



KPMG'S COPY

Masan Group Corporation

Separate Interim Financial Statements for
the six-month period ended 30 June 2018



Masan Group Corporation Corporate Information

Business Registration Certificate No.

0303576603

25 June 2018

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 25 June 2018. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The initial Business Registration Certificate No. 4103002877 was dated 18 November 2004.

Board of Directors

Dr Nguyen Dang Quang
Mr Ho Hung Anh

Chairman
Vice Chairman
(until 12 April 2018)

Ms Nguyen Hoang Yen
Mr Nguyen Thieu Nam
Mr Lars Kjaer
Mr Dominic Edward Salter Price

Member
Member
Member
Member

Board of Management

Dr Nguyen Dang Quang
Mr Nguyen Thieu Nam
Mr Michael Hung Nguyen
Mr Nguyen Anh Nguyen
Mr Seokhee Won

Chief Executive Officer
Deputy Chief Executive Officer
Deputy Chief Executive Officer
Deputy Chief Executive Officer
Deputy Chief Executive Officer
(until 27 February 2018)

Legal representative

Dr Nguyen Dang Quang

Chairman
Chief Executive Officer

Registered Office

Suite 802, 8th Floor, Central Plaza
17 Le Duan Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

Auditor

KPMG Limited
Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

The Board of Management of Masan Group Corporation ("the Company") presents this statement and the accompanying separate interim financial statements of the Company for the six-month period ended 30 June 2018.

The Board of Management is responsible for the preparation and fair presentation of the separate interim financial statements as at and for the six-month period ended 30 June 2018 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In preparing those separate interim financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate interim financial statements; and
- prepare the separate interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is also responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the requirements of Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirms that they have complied with the above requirements in preparing these separate interim financial statements.

APPROVAL OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

We do hereby approve the accompanying separate interim financial statements of the Company as at and for the six-month period ended 30 June 2018, which were prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

On behalf of the Board of Management



Dr Nguyễn Đăng Quang
Chairman
Chief Executive Officer
Ho Chi Minh City, Vietnam
8 August 2018



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10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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SEPARATE INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Masan Group Corporation

We have reviewed the accompanying separate interim financial statements of Masan Group Corporation ("the Company"), which comprise the separate balance sheet as at 30 June 2018, 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 8 August 2018, as set out on pages 5 to 32.

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 the 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 the Company as at 30 June 2018 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

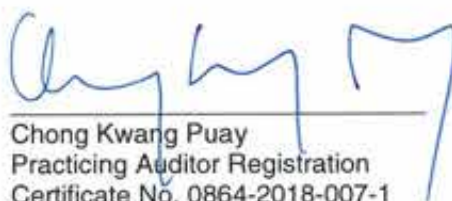
Vietnam

Review Report No.: 18-01-271/01




Ha Vu Dinh

Practicing Auditor Registration
Certificate No. 0414-2018-007-1
Deputy General Director


Chong Kwang Puay

Practicing Auditor Registration
Certificate No. 0864-2018-007-1

Ho Chi Minh City, 8 August 2018

Masan Group Corporation
Separate balance sheet as at 30 June 2018

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

	Code	Note	30/6/2018 VND	1/1/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 150)	100		1,476,594,017,180	1,450,395,265,773
Cash and cash equivalents	110	5	91,190,178,338	129,224,525,040
Cash	111		31,190,178,338	40,325,525,040
Cash equivalents	112		60,000,000,000	88,899,000,000
Short-term financial investments	120		24,348,390,000	44,210,730,000
Held-to-maturity investments	123	6(a)	24,348,390,000	44,210,730,000
Accounts receivable – short-term	130		1,346,622,979,287	1,265,150,900,563
Accounts receivable from customers	131		11,756,173,459	11,632,964,654
Prepayments to suppliers	132		1,608,246,077	89,100,808
Other short-term receivables	136	7(a)	1,333,258,559,751	1,253,428,835,101
Other current assets	150		14,432,469,555	11,809,110,170
Short-term prepaid expenses	151		3,007,244,058	251,667,808
Taxes receivable from State Treasury	153	8	11,425,225,497	11,557,442,362
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		21,049,847,997,434	21,106,739,653,822
Accounts receivable – long-term	210		2,258,962,144,348	2,258,495,044,988
Other long-term receivables	216	7(b)	2,258,962,144,348	2,258,495,044,988
Fixed assets	220		4,133,794,329	4,771,031,643
Tangible fixed assets	221	9	4,054,879,526	4,556,195,803
Cost	222		27,610,311,886	27,435,580,956
Accumulated depreciation	223		(23,555,432,360)	(22,879,385,153)
Intangible fixed assets	227	10	78,914,803	214,835,840
Cost	228		4,697,122,903	4,697,122,903
Accumulated amortisation	229		(4,618,208,100)	(4,482,287,063)
Long-term work in progress	240		2,577,114,383	118,585,500
Construction in progress	242		2,577,114,383	118,585,500
Long-term financial investments	250		18,761,519,586,507	18,798,446,091,448
Investments in subsidiaries	251	6(b)	14,382,682,508,871	14,419,609,013,812
Investment in an associate	252	6(c)	4,378,837,077,636	4,378,837,077,636
Other long-term assets	260		22,655,357,867	44,908,900,243
Long-term prepaid expenses	261	11	22,655,357,867	44,908,900,243
TOTAL ASSETS (270 = 100 + 200)	270		22,526,442,014,614	22,557,134,919,595

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

Masan Group Corporation

Separate statement of income for the six-month period ended 30 June 2018

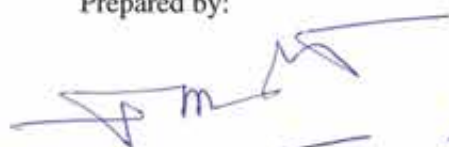
Form B 02a – DN

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

	Code	Note	From 1/1/2018 to 30/6/2018 VND	From 1/1/2017 to 30/6/2017 VND
Financial income	21	19	1,487,800,233,515	1,236,527,937,457
Financial expenses	22	20	468,538,345,212	378,536,192,901
<i>In which: Interest expense</i>	23		457,648,193,684	377,392,249,585
General and administration expenses	26	21	97,473,973,060	60,459,667,210
Net operating profit (30 = 21 - 22 - 26)	30		921,787,915,243	797,532,077,346
Other expenses	32		-	86,017,227
Results of other activities (40 = - 32)	40		-	(86,017,227)
Accounting profit before tax (50 = 30 + 40)	50		921,787,915,243	797,446,060,119
Income tax expense – current	51	22	-	-
Income tax expense – deferred	52	22	-	-
Net profit after tax (60 = 50 - 51 - 52)	60		921,787,915,243	797,446,060,119

8 August 2018

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Dr. Nguyen Dang Quang
Chairman
Chief Executive Officer

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

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

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

	Code	Note	From 1/1/2018 to 30/6/2018 VND	From 1/1/2017 to 30/6/2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		921,787,915,243	797,446,060,119
Adjustments for				
Depreciation and amortisation	02		811,968,244	1,290,281,207
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04		8,451,721,043	(1,006,440,886)
Profits from investing activities	05		(1,486,098,435,539)	(1,234,748,797,446)
Interest expense	06		457,648,193,684	377,392,249,585
Operating loss before changes in working capital	08		(97,398,637,325)	(59,626,647,421)
Increase in receivables and other assets	9		(1,735,969,363)	(1,152,869,776)
(Decrease)/increase in payables and other liabilities	11		(32,880,807,103)	31,278,342,019
Decrease in prepaid expenses	12		19,497,966,126	20,196,884,055
			(112,517,447,665)	(9,304,291,123)
Interest paid	14		(423,592,916,666)	(327,915,188,681)
Net cash flows from operating activities	20		(536,110,364,331)	(337,219,479,804)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(2,633,259,813)	(203,881,578)
Payments for granting loans and term deposits at banks	23		(89,348,390,000)	(97,830,730,000)
Receipts from collecting loans and term deposits at banks	24		109,210,730,000	59,138,950,000
Proceeds from disposals of investments	26		379,584,000,000	7,568,000,000
Receipts of interest and dividends	27		43,574,527,290	1,939,442,856,900
Net cash flows from investing activities	30		440,387,607,477	1,908,115,195,322

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

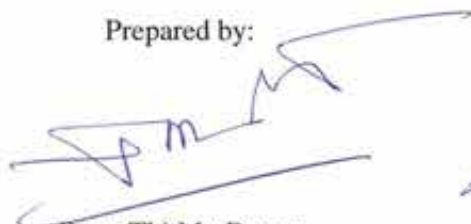
Masan Group Corporation
Separate statement of cash flows for the six-month period ended 30 June 2018
(Indirect method – continued)

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

	Code	Note	From 1/1/2018 to 30/6/2018 VND	From 1/1/2017 to 30/6/2017 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of new shares	31		57,705,740,000	-
Proceeds from borrowings	33		-	910,000,000,000
Payments to settle borrowings	34		-	(369,000,000,000)
Payments of dividends	36		(17,400,000)	(2,276,495,772,000)
Net cash flows from financing activities	40		57,688,340,000	(1,735,495,772,000)
Net cash flows during the period (50 = 20 + 30 + 40)	50		(38,034,416,854)	(164,600,056,482)
Cash and cash equivalents at the beginning of the period	60		129,224,525,040	499,923,209,801
Effect of exchange rate fluctuations on cash and cash equivalents	61		70,152	(209,114)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	5	91,190,178,338	335,322,944,205

8 August 2018

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Dr. Nguyen Dang Quang
Chairman
Chief Executive Officer

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

Masan Group Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2018

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

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

1. Reporting entity

(a) Ownership structure

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

(b) Principal activity

The principal activity of the Company is investment holding.

(c) Normal operating cycle

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

(d) Company structure

As at 30 June 2018, the Company had 35 employees (1/1/2018: 32 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 2018 of the Company and its subsidiaries (collectively referred to as “the Group”), their consolidated results of operations and their consolidated cash flows for the six-month period then ended, the 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 2018.

The separate interim financial statements should also be read in conjunction with the separate financial statements of the Company for the year ended 31 December 2017.

Masan Group Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2018 (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

The 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. The separate interim financial statements are prepared for the six-month period ended 30 June 2018.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purposes.

(e) Corresponding figures

The corresponding figures as at 1 January 2018 were brought forward from the audited figures as at 31 December 2017.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these separate 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 rates 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 Group Corporation
Notes to the separate interim financial statements for the six-month period ended
30 June 2018 (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 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 and associates

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

(d) Accounts receivable

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

(e) 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.

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

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(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 5 years
- office equipment 3 – 5 years

(f) Intangible fixed assets

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 a period ranging from 2 to 5 years.

(g) Construction in progress

Construction in progress represents the cost of leasehold improvements which has not been fully completed. No depreciation is provided for construction in progress during the period of renovation.

(h) Long-term prepaid expenses

(i) 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 tools and supplies is amortised on a straight-line basis over a period ranging from 3 years.

(ii) Consulting service fee

Consulting service fee is amortised on a straight-line basis over 3 years.

(i) Trade and other payables

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

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

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(j) Bonds issued

Straight bonds

At initial recognition, straight bonds are measured at cost which comprises proceeds from issuance net of issuance costs. Any discount, premium or issuance costs are amortised on a straight-line basis over the term of the bond.

(k) Equity

(i) *Share capital and capital surplus*

Ordinary shares are stated at par value. The difference between proceeds from the issuance of shares over the par value is recorded in capital surplus. Incremental costs directly attributable to the issuance of shares, net of tax effects, are recognised as a deduction from capital surplus.

(ii) *Other capital*

Agreements to issue a fixed number of shares in the future are recognised based on their fair values at the dates of the agreements under other capital if there are no other settlement alternatives.

(iii) *Repurchase and reissue of ordinary shares (treasury shares)*

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are reissued 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 capital surplus.

(l) Taxation

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

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

Masan Group Corporation

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

Form B 09a – DN

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

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.

(m) Financial income

Financial income comprises dividend income, interest income from deposits and loans, foreign exchange gains and gains from disposals of investments.

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

Dividend income is recognised when the right to receive dividends is established. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(n) Financial expenses

Financial expenses comprise interest expense on borrowings and bonds, foreign exchange losses, amortised borrowing costs and losses from disposals of investments.

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.

(o) 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 where 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.

(p) Share-based payments

Shares issued to employees at par value subscription price are recorded at their par value.

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

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

4. 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 basis of 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.

5. Cash and cash equivalents

	30/6/2018 VND	1/1/2018 VND
Cash on hand	87,308,966	110,708,966
Cash at banks	31,102,869,372	40,214,816,074
Cash equivalents	60,000,000,000	88,899,000,000
	<hr/> 91,190,178,338	<hr/> 129,224,525,040 <hr/>

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

6. Investments

	30/6/2018 VND	1/1/2018 VND
Short-term financial investments		
Held-to-maturity investments (a)	24,348,390,000	44,210,730,000
	<hr/>	<hr/>
Long-term financial investments		
Investments in subsidiaries (b)	14,382,682,508,871	14,419,609,013,812
Investment in an associate (c)	4,378,837,077,636	4,378,837,077,636
	<hr/> 18,761,519,586,507	<hr/> 18,798,446,091,448 <hr/>

(a) Held-to-maturity investments

Held-to-maturity investments – short-term represented term deposits at banks with remaining terms to maturity of less than twelve months from the reporting date.

Masan Group Corporation

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

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

(b) Investments in subsidiaries

Details of the Company's investments in direct subsidiaries were as follows:

	30/6/2018			1/1/2018		
	% of equity owned	% of voting rights	Cost VND	Allowance for diminution in value VND	Fair value VND	Fair value VND
▪ MasanConsumerHoldings Company Limited ("MCH")	85.7%	85.7%	516,600,000,000	-	(**)	516,600,000,000
▪ Masan Horizon Company Limited ("MH")	99.9%	99.9%	11,950,000,000,000	-	(**)	11,950,000,000,000
▪ Masan Nutri-Science Corporation ("MNS") (*)	80.8%	80.8%	1,916,082,508,871	-	(**)	1,953,009,013,812
			14,382,682,508,871	-	(**)	14,419,609,013,812

(*) During the period, the Company sold 0.8% and 0.76% of its equity interests in MNS to PENM IV Germany GmbH & Co. Kg and to other shareholders, respectively.

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

Masan Group Corporation

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

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

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

	MCH VND	MH VND	MNS VND	Total VND
Opening balance	516,600,000,000	11,950,000,000,000	1,953,009,013,812	14,419,609,013,812
Disposals	-	-	(36,926,504,941)	(36,926,504,941)
Closing balance	516,600,000,000	11,950,000,000,000	1,916,082,508,871	14,382,682,508,871

(c) Investment in an associate

Details of the Company's investment in an associate were as follows:

	30/6/2018				1/1/2018			
	% of equity owned over charter capital	% of voting rights over charter capital	Cost VND	Allowance for diminution in value VND	Fair value VND	% of equity owned over charter capital	% of voting rights over charter capital	Cost VND
Vietnam Technological and Commercial Joint Stock Bank ("Techcombank")	15.0%	15.0%	4,378,837,077,636	- 16,026,577,086,100	15.0%	15.0%	4,378,837,077,636	(*)

Masan Group Corporation**Notes to the separate interim financial statements for the six-month period ended
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The fair value of investment in Techcombank as at 30 June 2018 was determined by reference to the market price on Ho Chi Minh City Stock Exchange.

- (*) As at 31 December 2017, the Company has not determined the fair value of the equity investment in an associate 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 value of the equity investment may differ from its carrying amount.

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

	30/6/2018 VND	1/1/2018 VND
Receivables from related parties	1,332,016,202,236	1,252,337,892,836
Accrued interest receivable from deposits	893,537,853	945,754,802
Short-term deposits	29,500,000	29,500,000
Others	319,319,662	115,687,463
	<hr/>	<hr/>
	1,333,258,559,751	1,253,428,835,101

As at 30 June 2018, other short-term receivables due from related parties of the Company comprised of:

- An interest receivable of VND883,046 million (1/1/2018: VND883,046 million) on an unsecured loan agreement between the Company and a subsidiary which had been settled. The interest is receivable in November 2018;
- An interest receivable of VND226,676 million (1/1/2018: VND226,676 million) on an unsecured loan agreement between the Company and a subsidiary which had been settled. The interest is receivable in December 2018;
- Non-trade receivables of VND142,244 million (1/1/2018: VND142,244 million) due from Masan Corporation, a related party, were unsecured and are receivable on demand; and
- Non-trade receivables of VND50 million (1/1/2018: VND372 million) were unsecured and are receivable on demand.
- Dividends receivable of VND80,000 million (1/1/2018: nil) are receivable on demand.

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30 June 2018 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
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	30/6/2018 VND	1/1/2018 VND
Receivables from related parties	2,256,036,149,988	2,256,036,149,988
Long-term deposits	2,925,994,360	2,458,895,000
	<hr/>	<hr/>
	2,258,962,144,348	2,258,495,044,988
	<hr/>	<hr/>

As at 30 June 2018, other long-term receivables due from related parties of the Company comprised of:

- VND1,124,124 million (1/1/2018: VND1,124,124 million) related to interest charged on unsecured loans to subsidiaries which had been settled. These interest costs are receivable in December 2020;
- VND68,576 million (1/1/2018: VND68,576 million) related to interest charged on an unsecured loan to a subsidiary which had been settled. The interest is receivable in November 2021; and
- VND1,063,336 million (1/1/2018: VND1,063,336 million) related to the proceeds from the disposals of 4,891,000 convertible bonds of an associate to a subsidiary. This amount is receivable in December 2019.

8. Taxes receivable from State Treasury

	30/6/2018 VND	1/1/2018 VND
Corporate income tax	398,015,743	398,015,743
Withholding tax	11,027,209,754	11,159,426,619
	<hr/>	<hr/>
	11,425,225,497	11,557,442,362
	<hr/>	<hr/>

Masan Group Corporation**Notes to the separate interim financial statements for the six-month period ended
30 June 2018 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
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	Leasehold improvements VND	Office equipment VND	Total VND
Cost			
Opening balance	21,399,524,698	6,036,056,258	27,435,580,956
Additions	-	174,730,930	174,730,930
Closing balance	21,399,524,698	6,210,787,188	27,610,311,886
Accumulated depreciation			
Opening balance	17,017,575,932	5,861,809,221	22,879,385,153
Charge for the period	625,997,472	50,049,735	676,047,207
Closing balance	17,643,573,404	5,911,858,956	23,555,432,360
Net book value			
Opening balance	4,381,948,766	174,247,037	4,556,195,803
Closing balance	3,755,951,294	298,928,232	4,054,879,526

Included in tangible fixed assets were assets costing VND20,862 million which were fully depreciated as of 30 June 2018 (1/1/2018: VND19,808 million), but which are still in active use.

Masan Group Corporation**Notes to the separate interim financial statements for the six-month period ended
30 June 2018 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
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	Software VND
Cost	
Opening and closing balance	4,697,122,903
Accumulated amortisation	
Opening balance	4,482,287,063
Charge for the period	135,921,037
Closing balance	4,618,208,100
Net book value	
Opening balance	214,835,840
Closing balance	78,914,803

Included in intangible fixed assets were assets costing VND4,532 million which were fully amortised as of 30 June 2018 (1/1/2018: VND60 million), but which are still in active use.

11. Long-term prepaid expenses

	Tools and supplies VND	Consulting service fee VND	Total VND
Opening balance	213,080,293	44,695,819,950	44,908,900,243
Additions	172,763,232	-	172,763,232
Amortisation for the period	(78,395,630)	(22,347,909,978)	(22,426,305,608)
Closing balance	307,447,895	22,347,909,972	22,655,357,867

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	30/6/2018 VND	1/1/2018 VND
Interest expense	163,383,194,445	231,176,547,566
Professional service fee	9,079,451,452	4,229,583,720
Others	8,585,312,727	14,854,517,171
	<hr/>	<hr/>
	181,047,958,624	250,260,648,457
	<hr/>	<hr/>

13. Other short-term payables

	30/6/2018 VND	1/1/2018 VND
Dividends payable	11,130,000	28,530,000
Others	25,248,671,070	56,238,759,114
	<hr/>	<hr/>
	25,259,801,070	56,267,289,114
	<hr/>	<hr/>

14. Borrowings and bonds

	30/6/2018 VND	1/1/2018 VND
Short-term borrowings		
Current portion of long-term borrowings	805,000,000,000	796,425,000,000
	<hr/>	<hr/>
Long-term borrowings and bonds (*)		
Long-term borrowings and bonds	9,741,366,666,667	10,650,861,666,667
Repayable within twelve months	(805,000,000,000)	(796,425,000,000)
	<hr/>	<hr/>
	8,936,366,666,667	9,854,436,666,667
	<hr/>	<hr/>

Masan Group Corporation**Notes to the separate interim financial statements for the six-month period ended
30 June 2018 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
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(*) Long-term borrowings and bonds comprised of:

	30/6/2018 VND	1/1/2018 VND
Straight bonds (a)	8,936,366,666,667	8,917,436,666,667
Unsecured loans (b)	805,000,000,000	1,733,425,000,000
	<hr/>	<hr/>
	9,741,366,666,667	10,650,861,666,667
Repayable within twelve months	(805,000,000,000)	(796,425,000,000)
	<hr/>	<hr/>
Repayable after twelve months	8,936,366,666,667	9,854,436,666,667
	<hr/>	<hr/>

(a) Straight bonds

The bonds of the Company comprised the followings:

- VND6,000 billion (1/1/2018: VND6,000 billion) bonds excluded issuance cost with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. MCH has pledged 81.3 million shares in Masan Consumer Corporation, a related party, as security for these bonds.
- VND3,000 billion (1/1/2018: VND3,000 billion) bonds excluded issuance cost with a maturity of 2 years at an interest rate of 9.0% per annum. These bonds were unsecured.

During the period, the Company complied with the loan covenants on the above bonds.

(b) Unsecured loans

		Annual Currency interest rate	Year of maturity	30/6/2018 VND	1/1/2018 VND
MRC Ltd (**)	USD	0%	2018	805,000,000,000	796,425,000,000
Agro Nutrition International Joint Stock Company	VND	6.5%	2021	-	937,000,000,000
				<hr/>	<hr/>
				805,000,000,000	1,733,425,000,000
				<hr/>	<hr/>

Masan Group Corporation

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

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- (**) USD denominated loan of VND805,000 million (equivalent to USD35 million) that is due in December 2018 (1/1/2018: VND796,425 million).

The Company entered into an agreement with MRC Ltd for MRC Ltd, which was a previous minority investor in a subsidiary – Masan Resources Corporation (“MR”), to subscribe for 12,000,000 shares of the Company at VND95,000 per share and the Company also entered into a loan agreement with MRC Ltd for an unsecured loan of USD35 million payable after two years of drawdown with 0% interest rate. In the event MRC Ltd sells any of the 12,000,000 shares of the Company acquired above, subject to customary adjustments from dilutive events, the loan payable will be decreased proportionately. Lastly, MRC Ltd has signed an agreement to grant the Company a call option, pursuant to which the Company or its nominee shall be entitled, but not obliged, to purchase from MRC Ltd the Company’s shares at VND112,000 per share, subject to customary adjustments from dilutive events. This option is only exercisable within 10 business days in the event that MRC Ltd serves a payment notice for the loan above. The payment notice was served on 8 January 2018 and the call option had lapsed. The number of callable shares is calculated based on the amount of loan repaid over USD35 million multiplied by 12,000,000 shares, subject to customary adjustments from dilutive events.

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

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15. Changes in owners' equity

	Share capital VND	Capital surplus VND	Other capital VND	Treasury shares VND	Undistributed profits after tax VND	Total VND
Balance as at 1 January 2017	7,680,756,740,000	10,649,796,345,096	(1,695,338,182,568)	(641,110,498,916)	30,023,103,428	16,024,127,507,040
Issuance of bonus shares	3,794,207,000,000	(3,794,207,000,000)	-	-	-	-
Net profit for the period	-	-	-	-	797,446,060,119	797,446,060,119
Balance as at 30 June 2017	11,474,963,740,000	6,855,589,345,096	(1,695,338,182,568)	(641,110,498,916)	827,469,163,547	16,821,573,567,159
Balance as at 1 January 2018	11,573,739,740,000	6,855,539,345,096	(1,695,338,182,568)	(6,518,087,064,615)	1,383,417,646,444	11,599,271,484,357
Issuance of new shares	57,755,740,000	(50,000,000)	-	-	-	57,705,740,000
Net profit for the period	-	-	-	-	921,787,915,243	921,787,915,243
Balance as at 30 June 2018	11,631,495,480,000	6,855,489,345,096	(1,695,338,182,568)	(6,518,087,064,615)	2,305,205,561,687	12,578,765,139,600

Masan Group Corporation
Notes to the separate interim financial statements for the six-month period ended
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16. Share capital, capital surplus and treasury shares

The Company's authorised and issued share capital comprises of:

	30/6/2018		1/1/2018	
	Number of shares	VND	Number of shares	VND
Authorised share capital	1,163,149,548	11,631,495,480,000	1,157,373,974	11,573,739,740,000
Issued share capital				
Ordinary shares	1,163,149,548	11,631,495,480,000	1,157,373,974	11,573,739,740,000
Capital surplus	-	6,855,489,345,096	-	6,855,539,345,096
Treasury shares				
Ordinary shares	(109,899,932)	(6,518,087,064,615)	(109,899,932)	(6,518,087,064,615)

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. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

Movements of share capital during the period were as follows:

	From 1/1/2018 to 30/6/2018		From 1/1/2017 to 30/6/2017	
	Number of shares	VND	Number of shares	VND
Balance at beginning of the period	1,157,373,974	11,573,739,740,000	768,075,674	7,680,756,740,000
Issuance of bonus shares	-	-	379,420,700	3,794,207,000,000
Insurance of new shares at par for cash	5,775,574	57,755,740,000	-	-
Balance at end of the period	1,163,149,548	11,631,495,480,000	1,147,496,374	11,474,963,740,000

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17. Share-based payment

The Company has an employee share-based payment plan to award shares based on the assessment of the performance of employees. The future issuance of shares under the plan has to be approved by the shareholders at Annual General Meeting.

In June 2018, the Company issued 5,775,574 shares to employees at par for cash.

18. Off balance sheet items

(a) Lease commitments

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

	30/6/2018	1/1/2018
	VND	VND
Within one year	11,078,876,480	9,677,578,400
Within two to five years	7,524,610,520	9,677,578,400
	<hr/>	<hr/>
	18,603,487,000	19,355,156,800
	<hr/>	<hr/>

(b) Foreign currency

	30/6/2018		1/1/2018	
	Original	VND	Original	VND
	currency	equivalent	currency	equivalent
USD	292	6,693,670	299	6,773,074
	<hr/>	<hr/>	<hr/>	<hr/>

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Notes to the separate interim financial statements for the six-month period ended
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19. Financial income

	From 1/1/2018 to 30/6/2018 VND	From 1/1/2017 to 30/6/2017 VND
Dividend income from subsidiaries	1,135,573,000,000	973,151,229,857
Gains from disposals of investments	344,236,013,814	-
Interest income from loans to subsidiaries	-	254,457,443,495
Interest income from deposits	7,867,940,480	7,869,264,105
Foreign exchange gains	123,279,221	1,050,000,000
	<hr/> 1,487,800,233,515	<hr/> 1,236,527,937,457 <hr/>

20. Financial expenses

	From 1/1/2018 to 30/6/2018 VND	From 1/1/2017 to 30/6/2017 VND
Interest expense on loans/bonds from:		
• Bondholders and others	447,970,138,889	339,444,003,010
• Subsidiaries	9,678,054,795	37,948,246,575
Foreign exchange losses	8,575,000,000	43,559,114
Losses from disposals of investments	1,578,518,755	729,140,011
Others	736,632,773	371,244,191
	<hr/> 468,538,345,212	<hr/> 378,536,192,901 <hr/>

21. General and administration expenses

	From 1/1/2018 to 30/6/2018 VND	From 1/1/2017 to 30/6/2017 VND
Depreciation and amortisation	811,968,244	1,290,281,207
Outside services	38,838,458,284	37,740,867,494
Staff costs and other expenses	57,823,546,532	21,428,518,509
	<hr/> 97,473,973,060	<hr/> 60,459,667,210 <hr/>

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22. Income tax

(a) Reconciliation of effective tax rate

	From 1/1/2018 to 30/6/2018		From 1/1/2017 to 30/6/2017	
	%	VND	%	VND
Accounting profit before tax	100%	921,787,915,243	100%	797,446,060,119
Tax at the Company's tax rate	20.00%	184,357,583,049	20.00%	159,489,212,024
Changes in temporary differences	0.07%	609,069,562	(0.09%)	(687,598,902)
Tax exempt income	(24.64%)	(227,114,600,000)	(24.41%)	(194,630,245,971)
Non-deductible expenses	0.00%	42,851,163	0.01%	97,385,829
Deferred tax assets not recognised	4.57%	42,105,096,226	4.48%	35,731,247,020
	-	-	-	-

(b) Applicable tax rates

Under the prevailing corporate income tax law, the Company has an obligation to pay corporate income tax to the government at corporate income tax rate of 20%.

23. Significant transactions with related parties

In addition to related party balances disclosed in other notes to these separate interim financial statements, the Company had the following significant transactions with related parties in accordance with Vietnamese Accounting Standards during the period:

Related party	Nature of transaction	From 1/1/2018 to 30/6/2018	From 1/1/2017 to 30/6/2017
		VND	VND
Direct subsidiaries			
Masan Horizon Company Limited	Interest income from loans	-	254,457,443,495
Masan Consumer Holdings Company Limited	Dividend income	-	973,151,229,857
Masan Nutri-Science Corporation	Dividend income	1,135,573,000,000	-

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Related party	Nature of transaction	From 1/1/2018 to 30/6/2018 VND	From 1/1/2017 to 30/6/2017 VND
Indirect subsidiaries			
Agro Nutrition International Joint Stock Company	Loans received	-	910,000,000,000
	Loans repaid	-	369,000,000,000
	Interest expense on loans	9,678,054,795	37,948,246,575
	Net-off dividends receivable with loans payable	937,000,000,000	-
	Net-off dividends receivable with interest payable	82,918,630,139	-
Key management personnel	Remuneration to key management personnel (*)	9,977,175,330	5,225,506,095

As at and for the six-month period ended 30 June 2018, the Company has current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank at normal trading terms.

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

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30 June 2018 (continued)

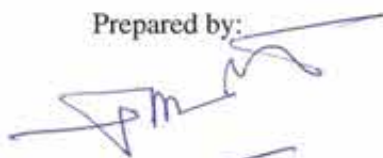
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24. Non-cash investing and financing activities

	From 1/1/2018 to 30/6/2018 VND	From 1/1/2017 to 30/6/2017 VND
Net-off dividends receivable with loans payable to a subsidiary	937,000,000,000	-
Net-off dividends receivable with interest payable to a subsidiary	82,918,630,139	-

8 August 2018

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Dr Nguyen Dang Quang
Chairman
Chief Executive Officer