



**Masan Consumer Corporation**  
Separate 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  
Mr Nguyen Dang Quang  
Ms Nguyen Hoang Yen  
Mr Nguyen Thieu Quang  
Mr Danny Le

Chairman  
Member  
Member  
Member  
Member

**Board of Management**

Mr Truong Cong Thang  
Ms Nguyen Hoang Yen  
Mr Pham Hong Son  
Mr Pham Dinh Toai  
  
Mr Nguyen Anh Nguyen  
Ms Dinh Kim Nhung

Chief Executive Officer  
Deputy Chief Executive Officer  
Deputy Chief Executive Officer  
Deputy Chief Executive Officer  
(until 19 March 2019)  
Deputy Chief Executive Officer  
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 separate interim financial statements of the Company 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 separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In the opinion of the Company’s Board of Management:

- (a) the separate interim financial statements set out on pages 5 to 40 give a true and fair view of the separate financial position of the Company as at 30 June 2019, and of its separate results of operations and its separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Trương Công Thang

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

Ho Chi Minh City, 15 August 2019



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

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

We have reviewed the accompanying separate interim financial statements of Masan Consumer Corporation (“the Company”), which comprise the separate balance sheet as at 30 June 2019, the separate statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 15 August 2019, as set out on pages 5 to 40.

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

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

### **Auditor’s Responsibility**

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

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



## Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the separate financial position of Masan Consumer Corporation as at 30 June 2019 and of its separate results of operations and its separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

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

Vietnam

Review Report No.: 19-01-00278-19-1



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Nelson Rodríguez 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**  
**Separate balance sheet as at 30 June 2019**

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 130 + 140 + 150)</b>	<b>100</b>		<b>3,470,650,716,407</b>	<b>3,896,749,996,990</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>7</b>	<b>1,219,309,111,567</b>	<b>822,064,867,520</b>
Cash	111		25,390,801,567	17,064,867,520
Cash equivalents	112		1,193,918,310,000	805,000,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>1,807,802,152,376</b>	<b>2,651,176,310,050</b>
Accounts receivable from customers	131	8	197,576,711,229	249,444,392,998
Prepayments to suppliers	132		11,408,135,920	11,320,207,090
Other short-term receivables	136	9(a)	1,598,817,305,227	2,390,411,709,962
<b>Inventories</b>	<b>140</b>	<b>10</b>	<b>409,604,182,628</b>	<b>416,718,844,961</b>
Inventories	141		415,002,861,897	420,741,003,312
Allowance for inventories	149		(5,398,679,269)	(4,022,158,351)
<b>Other current assets</b>	<b>150</b>		<b>33,935,269,836</b>	<b>6,789,974,459</b>
Short-term prepaid expenses	151		33,935,269,836	6,789,974,459
<b>Long-term assets</b> <b>(200 = 210 + 220 + 240 + 250 + 260)</b>	<b>200</b>		<b>15,372,120,090,753</b>	<b>14,580,962,433,268</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>8,336,401,779,069</b>	<b>7,705,459,105,062</b>
Long-term loans receivable	215	11	7,367,716,876,592	6,967,716,876,592
Other long-term receivables	216	9(b)	968,684,902,477	737,742,228,470
<b>Fixed assets</b>	<b>220</b>		<b>164,990,185,675</b>	<b>186,259,798,041</b>
Tangible fixed assets	221	12	28,408,967,014	32,899,873,392
Cost	222		86,857,754,221	88,341,031,474
Accumulated depreciation	223		(58,448,787,207)	(55,441,158,082)
Intangible fixed assets	227	13	136,581,218,661	153,359,924,649
Cost	228		277,295,650,978	277,295,650,978
Accumulated amortisation	229		(140,714,432,317)	(123,935,726,329)
<b>Long-term work in progress</b>	<b>240</b>		<b>1,192,630,138</b>	<b>2,839,037,507</b>
Construction in progress	242	14	1,192,630,138	2,839,037,507
<b>Long-term financial investments</b>	<b>250</b>		<b>6,703,771,509,348</b>	<b>6,510,771,509,348</b>
Investments in subsidiaries	251	15	6,703,771,509,348	6,510,771,509,348
<b>Other long-term assets</b>	<b>260</b>		<b>165,763,986,523</b>	<b>175,632,983,310</b>
Long-term prepaid expenses	261	16	4,006,019,253	4,786,567,807
Deferred tax assets	262	17	161,757,967,270	170,846,415,503
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>18,842,770,807,160</b>	<b>18,477,712,430,258</b>

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

**Masan Consumer Corporation**  
**Separate balance sheet as at 30 June 2019 (continued)**

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>9,090,116,415,581</b>	<b>6,116,730,778,111</b>
<b>Current liabilities</b>	<b>310</b>		<b>9,068,191,109,861</b>	<b>6,097,072,673,399</b>
Accounts payable to suppliers	311	18	3,103,402,234,628	2,595,927,263,387
Advances from customers	312		34,190,632,568	41,014,853,528
Taxes payable to State Treasury	313	19	42,557,724,837	83,180,744,270
Payables to employees	314		28,831,364,538	-
Accrued expenses	315	20	665,820,860,203	991,509,981,562
Other short-term payables	319	21(a)	2,833,737,767,515	11,333,832,223
Short-term borrowings	320	22	2,359,650,525,572	2,374,105,998,429
<b>Long-term liabilities</b>	<b>330</b>		<b>21,925,305,720</b>	<b>19,658,104,712</b>
Other long-term payables	337	21(b)	21,925,305,720	19,658,104,712
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>9,752,654,391,579</b>	<b>12,360,981,652,147</b>
<b>Owners' equity</b>	<b>410</b>	<b>23</b>	<b>9,752,654,391,579</b>	<b>12,360,981,652,147</b>
Share capital	411	24	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	24	4,292,501,204,992	4,292,501,204,992
Treasury shares	415	24	(1,640,252,631,255)	(1,640,252,631,255)
Undistributed profits after tax	421		821,114,587,842	3,429,441,848,410
- Undistributed profits after tax brought forward	421a		684,760,794,910	734,698,515,732
- Undistributed profit after tax for the current period/prior year	421b		136,353,792,932	2,694,743,332,678
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>18,842,770,807,160</b>	<b>18,477,712,430,258</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 separate interim financial statements*

**Masan Consumer Corporation**

**Separate statement of income for the six-month period ended 30 June 2019**

**Form B 02a – DN**

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

	Code	Note	Six-month period ended	
			30/6/2019 VND	30/6/2018 VND
Revenue from sale of goods	01	27	8,311,206,363,594	7,282,421,700,524
Revenue deductions	02	27	281,397,019,724	77,870,279,078
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>27</b>	<b>8,029,809,343,870</b>	<b>7,204,551,421,446</b>
Cost of sales	11	28	6,670,623,362,343	5,617,459,429,208
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>1,359,185,981,527</b>	<b>1,587,091,992,238</b>
Financial income	21	29	354,690,273,461	203,680,872,576
Financial expenses	22	30	74,883,028,790	46,865,295,862
<i>In which: Interest expense</i>	23		74,326,944,583	46,730,891,703
Selling expenses	25	31	1,310,144,346,088	1,403,453,241,134
General and administration expenses	26	32	183,550,768,084	161,186,332,426
<b>Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}</b>	<b>30</b>		<b>145,298,112,026</b>	<b>179,267,995,392</b>
Other income	31		144,545,598	49,219,165
Other expenses	32		416,459	2,178,183,506
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>144,129,139</b>	<b>(2,128,964,341)</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>145,442,241,165</b>	<b>177,139,031,051</b>
Income tax expense – current	51	34	-	60,483,024,024
Income tax expense/(benefit) – deferred	52	34	9,088,448,233	(29,497,316,476)
<b>Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>136,353,792,932</b>	<b>146,153,323,503</b>

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 separate interim financial statements*



**Masan Consumer Corporation**  
**Separate statement of cash flows for the six-month period ended 30 June 2019**  
**(Indirect method)**

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

	Code	Six-month period ended	
		30/6/2019 VND	30/6/2018 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>145,442,241,165</b>	<b>177,139,031,051</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	23,409,219,735	23,387,755,935
Allowances and provisions	03	5,954,481,561	9,283,494,788
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04	(1,437,850)	(10,257,877)
Gains on disposals of fixed assets	05	-	(19,578,367)
Interest income, distributed profits and related income from investing activities	05	(354,015,227,678)	(203,366,116,850)
Interest expense	06	74,326,944,583	46,730,891,703
<b>Operating (loss)/profit before changes in working capital</b>	<b>08</b>	<b>(104,883,778,484)</b>	<b>53,145,220,383</b>
Change in receivables and other current assets	09	20,594,246,774	210,815,515,908
Change in inventories	10	1,160,180,772	(324,395,719,712)
Change in payables and other liabilities	11	391,279,292,394	1,161,673,086,460
Change in prepaid expenses	12	(26,364,746,823)	(14,278,498,156)
		<b>281,785,194,633</b>	<b>1,086,959,604,883</b>
Interest paid	14	(71,197,010,868)	(46,565,517,194)
Corporate income tax paid	15	(22,625,173,264)	(66,689,494,478)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>187,963,010,501</b>	<b>973,704,593,211</b>

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

**Masan Consumer Corporation**  
**Separate statement of cash flows for the six-month period ended 30 June 2019**  
**(Indirect method – continued)**

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

	Code	Six-month period ended	
		30/6/2019 VND	30/6/2018 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(493,200,000)	(2,624,806,492)
Proceeds from disposals of fixed assets	22	-	881,026,550
Payments for granting loans	23	(400,000,000,000)	(300,000,000,000)
Placement of term deposits to banks	23	-	(15,511,720,000)
Withdrawal of term deposits from banks	24	-	19,687,440,000
Payments for investments in subsidiaries	25	(193,000,000,000)	(937,500,000,000)
Receipts of interest and distributed profits	27	945,856,641,904	1,229,703,899,713
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>352,363,441,904</b>	<b>(5,364,160,229)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings from banks	33	4,897,854,983,214	3,590,727,310,565
Payments to settle loan principals to banks	34	(4,912,310,456,071)	(3,265,105,718,963)
Payments of dividends	36	(128,612,974,500)	(688,015,536,200)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(143,068,447,357)</b>	<b>(362,393,944,598)</b>
<b>Net cash flows during the period</b> (50 = 20 + 30 + 40)	<b>50</b>	<b>397,258,005,048</b>	<b>605,946,488,384</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>822,064,867,520</b>	<b>677,000,209,110</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>(13,761,001)</b>	<b>111,559,047</b>
<b>Cash and cash equivalents at the end of the period</b> (70 = 50 + 60 + 61)	<b>70</b>	<b>1,219,309,111,567</b>	<b>1,283,058,256,541</b>

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 separate interim financial statements*

**Masan Consumer Corporation**  
**Notes to the separate interim financial statements for the six-month period ended**  
**30 June 2019**

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

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

**1. Reporting entity**

**(a) Ownership structure**

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

**(b) Principal activities**

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

**(c) Normal operating cycle**

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

**(d) Company structure**

As at 30 June 2019, the Company had 1,218 employees (1/1/2019: 1,109 employees).

**2. Basis of preparation**

**(a) Statement of compliance**

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

The Company prepares and issues its consolidated interim financial statements separately. For a comprehensive understanding of the consolidated financial position as at 30 June 2019 of the Company and its subsidiaries (collectively referred to as “the Group”), their consolidated results of operations and their consolidated cash flows for the six-month period then ended, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements of the Group for the six-month period ended 30 June 2019.

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

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

**(b) Basis of measurement**

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

**(c) Annual accounting period**

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

**3. Summary of significant accounting policies**

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

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

**(a) Foreign currency transactions**

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

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

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

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

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

**(b) Cash and cash equivalents**

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

**(c) Investments**

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

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

**(ii) Investments in subsidiaries**

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

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

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

**(e) Inventories**

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

The Company applies the perpetual method of accounting for inventories.

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

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

**(f) Tangible fixed assets**

**(i) Cost**

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

**(ii) Depreciation**

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

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

**(g) Intangible fixed assets**

**(i) Software**

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

**(ii) Brand name**

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

**(h) Construction in progress**

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

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

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

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

***Tools and supplies***

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

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

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

**(k) Provisions**

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

**(l) Equity**

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

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

**(ii) *Treasury shares***

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

**(m) Taxation**

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

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

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

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

**(n) Revenue**

*Sale of goods*

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

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

**(i) Financial income**

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

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

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

**(ii) Financial expenses**

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



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**(p) Operating lease payments**

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

**(q) Related parties**

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

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

**4. Seasonality of operations**

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

**5. Changes in accounting estimates**

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

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

There were no changes in the composition of the Company since the end of the last accounting period which affect the Company's separate interim financial statements for the six-month period ended 30 June 2019.

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**7. Cash and cash equivalents**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	156,786,193	246,849,385
Cash at banks	25,234,015,374	16,818,018,135
Cash equivalents	1,193,918,310,000	805,000,000,000
	<hr/>	<hr/>
	1,219,309,111,567	822,064,867,520
	<hr/>	<hr/>

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

**8. Accounts receivable from customers**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Receivable from third parties	122,861,804,440	142,856,495,690
Receivable from related parties	74,714,906,789	106,587,897,308
	<hr/>	<hr/>
	197,576,711,229	249,444,392,998
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Please see Note 35 for balances between the Company and the related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 30 – 180 days from invoice date.

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**9. 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:		
▪ Distributed profits receivable	1,562,522,870,411	2,385,522,870,411
▪ Other receivables (*)	31,703,272,485	-
Accrued interest receivable from deposits at banks	2,961,859,600	1,941,873,973
Short-term deposits	314,070,000	1,118,143,860
Others	1,315,232,731	1,828,821,718
	1,598,817,305,227	2,390,411,709,962

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

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Accrued interest receivable (**)	942,690,540,036	712,551,939,889
Long-term deposits	25,994,362,441	25,190,288,581
	968,684,902,477	737,742,228,470

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

(\*\*) These represented interest income receivable from loans provided to related parties. Please see Notes 11 and 35 for further information.

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**10. Inventories**

	30/6/2019		1/1/2019	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	14,128,098,366	-	14,966,089,695	-
Raw materials	29,247,744,918	(957,515,283)	26,875,640,923	(254,857,625)
Tools and supplies	3,553,000	-	433,000	-
Finished goods	4,235,570,717	(622,611,890)	9,599,966,052	(45,749,097)
Merchandise inventories	367,387,894,896	(3,818,552,096)	369,298,873,642	(3,721,551,629)
	<u>415,002,861,897</u>	<u>(5,398,679,269)</u>	<u>420,741,003,312</u>	<u>(4,022,158,351)</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	4,022,158,351	112,676,380
Increase in allowance during the period	7,456,038,248	9,283,494,788
Allowance utilised during the period	(4,577,960,643)	(5,930,297,983)
Written back	(1,501,556,687)	-
Closing balance	<u>5,398,679,269</u>	<u>3,465,873,185</u>

Included in inventories as at 30 June 2019 was VND5,399 million (1/1/2019: VND4,022 million) of slow-moving inventories.

**11. Long-term loans receivable**

	30/6/2019 VND	1/1/2019 VND
Loans receivable from subsidiaries	7,367,716,876,592	6,967,716,876,592

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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**12. Tangible fixed assets**

	<b>Leasehold improvements VND</b>	<b>Office equipment VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Total VND</b>
<b>Cost</b>					
Opening balance	56,251,611,219	22,315,416,086	3,504,301,741	6,269,702,428	88,341,031,474
Additions during the period	-	332,850,000	60,030,000	-	392,880,000
Transfer from construction in progress	-	1,746,727,369	-	-	1,746,727,369
Written off	(3,584,744,625)	(38,139,997)	-	-	(3,622,884,622)
Closing balance	52,666,866,594	24,356,853,458	3,564,331,741	6,269,702,428	86,857,754,221
<b>Accumulated depreciation</b>					
Opening balance	33,848,164,908	12,750,536,637	3,179,146,234	5,663,310,303	55,441,158,082
Charge for the period	5,288,237,661	1,048,004,522	109,885,030	184,386,534	6,630,513,747
Written off	(3,584,744,625)	(38,139,997)	-	-	(3,622,884,622)
Closing balance	35,551,657,944	13,760,401,162	3,289,031,264	5,847,696,837	58,448,787,207
<b>Net book value</b>					
Opening balance	22,403,446,311	9,564,879,449	325,155,507	606,392,125	32,899,873,392
Closing balance	17,115,208,650	10,596,452,296	275,300,477	422,005,591	28,408,967,014

Included in tangible fixed assets were assets costing VND13,295 million which were fully depreciated as of 30 June 2019 (1/1/2019: VND16,516 million), but which are still in active use.

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**13. Intangible fixed assets**

	Software VND	Brand name VND	Total VND
<b>Cost</b>			
Opening and closing balances	276,659,287,342	636,363,636	277,295,650,978
<b>Accumulated amortisation</b>			
Opening balance	123,299,362,693	636,363,636	123,935,726,329
Charge for the period	16,778,705,988	-	16,778,705,988
Closing balance	140,078,068,681	636,363,636	140,714,432,317
<b>Net book value</b>			
Opening balance	153,359,924,649	-	153,359,924,649
Closing balance	136,581,218,661	-	136,581,218,661

Included in intangible fixed assets were assets costing VND11,019 million which were fully amortised as of 30 June 2019 (1/1/2019: VND11,019 million), but which are still in active use.

**14. Construction in progress**

	VND
Opening balance	2,839,037,507
Additions during the period	100,320,000
Transfer to tangible fixed assets	(1,746,727,369)
Closing balance	1,192,630,138

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**15. Investments in subsidiaries**

	30/6/2019		1/1/2019	
	% of equity owned and voting rights	Cost VND	% of equity owned and voting rights	Cost VND
Investments in subsidiaries:				
▪ Masan Food Company Limited (*)	100%	2,324,000,009,348	100%	2,131,000,009,348
▪ Masan Beverage Company Limited (**)	100%	4,315,000,000,000	100%	4,315,000,000,000
▪ Masan Consumer (Thailand) Limited (***)	99.99%	64,771,500,000	99.99%	64,771,500,000
		6,703,771,509,348		6,510,771,509,348

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

There was no allowance from diminution in value of these investments in subsidiaries in the separate interim financial statements for the six-month periods ended 30 June 2019 and 2018.

- (\*) Masan Food Company Limited has 9 subsidiaries, which include Masan Industrial One Member Company Limited (“MSI”), Viet Tien Food Technology One Member Company Limited (“VTF”), Masan PQ Corporation (“MPQ”), Masan HD One Member Company Limited (“MHD”), Masan MB One Member Company Limited (“MMB”), Masan HG One Member Company Limited (“MHG”), Masan JinJu Joint Stock Company (“MSJ”), Nam Ngu Phu Quoc One Member Company Limited (“NPQ”) and Masan Long An Company Limited (“MLA”). These subsidiaries, except for MHG and MLA, are manufacturing companies and sell their products to the Company who then distributes them to the market. MHG was established in 2015 and MLA was established in 2019, as at the date of issuance of these separate interim financial statements, these entities have not yet started their operations. Please see Note 35 for significant transactions between the Company and these subsidiaries.
- (\*\*) Masan Beverage Company Limited has 5 subsidiaries, which include VinaCafé Bien Hoa Joint Stock Company (“VCF”), Café De Nam Joint Stock Company (“CDN”), Vinh Hao Mineral Water Corporation (“VHC”), Kronfa., JSC (“Kronfa”) and Quang Ninh Mineral Water Corporation (“QNW”). These subsidiaries are manufacturing companies and sell their products to the Company who then distributes them to the market. Please see Note 35 for significant transactions between the Company and these subsidiaries.
- (\*\*\*) Masan Consumer (Thailand) Limited (“MTH”) was established in 2016.

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

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

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	6,510,771,509,348	5,551,271,509,348
Additions during the period	193,000,000,000	937,500,000,000
	<hr/>	<hr/>
Closing balance	6,703,771,509,348	6,488,771,509,348
	<hr/>	<hr/>

**16. Long-term prepaid expenses**

	<b>Tools and supplies</b>
	<b>VND</b>
Opening balance	4,786,567,807
Additions during the period	4,811,763,003
Net transfer to short-term prepaid expenses	(2,207,453,814)
Amortisation for the period	(3,384,857,743)
	<hr/>
Closing balance	4,006,019,253
	<hr/>

**17. Deferred tax assets**

**Recognised deferred tax assets**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
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	19,977,693,580	18,179,604,513
	<hr/>	<hr/>
	161,757,967,270	170,846,415,503
	<hr/>	<hr/>



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**18. 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>
Payable to related parties	3,027,851,637,991	2,418,944,972,866
Payable to third parties	75,550,596,637	176,982,290,521
	3,103,402,234,628	2,595,927,263,387

Please see Note 35 for balances between the Company and the related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice date.

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19. Taxes payable to State Treasury

	1/1/2019 VND	Incurred VND	Paid VND	Deducted/Refunded VND	30/6/2019 VND
Value added tax	39,341,196,264	799,142,691,480	(39,342,811,796)	(782,998,617,591)	16,142,458,357
Corporate income tax	40,863,907,281	-	(22,625,173,264)	-	18,238,734,017
Personal income tax	2,975,640,725	51,882,796,361	(45,934,666,943)	(747,237,680)	8,176,532,463
Import-export tax	-	368,590,623	(368,590,623)	-	-
Other taxes	-	13,223,834,380	(13,223,834,380)	-	-
	83,180,744,270	864,617,912,844	(121,495,077,006)	(783,745,855,271)	42,557,724,837

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**20. Accrued expenses**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Advertising and promotion expenses	305,582,486,294	571,934,592,307
Logistic expense	110,708,388,038	113,070,879,061
Bonus and 13 <sup>th</sup> month salary	61,436,752,309	113,062,923,050
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
Purchases not yet received invoices	21,010,030,026	16,299,574,374
Market research expense	12,254,374,499	13,900,411,147
Accrued interest expense	11,045,340,331	7,915,406,616
Others	10,089,733,015	11,612,918,111
	<hr/>	<hr/>
	665,820,860,203	991,509,981,562
	<hr/>	<hr/>

**21. Other payables**

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

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Dividends payable	2,619,929,448,300	3,861,369,300
Obligation to issue shares	197,318,310,000	187,440,000
Trade union fee, social, health and unemployment insurances	16,484,967,835	7,236,973,993
Others	5,041,380	48,048,930
	<hr/>	<hr/>
	2,833,737,767,515	11,333,832,223
	<hr/>	<hr/>

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

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits received	21,925,305,720	19,658,104,712
	<hr/>	<hr/>

**22. 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	2,374,105,998,429	2,374,105,998,429	4,897,854,983,214	(4,912,310,456,071)	2,359,650,525,572	2,359,650,525,572

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>				
▪ Unsecured bank loans	VND	5.2% - 6.4%	2,359,650,525,572	2,374,105,998,429

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23. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Undistributed profits after tax VND	Total VND
<b>Balance as at 1 January 2018</b>	5,431,327,770,000	5,088,056,394,992	(1,640,252,631,255)	3,097,796,012,232	11,976,927,545,969
Net profit for the period	-	-	-	146,153,323,503	146,153,323,503
Dividends (Note 25)	-	-	-	(2,363,097,496,500)	(2,363,097,496,500)
<b>Balance as at 30 June 2018</b>	5,431,327,770,000	5,088,056,394,992	(1,640,252,631,255)	880,851,839,235	9,759,983,372,972
<b>Balance as at 1 January 2019</b>	6,279,291,230,000	4,292,501,204,992	(1,640,252,631,255)	3,429,441,848,410	12,360,981,652,147
Net profit for the period	-	-	-	136,353,792,932	136,353,792,932
Dividends (Note 25)	-	-	-	(2,744,681,053,500)	(2,744,681,053,500)
<b>Balance as at 30 June 2019</b>	6,279,291,230,000	4,292,501,204,992	(1,640,252,631,255)	821,114,587,842	9,752,654,391,579

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**24. 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.

**25. 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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**26. 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	102,574,759,916	102,821,448,131
Within 2 to 5 years	45,317,896,600	75,670,464,262
	<hr/>	<hr/>
	147,892,656,516	178,491,912,393
	<hr/>	<hr/>

**(b) Foreign currency**

	<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	126,032	2,927,711,513	328,965	7,612,240,613
		<hr/>		<hr/>

**(c) Capital expenditure commitments**

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

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Approved but not contracted	-	2,188,199,224
Approved and contracted	-	370,100,138
	<hr/>	<hr/>
	-	2,558,299,362
	<hr/>	<hr/>

**Masan Consumer Corporation**  
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**27. Revenue from sale of goods**

Total revenue represents the gross value of goods sold 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	8,308,021,432,403	7,280,842,803,549
▪ Other sales	3,184,931,191	1,578,896,975
	<hr/>	<hr/>
	8,311,206,363,594	7,282,421,700,524
Less revenue deductions		
▪ Sales discounts	248,407,474,593	71,301,395,353
▪ Sales returns	32,989,545,131	6,568,883,725
	<hr/>	<hr/>
	281,397,019,724	77,870,279,078
	<hr/>	<hr/>
Net revenue	8,029,809,343,870	7,204,551,421,446
	<hr/>	<hr/>

**28. 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	6,664,668,880,782	5,608,175,934,420
▪ Allowance for inventories	5,954,481,561	9,283,494,788
	<hr/>	<hr/>
	6,670,623,362,343	5,617,459,429,208
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**Masan Consumer Corporation**  
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**29. 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 related parties	230,138,600,147	176,111,312,474
Profits distributed by a subsidiary	100,000,000,000	-
Interest income from deposits at banks	23,876,627,531	27,254,804,376
Foreign exchange gains	675,045,783	314,755,726
	<hr/>	<hr/>
	354,690,273,461	203,680,872,576
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**30. 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	74,326,944,583	46,730,891,703
Foreign exchange losses	269,258,763	134,404,159
Others	286,825,444	-
	<hr/>	<hr/>
	74,883,028,790	46,865,295,862
	<hr/>	<hr/>

**31. 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	684,943,230,323	915,545,185,352
Logistic expense	292,642,912,288	257,003,257,826
Staff costs	172,729,895,158	108,782,481,057
Exhibition expense	81,932,264,862	63,484,161,488
Leased line system and information technology services	20,710,005,388	20,232,688,558
Marketing research expense	27,762,914,862	14,843,474,116
Others	29,423,123,207	23,561,992,737
	<hr/>	<hr/>
	1,310,144,346,088	1,403,453,241,134
	<hr/>	<hr/>

**Masan Consumer Corporation**  
**Notes to the separate interim financial statements for the six-month period ended**  
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**32. General and administration expenses**

	Six-month period ended	
	30/6/2019 VND	30/6/2018 VND
Staff costs	99,063,254,398	74,871,347,497
Office rental	28,905,904,131	24,275,924,022
Leased line system and information technology services	13,619,747,384	21,076,371,720
Depreciation and amortisation of fixed assets	14,746,236,045	14,749,962,119
Research and development expenses	3,890,403,628	1,963,430,369
Others	23,325,222,498	24,249,296,699
	183,550,768,084	161,186,332,426

**33. Trading and business costs by elements**

	Six-month period ended	
	30/6/2019 VND	30/6/2018 VND
Cost of merchandise goods sold	6,664,668,880,782	5,608,175,934,420
Staff costs	271,793,149,556	183,653,828,554
Depreciation and amortisation	23,409,219,735	23,387,755,935
Outside services	1,154,407,382,866	1,300,391,708,211
Other expenses	50,039,843,576	66,489,775,648

**34. Income tax**

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

	Six-month period ended	
	30/6/2019 VND	30/6/2018 VND
<b>Current tax expense</b>		
Current period	-	65,393,251,891
Over under provision in prior periods	-	(4,910,227,867)
	-	60,483,024,024
<b>Deferred tax expense/(benefit)</b>		
Origination and reversal of temporary differences	9,088,448,233	(29,497,316,476)
Income tax expense	9,088,448,233	30,985,707,548

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**(b) Reconciliation of effective tax rate**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax (*)	145,442,241,165	177,139,031,051
Tax at the Company's income tax rate	29,088,448,233	35,427,806,210
Tax exempt income	(20,000,000,000)	-
Non-deductible expenses	-	468,129,205
Over provision in prior periods	-	(4,910,227,867)
	9,088,448,233	30,985,707,548

(\*) The Company's profit before tax included VND100,000 million of profits distributed by a subsidiary which is not subject to tax.

**(c) Applicable tax rates**

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

**(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.

**Masan Consumer Corporation**

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

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

Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		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	106,641,736	16,859,005	-	-
	Management fee	1,439,326,008	2,528,347,812	1,439,326,008	5,496,643,007
<b>Parent company</b>					
Masan Consumer Holdings Company Limited	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>Subsidiaries</b>					
Masan Food Company Limited	Distributed profits	100,000,000,000	-	1,562,522,870,411	2,385,522,870,411
	Capital contribution	193,000,000,000	5,500,000,000	-	-
Masan Industrial One Member Company Limited	Sale of goods	179,934,877,538	118,072,896,955	-	-
	Purchase of goods and services	2,290,446,193,780	2,031,699,632,725	(606,550,951,845)	(326,381,897,838)
	Loans provided	-	300,000,000,000	3,136,716,876,592	3,136,716,876,592
	Interest income from loans receivable	101,105,408,365	176,111,312,474	775,957,170,173	674,851,761,808
Viet Tien Food Technology One Member Company Limited	Sale of goods	1,790,570,083	3,277,191,512	-	-
	Purchase of goods	128,406,350,546	262,537,617,353	(112,912,732,485)	(165,496,473,117)

**Masan Consumer Corporation**

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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
Masan HD One Member Company Limited	Sale of goods	14,707,361,899	10,624,252,059	-	-
	Purchase of goods	432,023,472,130	413,084,686,974	(168,831,805,326)	(107,369,612,484)
Masan PQ Corporation	Sale of goods	9,495,870	3,940,239	-	-
	Purchase of goods	186,233,700	-	(204,857,071)	-
Nam Ngu Phu Quoc One Member Company Limited	Sale of goods	769,977,721	345,958,449	-	599,031,555
	Purchase of goods	70,507,820,397	60,706,048,903	(12,137,499,047)	-
	Prepayment for purchase of goods	-	15,236,827,975	-	8,294,187,749
Masan Beverage Company Limited	Capital contribution	-	932,000,000,000	-	-
VinaCafé Bien Hoa Joint Stock Company	Sale of goods	29,978,502,525	28,303,748,062	-	-
	Purchase of goods and services	1,141,739,982,067	1,138,634,423,887	(1,052,034,752,040)	(1,070,218,150,205)
Café De Nam Joint Stock Company	Sale of goods	602,910	1,024,504	-	-
	Purchase of goods	5,313,669,000	2,042,580,100	(1,035,202,070)	(847,937,204)
Masan MB One Member Company Limited	Sale of goods	98,270,996,561	81,187,735,953	-	-
	Purchase of goods	1,673,075,539,729	1,448,841,291,136	(602,091,382,053)	(586,546,385,981)
	Loans provided	400,000,000,000	-	4,231,000,000,000	3,831,000,000,000
	Interest income from loans receivable	129,033,191,782	-	166,733,369,863	37,700,178,081
Masan JinJu Joint Stock Company	Sale of goods and services	2,095,162,802	1,060,721,588	-	-
	Purchase of goods	104,184,285,472	58,049,073,394	(29,186,696,160)	(29,770,357,611)

**Masan Consumer Corporation**

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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
Vinh Hao Mineral Water Corporation	Sale of goods	4,020,071,480	407,890,769	-	-
	Purchase of goods and services	409,267,010,272	153,956,941,475	(342,762,248,753)	(50,454,047,341)
Quang Ninh Mineral Water Corporation	Sale of goods	21,972,720	1,612,423,893	-	-
	Purchase of goods and services	142,276,661,385	117,818,541,626	(100,103,511,141)	(61,055,590,715)
Masan Consumer (Thailand) Limited	Sale of goods	28,181,482,470	25,611,456,499	16,352,175,195	8,394,279,127
<b>Other related parties</b>					
Masan Brewery PY One Member Company Limited	Sale of goods	7,770,840	13,958,867	-	-
Masan Brewery Distribution One Member Company Limited	Sale of goods	803,880	-	1,191,330,352	2,527,369,828
	Sale returns	1,194,673,977	-	-	-
	Purchase of goods	444,400,151	206,850,045	-	(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 Brewery HG One Member Company Limited	Sale of goods	24,076,958	8,736,398	-	-
	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
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

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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
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 Management fee	12,992,000 454,069,765	16,860,000 864,835,111	- 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 Management fee	26,849,818 716,268,072	13,592,000 874,691,436	14,631,000 787,894,879	- 804,869,783
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

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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
Proconco Hung Yen Manufacturing and Trading Company Limited	Sale of goods	-	3,744,000	-	-
	Management fee	63,973,978	729,440,197	70,371,376	34,718,341
Masan MEATLife Corporation (formerly known as Masan Nutri-Science Corporation)	Sale of goods	6,555,636	-	-	-
	Management fee	4,806,827,491	-	5,287,510,240	6,871,841,133
MNS Meat Ha Nam Company Limited	Sale of goods	44,732,364	8,399,110	26,405,600	7,912,200
	Purchase of goods	6,509,335	-	-	-
	Management fee	3,776,857,881	-	4,154,543,670	1,459,711,602
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
<b>Key management personnel</b>	Remuneration to key management personnel (*)	7,850,647,074	16,057,448,530	-	-



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As at 30 June 2019 and 1 January 2019, the Company 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.

### 36. 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 separate interim financial statements.

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

