



**Masan Consumer Corporation and its subsidiaries**

Consolidated Interim Financial Statements for  
the six-month period ended 30 June 2019



## Masan Consumer Corporation Corporate Information

### Enterprise Registration Certificate No.

0302017440

31 May 2000

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is dated 30 July 2019. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

### Board of Directors

Mr Truong Cong Thang	Chairman
Dr Nguyen Dang Quang	Member
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Quang	Member
Mr Danny Le	Member

### Board of Management

Mr Truong Cong Thang	Chief Executive Officer
Ms Nguyen Hoang Yen	Deputy Chief Executive Officer
Mr Pham Hong Son	Deputy Chief Executive Officer
Mr Pham Dinh Toai	Deputy Chief Executive Officer (until 19 March 2019)
Mr Nguyen Anh Nguyen	Deputy Chief Executive Officer
Ms Dinh Kim Nhung	Deputy Chief Executive Officer (until 25 February 2019)

### 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 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 2019.

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 2019, 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



**Truong Cong Thang**

*Chairman of the Board of Directors cum Chief Executive Officer*

Ho Chi Minh City, 15 August 2019



KPMG Limited Branch  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## **INTERIM FINANCIAL INFORMATION 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 2019, 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 2019, as set out on pages 5 to 62.

### **Board of Management’s Responsibility**

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

### **Auditor’s Responsibility**

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

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



### Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Masan Consumer Corporation and its subsidiaries as at 30 June 2019 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. 19-01-00278-19-2



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Nelson Rodriguez Casihan  
Practicing Auditor Registration  
Certificate No. 2225-2018-007-1  
*Deputy General Director*

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Chang Hung Chun  
Practicing Auditor Registration  
Certificate No. 0863-2018-007-1

Ho Chi Minh City, 15 August 2019

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated balance sheet as at 30 June 2019**

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>4,113,503,794,219</b>	<b>3,633,456,428,858</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>8</b>	<b>2,269,168,852,758</b>	<b>1,669,119,982,526</b>
Cash	111		152,606,791,594	114,319,982,526
Cash equivalents	112		2,116,562,061,164	1,554,800,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>4,200,000,000</b>	<b>251,200,000,000</b>
Held-to-maturity investments	123	9(a)	4,200,000,000	251,200,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>364,200,478,472</b>	<b>458,279,877,556</b>
Accounts receivable from customers	131	10	205,306,898,128	291,484,778,821
Prepayments to suppliers	132		105,047,233,725	149,743,969,504
Other short-term receivables	136	11(a)	53,846,346,619	17,051,129,231
<b>Inventories</b>	<b>140</b>	<b>12</b>	<b>1,400,618,442,832</b>	<b>1,215,429,352,783</b>
Inventories	141		1,443,554,306,546	1,263,207,672,163
Allowance for inventories	149		(42,935,863,714)	(47,778,319,380)
<b>Other current assets</b>	<b>150</b>		<b>75,316,020,157</b>	<b>39,427,215,993</b>
Short-term prepaid expenses	151		46,868,124,971	14,874,603,168
Deductible value added tax	152		28,216,915,789	22,820,844,999
Taxes and other receivables from State Treasury	153		230,979,397	1,731,767,826

*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 2019 (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	30/6/2019 VND	1/1/2019 VND
<b>Long-term assets</b> (200 = 210 + 220 + 240 + 250 + 260)	<b>200</b>		<b>14,357,842,144,747</b>	<b>13,419,348,774,861</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>8,853,306,370,963</b>	<b>8,205,002,665,275</b>
Long-term loans receivable	215	13	7,833,716,876,592	7,433,716,876,592
Other long-term receivables	216	11(b)	1,019,589,494,371	771,285,788,683
<b>Fixed assets</b>	<b>220</b>		<b>4,025,386,213,518</b>	<b>4,077,188,360,222</b>
Tangible fixed assets	221	14	3,106,997,816,029	3,087,400,141,923
Cost	222		5,751,170,003,448	5,519,548,816,735
Accumulated depreciation	223		(2,644,172,187,419)	(2,432,148,674,812)
Intangible fixed assets	227	15	918,388,397,489	989,788,218,299
Cost	228		2,058,057,205,358	2,060,208,191,558
Accumulated amortisation	229		(1,139,668,807,869)	(1,070,419,973,259)
<b>Long-term work in progress</b>	<b>240</b>		<b>614,733,017,705</b>	<b>230,563,818,314</b>
Construction in progress	242	16	614,733,017,705	230,563,818,314
<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>615,024,683,655</b>	<b>657,202,072,144</b>
Long-term prepaid expenses	261	17	165,781,303,923	165,907,440,337
Deferred tax assets	262	18	196,709,003,162	204,359,878,763
Goodwill	269	19	252,534,376,570	286,934,753,044
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>18,471,345,938,966</b>	<b>17,052,805,203,719</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 2019 (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	30/6/2019 VND	1/1/2019 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>8,721,226,237,421</b>	<b>6,171,592,731,916</b>
<b>Current liabilities</b>	<b>310</b>		<b>8,438,836,258,611</b>	<b>5,917,949,750,813</b>
Accounts payable to suppliers – short-term	311	20	779,374,577,383	996,132,919,346
Advances from customers	312		35,900,637,101	48,883,742,075
Taxes payable to State Treasury	313	21	215,159,434,498	283,813,387,948
Payables to employees	314		65,037,055,713	286,388,185
Accrued expenses	315	22	967,315,135,123	1,267,088,936,129
Other short-term payables	319	23(a)	2,841,287,939,883	19,702,381,860
Short-term borrowings	320	24(a)	3,511,889,052,171	3,279,081,068,531
Bonus and welfare funds	322		22,872,426,739	22,960,926,739
<b>Long-term liabilities</b>	<b>330</b>		<b>282,389,978,810</b>	<b>253,642,981,103</b>
Accounts payable to suppliers – long-term	331	20	31,012,774,000	36,330,147,040
Other long-term payables	337	23(b)	22,319,189,720	20,101,628,673
Long-term borrowings	338	24(b)	82,658,430,423	41,142,136,776
Deferred tax liabilities	341	18	131,690,581,858	140,455,807,864
Provisions – long-term	342		14,709,002,809	15,613,260,750
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>9,750,119,701,545</b>	<b>10,881,212,471,803</b>
<b>Owners' equity</b>	<b>410</b>	<b>25</b>	<b>9,750,119,701,545</b>	<b>10,881,212,471,803</b>
Share capital	411	26	6,279,291,230,000	6,279,291,230,000
- Ordinary shares with voting rights	411a		6,279,291,230,000	6,279,291,230,000
Share premium	412	26	4,292,501,204,992	4,292,501,204,992
Other capital	414		(265,775,657,006)	(265,775,657,006)
Treasury shares	415	26	(1,640,252,631,255)	(1,640,252,631,255)
Foreign exchange differences	417		9,378,268,987	5,398,307,899
Investment and development fund	418		22,731,972,844	22,731,972,844
Undistributed profits after tax	421		812,970,077,089	1,962,584,222,892
- Undistributed profits after tax brought forward	421a		-	-
- Undistributed profit after tax for the current period/prior year	421b		812,970,077,089	1,962,584,222,892
Non-controlling interests	429		239,275,235,894	224,733,821,437
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>18,471,345,938,966</b>	<b>17,052,805,203,719</b>

15 August 2019

Prepared by:

Phan Thi Thuy Hoa  
Chief Accountant

Approved by:

Huynh Viet Thang  
Acting Chief Financial Officer

Truong Cong Thang  
Chairman of the Board of Directors



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



**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of income for the six-month period ended 30 June 2019**

**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	
			30/6/2019 VND	30/6/2018 VND
<b>Revenue from sale of goods and provision of services</b>	<b>01</b>	<b>29</b>	<b>8,090,207,146,279</b>	<b>7,431,704,755,120</b>
<b>Revenue deductions</b>	<b>02</b>	<b>29</b>	<b>279,808,975,204</b>	<b>93,974,701,071</b>
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>29</b>	<b>7,810,398,171,075</b>	<b>7,337,730,054,049</b>
<b>Cost of sales</b>	<b>11</b>	<b>30</b>	<b>4,532,316,446,895</b>	<b>3,985,099,445,618</b>
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>3,278,081,724,180</b>	<b>3,352,630,608,431</b>
Financial income	21	31	293,847,130,287	260,148,726,926
Financial expenses	22	32	113,823,852,845	86,967,570,091
<i>In which: Interest expense</i>	23		<i>110,681,489,695</i>	<i>86,436,367,294</i>
Share of profit in an associate	24		7,977,651,000	5,318,434,000
Selling expenses	25	33	1,339,446,854,727	1,436,407,418,401
General and administration expenses	26	34	366,515,391,848	330,488,804,847
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>1,760,120,406,047</b>	<b>1,764,233,976,018</b>
Other income	31		101,681,186	435,186,362
Other expenses	32		11,314,862,366	5,138,226,079
<b>Results of other activities</b> <b>(40 = 31 - 32)</b>	<b>40</b>		<b>(11,213,181,180)</b>	<b>(4,703,039,717)</b>
<b>Accounting profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>		<b>1,748,907,224,867</b>	<b>1,759,530,936,301</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>35</b>	<b>140,413,258,707</b>	<b>248,083,624,599</b>
<b>Income tax benefit – deferred</b>	<b>52</b>	<b>35</b>	<b>(1,114,350,405)</b>	<b>(27,698,944,180)</b>
<b>Net profit after tax (60 = 50 - 51 - 52)</b> <b>(carried forward to next page)</b>	<b>60</b>		<b>1,609,608,316,565</b>	<b>1,539,146,255,882</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 2019 (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 30/6/2019 VND	30/6/2018 VND
<b>Net profit after tax (brought forward from previous page)</b>	<b>60</b>		<b>1,609,608,316,565</b>	<b>1,539,146,255,882</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		1,595,066,907,697	1,514,624,839,800
Non-controlling interests	62		14,541,408,868	24,521,416,082
<hr/>				
	Code	Note	Six-month period ended 30/6/2019 VND	30/6/2018 VND (as restated)
<b>Earnings per share</b>				
Basic earnings per share	70	36	2,615	2,508

15 August 2019

Prepared by: 

  
 Phan Thi Thuy Hoa  
 Chief Accountant

Approved by:

  
 Huynh Viet Thang  
 Acting Chief Financial Officer

  
 Trương Công Thang  
 Chairman of the Board of Directors



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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2019**  
**(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	
		30/6/2019 VND	30/6/2018 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>1,748,907,224,867</b>	<b>1,759,530,936,301</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	343,972,098,883	341,620,165,636
Allowances and provisions	03	15,623,895,009	12,254,518,914
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	385,326,777	54,539,321
Losses on disposals and written-off of fixed assets	05	10,853,344,961	770,373,557
Interest income from investing activities	05	(290,733,937,214)	(258,729,178,406)
Share of profit in an associate	05	(7,977,651,000)	(5,318,434,000)
Interest expense	06	110,681,489,695	86,436,367,294
		<hr/>	<hr/>
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>1,931,711,791,978</b>	<b>1,936,619,288,617</b>
Change in receivables and other current assets	09	41,816,150,696	14,624,763,105
Change in inventories	10	(201,717,242,999)	(348,038,363,698)
Change in payables and other liabilities	11	(329,416,621,122)	(57,128,601,958)
Change in prepaid expenses	12	(20,873,229,537)	(240,253,314)
		<hr/>	<hr/>
		<b>1,421,520,849,016</b>	<b>1,545,836,832,752</b>
Interest paid	14	(105,254,393,996)	(87,880,665,589)
Corporate income tax paid	15	(181,877,214,696)	(189,987,055,171)
Other payments for operating activities	17	(88,500,000)	(78,000,000)
		<hr/>	<hr/>
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>1,134,300,740,324</b>	<b>1,267,891,111,992</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 2019**  
**(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	
		30/6/2019 VND	30/6/2018 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(603,680,405,275)	(110,197,691,060)
Proceeds from disposals of fixed assets	22	20,375,895,830	1,587,859,883
Payments for granting loans	23	(400,000,000,000)	(300,000,000,000)
Placement of term deposits to banks and other investments	23	(4,200,000,000)	(495,011,720,000)
Withdrawal of term deposits from banks	24	251,200,000,000	194,270,440,000
Payments for acquisition of non-controlling interests in a subsidiary	25	-	(1,612,925,442,493)
Receipts of interest and dividends	27	53,321,571,019	67,824,206,469
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(682,982,938,426)</b>	<b>(2,254,452,347,201)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from capital contribution in a subsidiary by non-controlling interests	31	-	76,343,325,699
Proceeds from bank borrowings	33	7,524,440,136,677	6,169,830,106,093
Payments to settle loan principals to banks	34	(7,250,115,859,390)	(6,058,762,948,547)
Payments of dividends	36	(128,783,716,500)	(1,239,665,184,200)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>145,540,560,787</b>	<b>(1,052,254,700,955)</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 2019**  
**(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	
		30/6/2019 VND	30/6/2018 VND
Net cash flows during the period (50 = 20 + 30 + 40)	50	596,858,362,685	(2,038,815,936,164)
Cash and cash equivalents at the beginning of the period	60	1,669,119,982,526	4,235,913,074,249
Effect of exchange rate fluctuations on cash and cash equivalents	61	273,693,189	389,843,136
Currency translation differences	61	2,916,814,358	335,948,725
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	2,269,168,852,758	2,197,822,929,946

15 August 2019

Prepared by: 



Phan Thi Thuy Hoa  
Chief Accountant

Approved by:





Huynh Viet Thang  
Acting Chief Financial Officer

Trương Công Thang  
Chairman of the Board of Directors

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

**Masan Consumer Corporation and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019**

**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 2019 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 Enterprise Registration Certificate No. 0302017440 issued by the Department of Planning and Investment of Ho Chi Minh City (“DPI”) on 31 May 2000 and its amendments.

**(c) Normal operating cycle**

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

**Masan Consumer Corporation and its subsidiaries**

Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)

Form B 09a – DN/HN

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

As at 30 June 2019, the Company has 3 directly owned subsidiaries, 14 indirectly owned subsidiaries and 1 associate (1/1/2019: 3 directly owned subsidiaries, 13 indirectly owned subsidiaries and 1 associate). Information of the subsidiaries and an associate are described as follows:

No.	Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
				30/6/2019	1/1/2019	30/6/2019	1/1/2019
<b>Directly owned subsidiaries</b>							
1	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%
2	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%
3	Masan Consumer (Thailand) Limited (“MTH”)	Trading and distribution	No. 83, 4 <sup>th</sup> Floor, Amnuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand.	99.99%	99.99%	99.99%	99.99%
<b>Indirectly owned subsidiaries</b>							
1	Masan Industrial One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong Province, Vietnam.	100%	100%	100%	100%
2	Viet Tien Food Technology One Member Company Limited	(i) Seasonings manufacturing	Lot III-10, Street No. 1, Industrial Group III, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%

**Masan Consumer Corporation and its subsidiaries**

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No.	Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
				30/6/2019	1/1/2019	30/6/2019	1/1/2019
3	Masan PQ Corporation	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam.	99.99%	99.99%	99.99%	99.99%
4	Masan HD One Member Company Limited	(i) Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam.	100%	100%	100%	100%
5	Masan MB One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Loc District, Nghe An Province, Vietnam.	100%	100%	100%	100%
6	Masan HG One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam.	100%	100%	100%	100%
7	Masan JinJu Joint Stock Company	(i) Convenience food manufacturing and trading	Factory F5, Lot 6, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong Province, Vietnam.	74.99%	74.99%	74.99%	74.99%
8	Nam Ngu Phu Quoc One Member Company Limited	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam.	100%	100%	100%	100%
9	Masan Long An Company Limited	(i), (v) Seasonings, convenience food manufacturing and packaging	Hamlet 2, Thanh Hoa Commune, Ben Luc District, Long An Province, Vietnam.	100%	-	100%	-



**Masan Consumer Corporation and its subsidiaries**

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No.	Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
				30/6/2019	1/1/2019	30/6/2019	1/1/2019
10	VinaCafé Bien Hoa Joint Stock Company	(ii) Beverage manufacturing and trading	Bien Hoa Industrial Park I, Bien Hoa City, Dong Nai Province, Vietnam.	98.49%	98.49%	98.49%	98.49%
11	Vinh Hao Mineral Water Corporation	(ii) Beverage manufacturing and trading and packaging	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam.	88.56%	88.56%	88.56%	88.56%
12	KronFa., JSC	(iii) Beverage manufacturing	Km 37, Highway 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam.	88.55%	88.55%	99.99%	99.99%
13	Quang Ninh Mineral Water Corporation	(ii) Beverage manufacturing and trading	No. 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam.	65.85%	65.85%	65.85%	65.85%
14	Café De Nam Joint Stock Company	(iv) Beverage manufacturing and trading	Lot C.I.III-3+5+7, Long Thanh Industrial Park, Tam An Commune, Long Thanh District, Dong Nai Province, Vietnam.	83.72%	83.72%	85%	85%
<b>An associate</b>							
1	Cholimex Food Joint Stock Company	(i) Seasonings manufacturing and trading	Lot C40 – 43/I, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.	32.83%	32.83%	32.83%	32.83%

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- (i) These subsidiaries and an associate are indirectly owned by the Company through Masan Food Company Limited (“MSF”).
- (ii) These subsidiaries are indirectly owned by the Company through Masan Beverage Company Limited (“MSB”).
- (iii) KronFa., JSC is indirectly owned by the Company through Vinh Hao Mineral Water Corporation.
- (iv) Café De Nam Joint Stock Company is indirectly owned by the Company through VinaCafé Bien Hoa Joint Stock Company.
- (v) Masan Long An Company Limited was established on 23 January 2019 under the Enterprise Registration Certificate No. 1101905952 issued by the Department of Planning and Investment of Long An Province.

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

As at 30 June 2019, the Group had 4,503 employees (1/1/2019: 4,418 employees).

## **2. Basis of preparation**

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

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

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

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

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

The annual accounting period of the Group is from 1 January to 31 December. The consolidated interim financial statements are prepared for the six-month period ended 30 June 2019.

### **(d) Accounting and presentation currency**

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

### **(e) Corresponding figures**

The corresponding figures as at 1 January 2019 were brought forward from the audited figures as at 31 December 2018.

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**3. Summary of significant accounting policies**

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

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

**(a) Basis of consolidation**

**(i) Subsidiaries**

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

**(ii) Non-controlling interests**

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

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with shareholders. Prior to 1 January 2015, the difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received is recorded directly in other capital under equity. From 1 January 2015, as a result of the adoption of Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance (“Circular 202”), such difference is recorded directly in undistributed profits after tax under equity.

**(iii) Loss of control**

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

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

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

**(v) Transactions eliminated on consolidation**

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

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

Business combination where the same group of shareholders ("the Controlling Shareholders") control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling Shareholders. Such common control business combination is specifically excluded from the scope of Vietnamese Accounting Standard No. 11 – *Business Combination* and in selecting its accounting policies with respect to such transaction, the Group has considered Vietnamese Accounting Standard No. 01 – *Framework* and Vietnamese Accounting Standard No. 21 – *Presentation of Financial Statements*. Based on these standards, the Group has adopted the merger ("carry-over") basis of accounting. The assets and liabilities of the combining companies are consolidated using the existing book values from the Controlling Shareholders' perspective. Prior to 1 January 2015, any difference between the cost of acquisition and net assets value acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in other capital under equity. From 1 January 2015, as a result of the adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity.

The consolidated statement of income 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 periods presented, or where the companies were incorporated at a date later than the beginning of the earliest periods presented, for the period from the date of incorporation to the end of the relevant reporting periods.

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

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

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

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

**(b) Foreign currency**

**(i) Foreign currency transactions**

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

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

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

**(ii) Foreign operations**

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

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

**(c) Cash and cash equivalents**

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

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

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

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

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

**(f) Inventories**

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

The Group applies the perpetual method of accounting for inventories.

**(g) Tangible fixed assets**

**(i) Cost**

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

**(ii) Depreciation**

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

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

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**(h) Intangible fixed assets**

**(i) Land use rights**

Land use rights comprise:

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

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

**(ii) Software**

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

**(iii) Exploitation rights for mineral water resources**

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

**(iv) Brand name**

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

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

**(v) Customer relationships**

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

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**(vi) Mineral water resources**

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

**(i) Construction in progress**

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

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

**(i) Prepaid land costs**

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

**(ii) Goodwill from equitisation**

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

**(iii) Tools and supplies**

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



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**(k) Goodwill**

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

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

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

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

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

**(m) Provisions**

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

***Severance allowance***

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more ("the eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee's compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their average salary for the six-month period prior to the end of the accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group are excluded.

**(n) Equity**

**(i) *Share capital and share premium***

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

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**(ii) Other capital**

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

**(iii) Treasury shares**

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

**(o) Taxation**

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

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

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

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

**(p) Revenue**

**(i) Sale of goods**

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

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**(ii) Rental income**

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

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

**(i) Financial income**

Financial income mainly comprises interest income from deposits at banks, interest income from loans and other investing activities and foreign exchange gains.

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

**(ii) Financial expenses**

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

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

**(r) Operating lease payments**

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

**(s) Earnings per share**

The Group presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the consolidated profit or loss attributable to 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 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 a 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 and secondary format for segment reporting are based on business segments and geographical segments, respectively.

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 headquarters corporate assets, general and administration expenses, income tax assets and liabilities and expenses, and items that are attributable to more than one segment and cannot reasonably be allocated to a segment.

**(u) Related parties**

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

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

**4. Seasonality of operations**

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

**5. Changes in accounting estimates**

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

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

During the period, Masan Food Company Limited, a subsidiary of the Company, has established a new direct owned subsidiary named Masan Long An Company Limited.

**Masan Consumer Corporation and its subsidiaries****Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)****Form B 09a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***7. Segment reporting****(a) Business segments**

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

<b>For the six-month period ended 30 June 2019</b>	<b>Food (*) VND</b>	<b>Beverage (*) VND</b>	<b>Others VND</b>	<b>Consolidated VND</b>
Total segment revenue – net	5,489,109,747,027	2,316,146,245,513	5,142,178,535	7,810,398,171,075
Segment gross profit	2,273,529,289,819	1,003,720,089,695	832,344,666	3,278,081,724,180
Segment results	1,381,934,846,328	424,736,651,147	832,344,666	1,807,503,842,141
Unallocated general and administration expenses				(227,406,713,536)
Financial income				293,847,130,287
Financial expenses				(113,823,852,845)
Net operating profit				1,760,120,406,047
Other income				101,681,186
Other expenses				(11,314,862,366)
Income tax expense				(139,298,908,302)
Net profit after tax				1,609,608,316,565

**Masan Consumer Corporation and its subsidiaries**

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<b>For the six-month period ended 30 June 2018</b>	<b>Food (*) VND</b>	<b>Beverage (*) VND</b>	<b>Others VND</b>	<b>Consolidated VND</b>
Total segment revenue – net	5,201,782,621,765	2,131,951,732,660	3,995,699,624	7,337,730,054,049
Segment gross profit	2,457,487,861,270	894,032,233,819	1,110,513,342	3,352,630,608,431
Segment results	1,446,695,777,304	342,203,961,042	1,030,395,518	1,789,930,133,864
Unallocated general and administration expenses				(198,877,314,681)
Financial income				260,148,726,926
Financial expenses				(86,967,570,091)
Net operating profit				1,764,233,976,018
Other income				435,186,362
Other expenses				(5,138,226,079)
Income tax expense				(220,384,680,419)
Net profit after tax				1,539,146,255,882

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 2019 (continued)**

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- (\*) The segment results of the Food and Beverage segments included amortisation of goodwill amounting to VND34,400 million (for the six-month period ended 30 June 2018: VND34,400 million), amortisation of fair values of intangible fixed assets arisen in business combinations amounting to VND49,690 million (for the six-month period ended 30 June 2018: VND49,690 million) and depreciation of fair values uplift of tangible fixed assets arisen in business combinations amounting to VND1,152 million (for the six-month period ended 30 June 2018: VND1,152 million) during the period.

<b>As at 30 June 2019</b>	<b>Food VND</b>	<b>Beverage VND</b>	<b>Consolidated VND</b>
Segment assets	4,174,105,972,452	2,507,318,909,924	6,681,424,882,376
Unallocated assets			11,789,921,056,590
<b>Total assets</b>			<b>18,471,345,938,966</b>
Segment liabilities	1,008,425,494,423	539,241,919,346	1,547,667,413,769
Unallocated liabilities			7,173,558,823,652
<b>Total liabilities</b>			<b>8,721,226,237,421</b>
<b>For the six-month period ended 30 June 2019</b>			
Capital expenditure	410,077,898,442	200,332,502,638	610,410,401,080
Unallocated capital expenditure			5,304,963,003
Depreciation of tangible fixed assets	167,215,820,209	65,900,422,343	233,116,242,552
Unallocated depreciation of tangible fixed assets			6,630,513,747
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	18,843,376,367	85,916,921,322	104,760,297,689
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses			20,163,563,731

**Masan Consumer Corporation and its subsidiaries**

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<b>As at 1 January 2019</b>	<b>Food VND</b>	<b>Beverage VND</b>	<b>Consolidated VND</b>
Segment assets	3,835,715,748,143	2,403,268,880,343	6,238,984,628,486
Unallocated assets			10,813,820,575,233
<b>Total assets</b>			<b>17,052,805,203,719</b>
Segment liabilities	1,202,580,551,720	703,376,472,523	1,905,957,024,243
Unallocated liabilities			4,265,635,707,673
<b>Total liabilities</b>			<b>6,171,592,731,916</b>
<b>For the six-month period ended 30 June 2018</b>			
Capital expenditure	84,986,530,316	27,966,208,269	112,952,738,585
Unallocated capital expenditure			3,556,341,203
Depreciation of tangible fixed assets	168,630,236,624	61,945,419,787	230,575,656,411
Unallocated depreciation of tangible fixed assets			6,761,693,223
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	18,708,020,965	86,851,919,973	105,559,940,938
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses			20,262,431,117



**Masan Consumer Corporation and its subsidiaries**  
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Details of unallocated assets and unallocated liabilities are as follows:

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Cash and cash equivalents	2,269,168,852,758	1,669,119,982,526
Held-to-maturity investments – short-term	4,200,000,000	251,200,000,000
Accounts receivable – short-term, net	243,614,698,337	259,606,654,888
Inventories	18,798,026,467	23,776,215,967
Other current assets	33,855,469,836	6,789,974,459
Accounts receivable – long-term, net	8,853,306,370,963	8,205,002,665,275
Fixed assets	165,069,985,676	186,339,598,041
Construction in progress	1,192,630,138	2,839,037,507
Other long-term assets	200,715,022,415	209,146,446,570
<b>Unallocated assets</b>	<b>11,789,921,056,590</b>	<b>10,813,820,575,233</b>
Accounts payable to suppliers – short-term	37,751,654,218	72,388,141,632
Advances from customers	34,190,632,568	41,014,853,528
Taxes payable to State Treasury	170,132,802,277	229,976,372,478
Payables to employees	28,831,364,538	-
Accrued expenses	343,451,834,234	450,243,494,641
Other short-term payables	2,832,962,471,365	11,333,832,223
Short-term borrowings	3,511,889,052,171	3,279,081,068,531
Long-term borrowings	82,658,430,423	41,142,136,776
Deferred tax liabilities	131,690,581,858	140,455,807,864
<b>Unallocated liabilities</b>	<b>7,173,558,823,652</b>	<b>4,265,635,707,673</b>

The business segments as at 1 January 2019 and for the six-month period ended 30 June 2018 have been re-presented to conform with the current period's presentation.

**(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**  
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**8. Cash and cash equivalents**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	933,148,175	1,319,699,580
Cash at banks	151,673,643,419	113,000,282,946
Cash equivalents	2,116,562,061,164	1,554,800,000,000
	2,269,168,852,758	1,669,119,982,526

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>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Term deposits at banks	4,200,000,000	251,200,000,000

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

**Masan Consumer Corporation and its subsidiaries**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)**

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**(b) Investment in an associate**

	Number of shares	30/6/2019 % of equity owned and % of voting rights	Carrying value under equity method VND	Number of shares	1/1/2019 % of equity owned and % of voting rights	Carrying value under equity method VND
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 value of the equity investment in an associate for disclosure in the consolidated interim financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair value of the equity investment may differ from its carrying amount.

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

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

	<b>CLX VND</b>
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	7,977,651,000
Post-acquisition dividends receivable from an associate	(7,977,651,000)
	<hr/>
Carrying value of investment in an associate at the end of the period	249,391,858,906

**Masan Consumer Corporation and its subsidiaries**  
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**10. Accounts receivable from customers**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Receivable from third parties	145,800,926,133	172,726,144,782
Receivable from related parties	59,505,971,995	118,758,634,039
	<hr/>	<hr/>
	205,306,898,128	291,484,778,821
	<hr/>	<hr/>

Please see Note 37 for balances between the Group and the related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 30 – 180 days from invoice date.

**11. Other receivables**

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

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Non-trade amounts due from related parties	31,703,272,485	-
Accrued interest receivable from deposits at banks	5,925,426,638	5,694,530,137
Short-term deposits	2,985,900,060	4,096,877,250
Others	13,231,747,436	7,259,721,844
	<hr/>	<hr/>
	53,846,346,619	17,051,129,231
	<hr/>	<hr/>

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

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

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Accrued interest receivable from a related party (*)	989,494,814,005	744,335,693,311
Long-term deposits	30,094,680,366	26,950,095,372
	<hr/>	<hr/>
	1,019,589,494,371	771,285,788,683
	<hr/>	<hr/>

(\*) These represented interest income receivable from loans provided to a related party. Please see Notes 13 and 37 for further information.

**Masan Consumer Corporation and its subsidiaries**  
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**30 June 2019 (continued)**

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**12. Inventories**

	30/6/2019		1/1/2019	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	34,548,434,973	-	46,162,485,789	-
Raw materials	647,049,028,699	(12,037,479,301)	571,181,399,445	(12,384,740,374)
Tools and supplies	82,707,656,576	(25,918,601,266)	77,707,709,750	(25,918,601,266)
Work in progress	95,540,207,564	-	93,507,831,475	-
Finished goods	567,586,641,877	(4,979,783,147)	465,386,443,069	(9,474,977,740)
Merchandise inventories	15,262,108,864	-	9,261,802,635	-
Goods on consignment	860,227,993	-	-	-
	<u>1,443,554,306,546</u>	<u>(42,935,863,714)</u>	<u>1,263,207,672,163</u>	<u>(47,778,319,380)</u>

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

	Six-month period ended	
	30/6/2019 VND	30/6/2018 VND
Opening balance	47,778,319,380	6,956,250,034
Increase in allowance during the period	19,275,503,655	13,434,202,154
Allowance utilised during the period	(21,370,608,616)	(16,038,809,898)
Written back	(2,747,350,705)	(547,054,263)
Closing balance	<u>42,935,863,714</u>	<u>3,804,588,027</u>

Included in inventories of the Group as at 30 June 2019 was VND42,936 million (1/1/2019: VND47,778 million) of slow-moving inventories.

**13. Long-term loans receivable**

	30/6/2019 VND	1/1/2019 VND
Loans receivable from a related party	7,833,716,876,592	7,433,716,876,592

The long-term loans receivable were unsecured and earned interest at 6.5% per annum as at 30 June 2019 (1/1/2019: 6.5% per annum). These loans mature on 31 December 2022. Interest is receivable on the maturity date of loan agreements.

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14. 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	1,489,020,112,948	62,791,110,984	67,770,850,119	3,883,660,819,875	16,305,922,809	5,519,548,816,735
Additions during the period	-	-	332,850,000	3,158,257,484	48,000,000	3,539,107,484
Transfer from construction in progress	6,190,456,946	-	10,010,555,190	250,935,680,112	1,113,505,818	268,250,198,066
Disposals	(8,092,777,365)	-	-	(27,489,111,720)	(494,260,493)	(36,076,149,578)
Written off	(633,800,182)	(3,181,386,443)	(38,139,997)	(238,642,637)	-	(4,091,969,259)
Closing balance	1,486,483,992,347	59,609,724,541	78,076,115,312	4,110,027,003,114	16,973,168,134	5,751,170,003,448
<b>Accumulated depreciation</b>						
Opening balance	380,976,732,815	40,387,664,673	43,297,075,176	1,957,572,653,742	9,914,548,406	2,432,148,674,812
Charge for the period	37,677,922,137	5,288,237,661	3,745,765,664	192,014,320,769	1,020,510,068	239,746,756,299
Disposals	(4,011,729,676)	-	-	(19,180,120,377)	(475,758,130)	(23,667,608,183)
Written off	(601,794,344)	(3,181,386,443)	(38,139,997)	(234,314,725)	-	(4,055,635,509)
Closing balance	414,041,130,932	42,494,515,891	47,004,700,843	2,130,172,539,409	10,459,300,344	2,644,172,187,419
<b>Net book value</b>						
Opening balance	1,108,043,380,133	22,403,446,311	24,473,774,943	1,926,088,166,133	6,391,374,403	3,087,400,141,923
Closing balance	1,072,442,861,415	17,115,208,650	31,071,414,469	1,979,854,463,705	6,513,867,790	3,106,997,816,029

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Included in tangible fixed assets of the Group were assets costing VND557,420 million, which were fully depreciated as of 30 June 2019 (1/1/2019: VND525,507 million), but which are still in active use.

The carrying amount of the Group's temporarily idle equipment in tangible fixed assets amounted to VND415 million as of 30 June 2019 (1/1/2019: VND661 million).

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15. Intangible fixed asset

	Land use rights VND	Software VND	Exploitation rights for mineral water resources VND	Brand name VND	Customer relationships VND	Mineral water resources VND	Total VND
<b>Cost</b>							
Opening balance	119,085,818,402	291,679,837,825	74,275,043,548	758,354,816,571	404,114,911,701	412,697,763,511	2,060,208,191,558
Additions during the period	-	-	614,445,000	-	-	-	614,445,000
Others	-	-	(2,765,431,200)	-	-	-	(2,765,431,200)
Closing balance	119,085,818,402	291,679,837,825	72,124,057,348	758,354,816,571	404,114,911,701	412,697,763,511	2,058,057,205,358
<b>Accumulated amortisation</b>							
Opening balance	33,593,413,253	132,428,255,902	17,816,120,482	452,121,610,933	361,062,785,581	73,397,787,108	1,070,419,973,259
Charge for the period	1,865,440,704	17,692,854,360	1,783,482,034	33,446,434,254	4,069,420,620	10,967,334,138	69,824,966,110
Others	-	-	(576,131,500)	-	-	-	(576,131,500)
Closing balance	35,458,853,957	150,121,110,262	19,023,471,016	485,568,045,187	365,132,206,201	84,365,121,246	1,139,668,807,869
<b>Net book value</b>							
Opening balance	85,492,405,149	159,251,581,923	56,458,923,066	306,233,205,638	43,052,126,120	339,299,976,403	989,788,218,299
Closing balance	83,626,964,445	141,558,727,563	53,100,586,332	272,786,771,384	38,982,705,500	328,332,642,265	918,388,397,489



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Included in intangible fixed assets of the Group were assets costing VND12,747 million, which were fully amortised as of 30 June 2019 (1/1/2019: VND12,683 million), but which are still in active use.

**16. Construction in progress**

	<b>Six-month period ended 30/6/2019 VND</b>
Opening balance	230,563,818,314
Additions during the period	663,790,047,600
Transfer to tangible fixed assets	(268,250,198,066)
Transfer to long-term prepaid expenses	(11,370,650,143)
	614,733,017,705

Major constructions in progress were as follows:

	<b>30/6/2019 VND</b>	<b>1/1/2019 VND</b>
Buildings	202,542,029,470	51,142,314,446
Machinery and equipment	407,464,916,338	170,826,924,213
Others	4,726,071,897	8,594,579,655
	614,733,017,705	230,563,818,314

As at 30 June 2019, certain construction in progress of the Group was pledged with banks as security for loans granted to the Group (1/1/2019: nil).

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	<b>Prepaid land costs VND</b>	<b>Goodwill from equitisation VND</b>	<b>Tools and supplies VND</b>	<b>Total VND</b>
Opening balance	83,573,099,578	21,940,598,076	60,393,742,683	165,907,440,337
Additions during the period	-	-	12,034,958,808	12,034,958,808
Transfer from construction in progress	-	-	11,370,650,143	11,370,650,143
Net transfer to short-term prepaid expenses	-	-	(2,207,453,814)	(2,207,453,814)
Amortisation for the period	(1,048,127,904)	(1,567,185,576)	(18,083,205,356)	(20,698,518,836)
Written off	-	-	(669,478,833)	(669,478,833)
Currency translation differences	-	-	43,706,118	43,706,118
Closing balance	82,524,971,674	20,373,412,500	62,882,919,749	165,781,303,923

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**18. Deferred tax assets and liabilities**

**Recognised deferred tax assets and liabilities**

	30/6/2019		1/1/2019	
	Deferred tax assets VND	Deferred tax liabilities VND	Deferred tax assets VND	Deferred tax liabilities VND
Accrued advertising and promotion expenses	61,116,497,259	-	114,386,918,462	-
Tax losses	47,292,219,763	-	-	-
Accrued logistic expense	22,141,677,608	-	22,614,175,812	-
Accrued sales discounts	11,229,879,060	-	15,665,716,716	-
Other accruals	32,970,522,112	-	34,872,162,934	-
Unrealised profits	21,958,207,360	-	16,820,904,839	-
Tangible fixed assets	-	(1,669,395,449)	-	(2,176,548,351)
Intangible fixed assets	-	(130,021,186,409)	-	(138,279,259,513)
	196,709,003,162	(131,690,581,858)	204,359,878,763	(140,455,807,864)

**19. Goodwill**

	Six-month period ended 30/6/2019 VND
<b>Cost</b>	
Opening and closing balances	693,961,414,227
<b>Accumulated amortisation</b>	
Opening balance	407,026,661,183
Charge for the period	34,400,376,474
Closing balance	441,427,037,657
<b>Net book value</b>	
Opening balance	286,934,753,044
Closing balance	252,534,376,570

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**20. Accounts payable to suppliers**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>Cost/ Amount within payment capacity VND</b>	<b>Cost/ Amount within payment capacity VND</b>
<b>Short-term</b>		
Payable to third parties	779,152,938,671	974,666,440,883
Payable to related parties	221,638,712	21,466,478,463
	779,374,577,383	996,132,919,346
<b>Long-term</b>		
Payable to third parties	31,012,774,000	36,330,147,040
	810,387,351,383	1,032,463,066,386

Please see Note 37 for balances between the Group and the related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice date.

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**21. Taxes payable to State Treasury**

	1/1/2019 VND	Incurred VND	Paid VND	Deducted/Refunded VND	Reclassified VND	30/6/2019 VND
Value added tax	90,568,054,907	1,491,394,729,171	(260,323,868,402)	(1,263,174,957,313)	(720,340,161)	57,743,618,202
Import-export tax	-	12,344,654,901	(12,344,654,901)	-	-	-
Corporate income tax	187,659,535,489	140,413,258,707	(181,877,214,696)	-	(381,768,043)	145,813,811,457
Personal income tax	4,782,620,100	70,278,822,935	(63,319,950,369)	(1,387,537,016)	3,202,621	10,357,158,271
Other taxes	803,177,452	77,259,315,376	(76,817,646,260)	-	-	1,244,846,568
	283,813,387,948	1,791,690,781,090	(594,683,334,628)	(1,264,562,494,329)	(1,098,905,583)	215,159,434,498

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**22. Accrued expenses**

	<b>30/6/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Advertising and promotion expenses	324,829,060,835	614,724,035,713
Bonus and 13 <sup>th</sup> month salary	125,983,906,995	207,212,703,794
Purchases not yet received invoices	119,215,793,459	79,962,098,326
Logistic expense	111,112,572,252	113,070,879,061
Construction in progress	71,338,591,520	30,029,665,406
Sales discounts	56,149,395,302	78,328,583,580
Exhibition expense	50,150,851,415	41,161,828,771
Accrued information and technology expenses	27,393,508,974	24,222,864,545
Accrued interest expense	16,103,961,953	10,404,139,017
Market research expense	12,875,794,499	15,950,411,147
Others	52,161,697,919	52,021,726,769
	967,315,135,123	1,267,088,936,129

**23. Other payables**

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

	<b>30/6/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Dividends payable	2,621,410,884,300	5,513,547,300
Obligation to issue shares	197,318,310,000	187,440,000
Trade union fee, social, health and unemployment insurances	19,007,077,239	10,382,636,512
Short-term deposits received	1,107,802,465	1,820,079,403
Others	2,443,865,879	1,798,678,645
	2,841,287,939,883	19,702,381,860

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

	<b>30/6/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Long-term deposits received	22,319,189,720	20,101,628,673

**Masan Consumer Corporation and its subsidiaries**

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**24. Borrowings**

**(a) Short-term borrowings**

	1/1/2019		Movements during the period		30/6/2019	
	Carrying amount VND	Amount within repayment capacity VND	Addition VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	3,225,710,840,556	3,225,710,840,556	7,441,781,706,254	(7,155,603,494,639)	3,511,889,052,171	3,511,889,052,171
Current portion of long-term borrowings	53,370,227,975	53,370,227,975	-	(53,370,227,975)	-	-
	<b>3,279,081,068,531</b>	<b>3,279,081,068,531</b>	<b>7,441,781,706,254</b>	<b>(7,208,973,722,614)</b>	<b>3,511,889,052,171</b>	<b>3,511,889,052,171</b>

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

	Currency	Annual interest rate	30/6/2019 VND	1/1/2019 VND
<b>Short-term borrowings</b>				
▪ Secured bank loans	VND	5.8% - 6.3%	265,050,525,274	138,876,285,706
▪ Unsecured bank loans	VND	5.2% - 6.4%	3,246,838,526,897	3,086,834,554,850
			3,511,889,052,171	3,225,710,840,556

As at 30 June 2019 and 1 January 2019, the secured bank loans of the Group were guaranteed by the Company.

**(b) Long-term borrowings**

	30/6/2019 VND	1/1/2019 VND
Long-term borrowings	82,658,430,423	94,512,364,751
Repayable within 12 months	-	(53,370,227,975)
	82,658,430,423	41,142,136,776

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

	Currency	Annual interest rate	Year of maturity	30/6/2019 VND	1/1/2019 VND
<b>Long-term borrowings</b>					
▪ Secured bank loans	VND	8.0% - 9.1%	2024	82,658,430,423	94,512,364,751

The secured bank loans of the Group were secured over construction in progress of the Group with the carrying amount of VND211,010 million (1/1/2019: fixed assets with the carrying amount of VND550,516 million).

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

As at 30 June 2019 and 1 January 2019, the Group does not have any overdue borrowings including principle and interest.



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25. Changes in owners' equity

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Undistributed profits after tax VND	Non-controlling interests ("NCI") VND	Total VND
<b>Balance as at 1 January 2018</b>	5,431,327,770,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	2,951,013,886	22,731,972,844	2,226,022,362,372	466,766,233,907	11,331,827,459,740
Net profit for the period	-	-	-	-	-	-	1,514,624,839,800	24,521,416,082	1,539,146,255,882
Dividends (Note 27)	-	-	-	-	-	-	(2,363,097,496,500)	-	(2,363,097,496,500)
Acquisition of NCI	-	-	-	-	-	-	(1,301,506,857,458)	(311,418,585,035)	(1,612,925,442,493)
Capital contribution in a subsidiary by NCI	-	-	-	-	-	-	34,076,874,945	42,266,450,754	76,343,325,699
Currency translation differences	-	-	-	-	(92,973,129)	-	-	675	(92,972,454)
<b>Balance as at 30 June 2018</b>	5,431,327,770,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	2,858,040,757	22,731,972,844	110,119,723,159	222,135,516,383	8,971,201,129,874

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	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 VND	Total VND
<b>Balance as at 1 January 2019</b>	6,279,291,230,000	4,292,501,204,992	(265,775,657,006)	(1,640,252,631,255)	5,398,307,899	22,731,972,844	1,962,584,222,892	224,733,821,437	10,881,212,471,803
Net profit for the period	-	-	-	-	-	-	1,595,066,907,697	14,541,408,868	1,609,608,316,565
Dividends (Note 27)	-	-	-	-	-	-	(2,744,681,053,500)	-	(2,744,681,053,500)
Currency translation differences	-	-	-	-	3,979,961,088	-	-	5,589	3,979,966,677
<b>Balance as at 30 June 2019</b>	6,279,291,230,000	4,292,501,204,992	(265,775,657,006)	(1,640,252,631,255)	9,378,268,987	22,731,972,844	812,970,077,089	239,275,235,894	9,750,119,701,545

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

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

	30/6/2019		1/1/2019	
	Number of shares	VND	Number of shares	VND
<b>Authorised and issued share capital</b>				
Ordinary shares	627,929,123	6,279,291,230,000	627,929,123	6,279,291,230,000
<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	609,929,123	6,099,291,230,000	609,929,123	6,099,291,230,000
<b>Share premium</b>		4,292,501,204,992		4,292,501,204,992

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

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

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

**27. Dividends**

The Annual General Meeting of Shareholders of the Company on 24 April 2019 resolved to distribute dividends by cash amounting to VND2,744,681 million (for the six-month period ended 30 June 2018: VND2,363,097 million).

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**28. Off balance sheet items**

**(a) Lease commitments**

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

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Within 1 year	118,947,148,516	127,765,788,160
Within 2 to 5 years	54,676,341,136	75,685,864,262
More than 5 years	8,383,606,564	-
	<hr/>	<hr/>
	182,007,096,216	203,451,652,422
	<hr/>	<hr/>

**(b) Foreign currencies**

	<b>30/6/2019</b>		<b>1/1/2019</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
USD	378,405	8,790,336,344	740,958	17,145,755,322
THB	96,315,455	71,177,257,819	83,683,037	58,076,027,338
EUR	36	953,208	-	-
		<hr/>		<hr/>
		79,968,547,371		75,221,782,660
		<hr/>		<hr/>

**(c) Capital expenditure commitments**

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

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Approved and contracted	301,501,263,557	515,280,553,275
Approved but not contracted	447,140,892,594	758,931,378,098
	<hr/>	<hr/>
	748,642,156,151	1,274,211,931,373
	<hr/>	<hr/>

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**29. Revenue from sale of goods and provision of services**

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

Net revenue comprised of:

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Sale of goods	8,075,764,814,989	7,417,008,108,043
▪ Other sales	14,442,331,290	14,696,647,077
	<hr/>	<hr/>
	8,090,207,146,279	7,431,704,755,120
Less revenue deductions		
▪ Sales discounts	248,407,474,593	78,141,526,489
▪ Sales returns	31,401,500,611	15,833,174,582
	<hr/>	<hr/>
	279,808,975,204	93,974,701,071
Net revenue	<hr/>	<hr/>
	7,810,398,171,075	7,337,730,054,049
	<hr/>	<hr/>

**30. Cost of sales**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales		
▪ Goods sold	4,505,735,068,112	3,938,808,448,375
▪ Other cost of goods sold	10,053,225,833	33,403,849,352
▪ Allowance for inventories	16,528,152,950	12,887,147,891
	<hr/>	<hr/>
	4,532,316,446,895	3,985,099,445,618
	<hr/>	<hr/>

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**31. Financial income**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Interest income from loans provided to a related party	245,159,120,694	191,131,833,020
Interest income from deposits at banks and other investments	45,574,816,520	67,597,345,386
Foreign exchange gains	3,113,193,073	1,419,548,520
	<hr/>	<hr/>
	293,847,130,287	260,148,726,926
	<hr/>	<hr/>

**32. Financial expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Interest expense on borrowings from banks	110,681,489,695	86,436,367,294
Foreign exchange losses	2,855,537,706	531,202,797
Others	286,825,444	-
	<hr/>	<hr/>
	113,823,852,845	86,967,570,091
	<hr/>	<hr/>

**33. Selling expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Advertising and promotion expenses	703,474,351,649	930,758,033,643
Logistic expense	297,079,307,421	267,092,535,815
Staff costs	195,455,958,180	120,800,253,983
Exhibition expense	81,918,855,623	61,008,260,542
Leased line system and information technology services	20,824,336,482	12,086,294,212
Marketing research expense	27,704,311,241	17,821,333,147
Others	12,989,734,131	26,840,707,059
	<hr/>	<hr/>
	1,339,446,854,727	1,436,407,418,401
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**34. General and administration expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Staff costs	155,323,521,914	119,503,264,717
Amortisation of fair value uplift of fixed assets arising in business combination	50,841,878,628	50,841,878,628
Amortisation of goodwill	34,400,376,474	34,400,376,474
Leased line system and information technology services	33,727,709,626	42,322,218,023
Office rental	29,500,008,606	25,070,075,244
Depreciation and amortisation of fixed assets	23,292,419,247	23,461,348,730
Research and development expenses	13,189,976,688	6,607,289,813
Others	26,239,500,665	28,282,353,218
	<hr/>	<hr/>
	366,515,391,848	330,488,804,847
	<hr/>	<hr/>

**35. Income tax**

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

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>		
Current period	196,763,240,328	255,644,347,957
Over provision in prior periods	(56,349,981,621)	(7,560,723,358)
	<hr/>	<hr/>
	140,413,258,707	248,083,624,599
	<hr/>	<hr/>
<b>Deferred tax benefit</b>		
Origination and reversal of temporary differences	(1,114,350,405)	(27,698,944,180)
	<hr/>	<hr/>
Income tax expense	139,298,908,302	220,384,680,419
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**(b) Reconciliation of effective tax rate**

	Six-month period ended	
	30/6/2019 VND	30/6/2018 VND
Accounting profit before tax	1,748,907,224,867	1,759,530,936,301
Tax at the Company's income tax rate	349,781,444,973	351,906,187,260
Effect of incentive tax rates in subsidiaries	(162,677,064,277)	(134,119,588,909)
Effect of share of profit in an associate	(1,595,530,200)	(1,063,686,800)
Non-deductible expenses	1,621,883,198	2,222,123,319
Over provision in prior periods	(56,349,981,621)	(7,560,723,358)
Tax losses utilised	-	(92,892,763)
Effect of amortisation of goodwill	6,880,075,295	6,880,075,295
Unrecognised deferred tax assets	1,638,080,934	2,213,186,375
	139,298,908,302	220,384,680,419

Deferred tax assets have not been recognised in some subsidiaries because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits therefrom.

**(c) Applicable tax rates**

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

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

**(d) Tax contingencies**

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



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**36. Earnings per share**

**(a) Basic earnings per share**

The calculation of basic earnings per share for the six-month period ended 30 June 2019 was based on the profit attributable to ordinary shareholders of the Company after deducting the amounts appropriated to bonus and welfare funds for the period, of VND1,595,067 million (for the six-month period ended 30 June 2018: VND1,514,625 million) and a weighted average number of ordinary shares outstanding of 609,929,123 shares (for the six-month period ended 30 June 2018: 603,902,177 shares), calculated as follows:

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

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Net profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds	1,595,066,907,697	1,514,624,839,800

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

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
		<b>(as restated)</b>
Issued ordinary shares at the beginning of the period – currently in circulation	609,929,123	525,132,777
Effect of bonus shares issued during the period	-	78,769,400
Weighted average number of ordinary shares during the period – currently in circulation	609,929,123	603,902,177

In September 2018, the Company issued 79,555,519 ordinary shares as bonus shares to its existing shareholders.

Issued ordinary shares at the beginning of 2018 have been adjusted to reflect the bonus shares issued in 2018. Basic earnings per share for the six-month period ended 30 June 2018 have also been restated accordingly to reflect these bonus shares.

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**(iii) Basic earnings per share**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
		<b>(as restated)</b>
Basic earnings per share	2,615	2,508

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**(b) Diluted earnings per share**

As at 30 June 2019 and 1 January 2019, the Company did not have potential ordinary shares, therefore the presentation of diluted earnings per share is not applicable.

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**37. Significant transactions and balances with related parties**

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

Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		Six-month period ended 30/6/2019 VND	30/6/2018 VND	30/6/2019 VND	1/1/2019 VND
<b>Parent of parent company</b>					
Masan Group Corporation	Sale of goods	132,641,736	27,539,937	6,600,000	-
	Management fee	1,439,326,008	2,528,347,812	1,439,326,008	5,496,643,007
<b>Parent company</b>					
MasanConsumerHoldings Company Limited	Loans provided	400,000,000,000	300,000,000,000	7,833,716,876,592	7,433,716,876,592
	Interest income receivable from loans	245,159,120,694	191,131,833,020	989,494,814,005	744,335,693,311
	Dividends declared	2,611,289,133,000	2,270,686,203,000	(2,611,289,133,000)	-
	Dividends paid by cash	-	600,000,000,000	-	-
<b>Associate</b>					
Cholimex Food Joint Stock Company	Post-acquisition dividends received	7,977,651,000	5,318,434,000	-	-
<b>Other related parties</b>					
Masan Brewery PY One Member Company Limited	Sale of goods	7,770,840	20,864,617	-	-
Masan Brewery Distribution One Member Company Limited	Sale of goods	803,880	480,400	1,191,330,352	2,527,369,828
	Sale returns	1,194,673,977	-	-	-
	Purchase of goods	1,058,016,058	754,516,408	-	(20,804,520,370)
	Prepayment for purchase of goods	263,075,436	-	263,075,436	-
	Management fee	26,840,167,756	12,310,607,577	55,403,542,079	60,624,394,654

**Masan Consumer Corporation and its subsidiaries**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)**

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		30/6/2019 VND	30/6/2018 VND	30/6/2019 VND	1/1/2019 VND
Masan Brewery HG One Member Company Limited	Sale of goods	24,076,958	16,302,698	-	-
	Purchase of goods	41,541,848	-	-	-
	Return of goods	55,814,418	-	-	-
	Management fee	2,017,683,715	1,065,061,320	4,749,985,721	2,745,941,875
Masan Brewery MB One Member Company Limited	Sale of fixed assets	-	-	-	21,164,047,413
Agro Nutrition International Joint Stock Company	Sale of goods	15,940,000	27,224,000	5,610,000	-
	Management fee	1,816,228,582	2,836,848,133	1,997,851,440	2,821,114,056
MNS Feed Tien Giang Company Limited	Management fee	553,826,409	851,989,905	609,209,050	617,822,920
MNS Feed Thai Nguyen Company Limited	Sale of goods	12,992,000	16,860,000	-	-
	Management fee	454,069,765	864,835,111	499,476,741	498,242,808
MNS Feed Vinh Long Company Limited	Management fee	578,765,570	931,429,271	636,642,127	637,208,299
MNS Feed Hau Giang Company Limited	Management fee	456,471,020	614,036,690	502,118,122	507,005,940
MNS Feed Nghe An Company Limited	Sale of goods	26,849,818	13,592,000	14,631,000	-
	Management fee	716,268,072	874,691,436	787,894,879	804,869,783

**Masan Consumer Corporation and its subsidiaries**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)**

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		30/6/2019 VND	30/6/2018 VND	30/6/2019 VND	1/1/2019 VND
MNS Farm Nghe An Company Limited	Sale of goods Management fee	- 2,103,482,937	9,563,891 2,199,903,319	- 2,313,831,232	- 986,100,091
Vietnamese – French Cattle Feed Joint Stock Company	Sale of goods Management fee	36,120,000 2,949,806,671	34,704,800 5,906,481,305	- 3,244,787,339	- 5,131,224,940
Proconco Can Tho One Member Company Limited	Management fee	1,246,267,616	1,200,386,481	1,370,894,378	1,411,327,932
Conco Binh Dinh Co.,Ltd	Management fee	663,188,076	1,001,954,516	729,506,884	736,957,268
Proconco Hung Yen Manufacturing and Trading Company Limited	Sale of goods Management fee	- 63,973,978	3,744,000 729,440,197	- 70,371,376	- 34,718,341
Masan MEATLife Corporation (formerly known as Masan Nutri-Science Corporation)	Sale of goods Management fee	6,555,636 4,806,827,491	- -	- 5,287,510,240	- 6,871,841,133
MNS Meat Ha Nam Company Limited	Sale of goods Sale of fixed assets Purchase of goods Purchase of fixed assets Management fee	44,732,364 455,677,457 323,871,900 108,194,443 4,354,489,880	8,399,110 - - - -	26,405,600 501,245,203 (18,067,625) (119,013,887) 4,789,938,868	7,912,200 - - - 1,459,711,602

**Masan Consumer Corporation and its subsidiaries**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)**

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		30/6/2019 VND	30/6/2018 VND	30/6/2019 VND	1/1/2019 VND
Nui Phao Mining Company Limited	Sale of goods	670,767,855	507,125,840	188,060,060	86,225,766
	Management fee	1,254,521,598	1,095,925,302	4,842,475,781	3,587,954,183
JinJu Ham Company Limited	Purchase of goods	1,571,335,215	-	(84,557,200)	(661,958,093)
<b>Key management personnel</b>	Remuneration to key management personnel (*)	36,247,646,660	29,321,053,633	-	-

As at 30 June 2019 and 1 January 2019, the Group has current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank at normal terms.

(\*) No board fees were paid to members of the Board of Directors of the Company for the six-month periods ended 30 June 2019 and 2018.

**Masan Consumer Corporation and its subsidiaries**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019 (continued)**

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**38. Post balance sheet events**

In July 2019, the Company has issued 3,049,325 ordinary shares at VND70,000 per share to its employees under employees stock ownership plan (“ESOP”) after obtaining shareholders’ approval at its Annual General Meeting in April 2019. As a result of this event, the Company’s share capital, share premium and ordinary shares increased to VND6,309,784,480,000, VND4,475,460,704,992 and 630,978,448 shares, respectively.

In July 2019, the Company’s Board of Directors approved the plan for the issuance of 91,946,767 bonus shares to the Company’s shareholders. As at the reporting date, the issuance of bonus shares has not been completed.

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

15 August 2019

Prepared by:   
  
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Chief Accountant

Approved by:   
  
Huynh Viet Thang  
Acting Chief Financial Officer

  
Trương Công Thang  
Chairman of the Board of Directors

