

Code MSN
Company name MaSan Group Corporation
Date 08/19/2019
Subject Explanation for the semi-annual reviewed financial statements

Content:

MaSan Group Corporation has explained the fluctuation in profit after tax in the reviewed consolidated and separate financial statements in the first six months of 2019 as follows:

Consolidated financial statements:

The profit after tax in the first half of 2019 decreased by 36% compared to the same period of last year because of the following causes:

No.	Item	First 06 months of 2019 <i>(million dongs)</i>	First 06 months of 2018 <i>(million dongs)</i>	Fluctuation	
				Amount <i>(million dongs)</i>	Ratio
1	Financial income	158,961	1,633,531	(1,474,570)	-90%
2	Financial expense	1,086,126	1,572,544	(486,418)	-31%
3	Selling expense	1,768,514	1,975,118	(206,604)	-10%
4	Net profit after tax	2,191,589	3,418,048	(1,226,459)	-36%

- Financial income in the first six months of 2019 was 159 billion dongs, dropping down 90% compared to the same period of 2018.
- Financial expense in the first six months of 2019 was 1,086 billion dongs, decreasing 31% compared to the same period of 2018 because the Company reduced 12,500 billion dongs from borrowing and bond debt prior to maturity at the end of 2018.
- Selling expense in the first six months of 2019 was 1,769 billion dongs, down 10% compared to the same period of last year.

Separate financial statements:

In the first half of 2019, the Company had a loss of 48 billion dongs compared to the same period of last year (the Company gained 922 billion dongs), declining 105% because of the following causes:

No.	Item	First 06 months of 2019 <i>(million dongs)</i>	First 06 months of 2018 <i>(million dongs)</i>	Fluctuation	
				Amount <i>(million dongs)</i>	Ratio
1	Financial income	185,715	1,487,800	(1,302,086)	-88%
2	Financial expense	143,250	468,538	(325,288)	-69%
3	Profit after tax	(47,923)	921,788	(969,711)	-105%

- Financial income in the first six months of 2019 came down 88% compared to the same period of last year because in the first six months of 2019 the Company did not receive interests from the subsidiary Masan MEATLife (formerly known as Masan Nutri-Science) while in the first six months of 2018 the Company received 1,136 billion dongs of dividend for 2017 from this subsidiary.
- Financial expense in the first six months of 2019 decreased 69% compared to the same period of last year because the Company paid in advance 6,000 billion of bonds in late 2018 in order to save the borrowing expense.