,743	55,688,424,678	21,155,653,171	3,678,969,980	15,179,480,312	97,214,208,884
Accumulated depreciation						
Opening balance	1,511,680,743	12,381,560,233	9,552,770,735	2,607,259,863	13,238,925,471	39,292,197,045
Charge for the period	-	5,225,854,536	998,431,312	245,946,588	601,386,159	7,071,618,595
Disposals	-	-	(219,122,727)	-	(1,192,621,810)	(1,411,744,537)
Closing balance	1,511,680,743	17,607,414,769	10,332,079,320	2,853,206,451	12,647,689,820	44,952,071,103
Net book value						
Opening balance	-	43,306,864,445	11,822,005,163	1,071,710,117	3,057,355,451	59,257,935,176
Closing balance	-	38,081,009,909	10,823,573,851	825,763,529	2,531,790,492	52,262,137,781

Included in the cost of tangible fixed assets were assets costing VND21,138 million which were fully depreciated as of 30 June 2017 (1/1/2017: VND18,599 million), but which are still in active use.

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Notes to the separate interim financial statements for the six-month period ended
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14. Intangible fixed assets

	Software VND	Brand name VND	Total VND
Cost			
Opening balance	274,426,689,524	636,363,636	275,063,053,160
Additions during the period	1,069,892,667	-	1,069,892,667
Closing balance	275,496,582,191	636,363,636	276,132,945,827
Accumulated amortisation			
Opening balance	56,678,537,310	636,363,636	57,314,900,946
Charge for the period	16,730,767,286	-	16,730,767,286
Closing balance	73,409,304,596	636,363,636	74,045,668,232
Net book value			
Opening balance	217,748,152,214	-	217,748,152,214
Closing balance	202,087,277,595	-	202,087,277,595

Included in the cost of intangible fixed assets were assets costing VND11,019 million which was fully amortised as of 30 June 2017 (1/1/2017: VND10,447 million), but which are still in active use.

15. Construction in progress

	VND
Opening balance	4,413,036,077
Additions during the period	508,892,625
Transfer to long-term prepaid expenses	(4,317,318,077)
Closing balance	604,610,625

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16. Long-term prepaid expenses

	Tools and supplies VND
Opening balance	12,445,534,013
Additions during the period	582,076,791
Transfer from construction in progress	4,317,318,077
Amortisation for the period	(5,071,562,740)
Disposal	(15,750,000)
	12,257,616,141
Closing balance	12,257,616,141

17. Deferred tax assets

Recognised deferred tax assets

	30/6/2017 VND	1/1/2017 VND
Accrued advertising and promotion expenses	78,654,098,879	78,654,098,879
Accrued logistic expenses	14,294,842,087	14,294,842,087
Accrued sales discounts	2,985,486,550	2,985,486,550
Other accruals	11,481,660,298	11,481,660,298
	107,416,087,814	107,416,087,814
	107,416,087,814	107,416,087,814

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

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18. Accounts payable to suppliers**(a) 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	414,763,728,096	414,763,728,096	1,671,575,048,391	1,671,575,048,391

(b) Accounts payable to suppliers who are related parties

	30/6/2017 VND	1/1/2017 VND
Related parties		
▪ Viet Tien Food Technology One Member Company Limited	70,286,659,644	293,403,208,653
▪ Masan Industrial One Member Company Limited	27,473,786,015	268,490,649,315
▪ Masan HD One Member Company Limited	-	32,291,494,140
▪ Masan MB One Member Company Limited	257,389,666,614	978,486,498,095
▪ Saigon Nutri Food Joint Stock Company	8,960,254,143	4,014,833,237

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

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

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19. Taxes payable to State Treasury

	1/1/2017 VND	Incurred VND	Paid/refunded VND	Deducted VND	30/6/2017 VND
Value added tax	57,164,701,911	393,432,531,628	(57,173,013,656)	(393,424,219,883)	-
Corporate income tax	48,305,568,458	-	(48,221,652,715)	-	83,915,743
Personal income tax	2,340,786,490	25,316,866,440	(21,508,496,207)	(1,410,947,321)	4,738,209,402
	107,811,056,859	418,749,398,068	(126,903,162,578)	(394,835,167,204)	4,822,125,145

Masan Consumer Corporation**Notes to the separate interim financial statements for the six-month period ended 30 June 2017 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***20. Accrued expenses**

	30/6/2017 VND	1/1/2017 VND
Advertising and promotion expenses	262,024,323,773	393,270,494,395
Logistic expenses	73,433,290,980	71,474,210,434
Exhibition expense	8,119,390,521	18,186,085,801
Bonus and 13th month salary	24,219,266,430	40,714,735,246
Sales discounts	4,470,715,194	14,927,432,751
Market research expenses	15,544,242,657	11,150,495,547
Accrued interest expenses	1,417,975,958	1,433,606,998
Accrued information and technology expenses	33,648,365,274	17,931,285,060
Purchases not yet received invoices	1,672,977,560	2,085,688,819
Others	13,294,821,536	10,236,154,091
	<hr/>	<hr/>
	437,845,369,883	581,410,189,142

21. Other short-term payables

	30/6/2017 VND	1/1/2017 VND
Trade union fees, social, health and unemployment insurances	11,347,616,052	9,226,945,025
Obligation to issue shares	28,639,696,500	4,611,749,500
Others	5,538,300,231	3,070,271,111
	<hr/>	<hr/>
	45,525,612,783	16,908,965,636

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

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22. 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	1,859,312,409,467	1,859,312,409,467	2,280,359,942,349	(2,269,450,482,751)	1,870,221,869,065	1,870,221,869,065

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

Short-term borrowings	Currency	Annual interest rate	30/6/2017		1/1/2017	
			VND	VND	VND	VND
▪ Unsecured bank loans	VND	4.9% - 5.2%	1,870,221,869,065	1,859,312,409,467		

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

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23. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Undistributed profits after tax VND	Total VND
Balance at 1 January 2016	5,351,601,170,000	5,088,056,394,992	(1,640,252,631,255)	2,658,498,305,558	11,457,903,239,295
Share capital issued	30,000,000,000	-	-	-	30,000,000,000
Net profit for the period	-	-	-	249,295,230,924	249,295,230,924
Dividends (Note 25)	-	-	-	(2,896,096,655,200)	(2,896,096,655,200)
Balance at 30 June 2016	5,381,601,170,000	5,088,056,394,992	(1,640,252,631,255)	11,696,881,282	8,841,101,815,019
Balance at 1 January 2017	5,381,601,170,000	5,088,056,394,992	(1,640,252,631,255)	2,360,819,522,708	11,190,224,456,445
Net profit for the period	-	-	-	182,061,179,375	182,061,179,375
Dividends (Note 25)	-	-	-	(2,340,720,526,500)	(2,340,720,526,500)
Balance at 30 June 2017	5,381,601,170,000	5,088,056,394,992	(1,640,252,631,255)	202,160,175,583	9,031,565,109,320

Masan Consumer Corporation

Notes to the separate interim financial statements for the six-month period ended
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24. 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
Authorised and issued share capital				
Ordinary shares	538,160,117	5,381,601,170,000	538,160,117	5,381,601,170,000
Treasury shares				
Ordinary shares	18,000,000	1,640,252,631,255	18,000,000	1,640,252,631,255
Shares currently in circulation				
Ordinary shares	520,160,117	5,201,601,170,000	520,160,117	5,201,601,170,000
Share premium		5,088,056,394,992		5,088,056,394,992

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. All rights of shares bought back by the Company are suspended until those shares are reissued.

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

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

Masan Consumer Corporation**Notes to the separate interim financial statements for the six-month period ended 30 June 2017 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***25. 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).

26. Off balance sheet items**(a) Lease commitments**

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

	30/6/2017	1/1/2017
	VND	VND
Within 1 year	67,273,470,899	96,092,770,180
Within 2 to 5 years	21,755,113,890	90,128,537,429
	<hr/>	<hr/>
	89,028,584,789	186,221,307,609
	<hr/>	<hr/>

(b) Foreign currency

	30/6/2017		1/1/2017	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	63,378	1,436,771,098	442,583	10,055,480,535
		<hr/>		<hr/>

(c) Capital expenditure commitments

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

	30/6/2017	1/1/2017
	VND	VND
Approved but not contracted	3,795,000,000	-
	<hr/>	<hr/>

Masan Consumer Corporation**Notes to the separate interim financial statements for the six-month period ended 30 June 2017 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/IT-BTC dated 22 December 2014 of the Ministry of Finance)***27. Revenue from sales of goods**

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

Net revenue comprised:

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Total revenue		
▪ Sales of goods	3,923,811,027,449	4,377,382,295,013
▪ Other sales	1,844,918,860	179,042,256
	<hr/>	<hr/>
	3,925,655,946,309	4,377,561,337,269
Less revenue deductions		
▪ Sales discounts	5,853,113,935	15,473,430,314
▪ Sales returns	42,758,872,784	11,074,428,971
	<hr/>	<hr/>
	48,611,986,719	26,547,859,285
Net revenue	<hr/>	<hr/>
	3,877,043,959,590	4,351,013,477,984

28. Cost of sales

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Total cost of sales		
▪ Goods sold	2,950,800,630,533	3,551,629,351,644
▪ Allowance for inventories	3,548,152,930	6,694,437,786
	<hr/>	<hr/>
	2,954,348,783,463	3,558,323,789,430

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29. Financial income

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Interest income from deposits at banks	92,136,089,451	103,276,426,845
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
Profits distributed by a subsidiary	256,887,169,938	361,430,735,506
Foreign exchange gains	176,725,837	195,355,318
	<hr/>	<hr/>
	412,931,035,594	590,175,481,562
	<hr/>	<hr/>

30. Financial expenses

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Interest expense on borrowings from banks	29,914,028,866	29,691,472,997
Foreign exchange losses	201,391,094	157,643,388
	<hr/>	<hr/>
	30,115,419,960	29,849,116,385
	<hr/>	<hr/>

31. Selling expenses

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Advertising and promotion expenses	682,347,741,748	607,676,718,403
Logistic expenses	148,240,501,876	177,517,267,365
Staff costs	74,262,242,244	84,530,014,008
Exhibition expenses	32,419,728,962	15,164,986,808
Marketing research expenses	15,480,165,726	13,258,474,358
Others	21,560,705,848	6,296,012,368
	<hr/>	<hr/>
	974,311,086,404	904,443,473,310
	<hr/>	<hr/>

Masan Consumer Corporation**Notes to the separate interim financial statements for the six-month period ended 30 June 2017 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***32. General and administration expenses**

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Staff costs	53,649,271,899	84,632,456,553
Leased line system and information technology services	37,603,346,452	51,633,047,710
Office rental	24,973,415,126	24,862,933,897
Research and development expenses	1,794,052,249	6,016,555,057
Depreciation and amortisation of fixed assets	23,674,627,993	21,086,796,594
Others	7,437,517,842	6,627,762,121
	<hr/>	<hr/>
	149,132,231,561	194,859,551,932
	<hr/>	<hr/>

33. Trading and business costs by element

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Cost of merchandise goods sold	2,950,800,630,533	3,551,629,351,644
Staff costs	127,911,514,143	169,162,470,561
Depreciation and amortisation	23,802,385,881	21,877,489,919
Outside services	942,858,952,139	896,129,983,598
Other expenses	32,418,618,732	18,827,518,950
	<hr/>	<hr/>

34. Income tax**(a) Recognised in the separate statement of income**

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Current tax expense		
Current period	-	-
	<hr/>	<hr/>
Deferred tax expense		
Origination and reversal of temporary differences	-	3,111,424,737
	<hr/>	<hr/>
	-	3,111,424,737
	<hr/>	<hr/>
Income tax expense	-	3,111,424,737
	<hr/>	<hr/>

Masan Consumer Corporation**Notes to the separate interim financial statements for the six-month period ended 30 June 2017 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(b) Reconciliation of effective tax rate**

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Accounting profit before tax (*)	182,061,179,375	252,406,655,661
Tax at the Company's income tax rate	36,412,235,875	50,481,331,132
Tax exempt income	(51,377,433,988)	(72,286,147,101)
Non-deductible expenses	194,705,001	5,381,792
Deferred tax assets not recognised	14,770,493,112	24,910,858,914
	-	3,111,424,737

(*) The Company's profit before tax included VND256,887 million (for the six-month period ended 30 June 2016: VND361,431 million) profits distributed by a subsidiary which is not subject to tax.

(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.

(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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35. Significant transactions with related parties

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

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
Parent company					
MasanConsumerHoldings Company Limited	Dividends declared	2,270,686,203,000	2,799,261,836,000	-	-
	Collection of loan through net-off with dividends payable	1,187,405,000,000	1,889,261,836,000	-	-
	Dividends paid by cash	1,083,281,203,000	910,000,000,000	-	-
Subsidiaries					
Masan Food Company Limited	Distributed profits (**)	256,887,169,938	361,430,735,506	7,825,756,293	10,925,756,293
Masan Industrial One Member Company Limited	Sales of goods	71,016,267,608	106,361,420,203	-	-
	Purchases of goods	1,369,206,543,604	1,804,446,166,191	(27,473,786,015)	(268,490,649,315)
	Loans provided	3,330,405,000,000	3,131,978,712,592	3,806,716,876,592	1,663,716,876,592
	Collection of loans through net-off with dividends payable	1,187,405,000,000	1,889,261,836,000	-	-
	Interest income from loans receivable	63,731,050,368	69,961,067,444	178,636,852,927	114,905,802,559
	Distributed profits (**)	-	-	586,000,000,000	845,466,699,032
Viet Tien Food Technology One Member Company Limited	Purchases of goods	290,140,377,821	396,025,595,073	(70,286,659,644)	(293,403,208,653)
	Sales of goods	4,894,524,228	7,951,482,105	-	-
	Distributed profits (**)	-	-	-	209,362,343,040

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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 HD One Member Company Limited	Sales of goods	5,086,033,524	8,620,161,605	2,141,345,606	-
	Purchases of goods	286,181,581,390	514,324,933,314	-	(32,291,494,140)
	Distributed profits (**)	-	-	31,077,588,453	83,077,588,453
	Prepayment for purchases of goods	11,313,585,894	-	11,313,585,894	-
	Sales of fixed assets	-	41,221,616	-	-
Ma San PQ Corporation	Sales of goods	1,279,868	1,219,350	1,512,305,917	1,510,898,062
	Sales of fixed assets	-	16,448,646	-	-
	Purchases of goods	-	2,220,000	-	-
Nam Ngu Phu Quoc One Member Company Limited	Sales of goods	161,819,829	-	675,365,243	666,575,479
	Purchases of goods	23,671,957,770	-	-	-
	Prepayment for purchases of goods	32,847,209,051	-	32,847,209,051	-
VinaCafé Bien Hoa Joint Stock Company	Sales of goods	20,200,660,707	23,787,301,280	7,706,562,381	6,078,604,247
	Purchases of goods	243,016,869	665,680,274	-	-
	Management fee	79,593,962,710	53,658,288,429	87,553,358,981	105,559,512,066
CDN Production Trading Corporation	Sales of goods	1,955,890	-	309,408	2,082,020
	Purchases of goods	25,800,000	-	-	-

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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 MB One Member Company Limited	Sales of goods	36,750,957,070	35,972,853,956	-	-
	Sales of fixed assets	-	199,362,726	-	-
	Purchases of goods	865,188,688,991	992,318,969,961	(257,389,666,614)	(978,486,498,095)
	Distributed profits (**)	-	-	-	994,628,461,727
Saigon Nutri Food Joint Stock Company	Purchases of goods	67,127,135,004	7,247,847,941	(8,960,254,143)	(4,014,833,237)
	Sales of goods	874,915,000	429,651,000	-	-
Vinh Hao Mineral Water Corporation	Purchases of goods	7,477,272	7,955,821	-	-
	Sales of goods	8,404,491,370	18,467,696,900	1,094,212,080	3,259,383,364
	Management fee	22,779,704,582	17,931,169,060	25,057,675,040	37,613,743,630
Quang Ninh Mineral Water Corporation	Sales of goods	38,309,858	-	-	-
Other related parties					
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	295,403,362	341,750,400	-	-
	Sales of goods	29,652,360	-	-	-
	Management fee	22,125,100,397	14,874,957,831	53,585,491,090	31,752,716,796

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		Six-month period ended 30/6/2017	30/6/2016	30/6/2017	1/1/2017
		VND	VND	VND	VND
Masan Brewery HG One Member Company Limited	Sales of goods Management fee	29,961,804 1,318,174,519	1,441,050 1,328,019,948	17,558,574 4,601,277,859	6,107,257 3,826,927,753
Agro Nutrition International Joint Stock Company	Sales of goods Management fee	81,527,481 8,917,402,057	- -	- 9,103,537,037	- -
Vietnamese-French Cattle Feed Joint Stock Company	Sales of goods Management fee	163,992,600 9,135,409,067	- -	- 9,215,446,668	- -
Key management personnel	Remuneration to key management personnel (*)	13,142,617,617	14,633,166,252	-	-

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

- (*) No board fees were paid to members of the Board of Directors of the Company for the six-month periods ended 30 June 2017 and 2016.
- (**) During the period, the chairmans of MSI, VTF, MMB resolved to distribute their profits amounting to VND256,887 million (for the six-month period ended 30 June 2016: MSI, VTF, MHD resolved to distribute their profits amounting to VND361,431 million) to Masan Food Company Limited (“MSF”). At the same time, the chairman of MSF resolved to distribute profits amounting to VND256,887 million to the Company, of which VND161,887 million are to be paid directly to the Company by these subsidiaries (for the six-month period ended 30 June 2016: distributed profits of VND361,431 million are to be paid directly to the Company by subsidiaries).

36. 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 VND 5,431,327,770,000 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 separate interim financial statements.

15 August 2017

Prepared by: 


Huynh Viet Thang
Chief Accountant



Pham Dinh Toai
Acting Chief Financial Officer

Approved by:


CỘNG TY
CỔ PHẦN
HÀNG TIÊU DÙNG
MASAN
QUẬN 1 - T.P. HỒ CHÍ MINH

Seokhee Won
Chief Executive Officer