



Masan Consumer Corporation and its subsidiaries

Consolidated Financial Statements for the
year ended 31 December 2018



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 14 September 2018. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Mr Truong Cong Thang	Chairman
Dr Nguyen Dang Quang	Member
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Quang	Member
Mr Danny Le	Member (from 24 April 2018)
Mr Ho Hung Anh	Member (until 12 April 2018)
Mr Seokhee Won	Member (until 27 February 2018)

Board of Management

Mr Truong Cong Thang	Chief Executive Officer (from 28 February 2018)
Mr Seokhee Won	Chief Executive Officer (until 27 February 2018)
Ms Nguyen Hoang Yen	Deputy Chief Executive Officer
Mr Pham Hong Son	Deputy Chief Executive Officer
Mr Pham Dinh Toai	Deputy Chief Executive Officer
Mr Nguyen Anh Nguyen	Deputy Chief Executive Officer
Ms Dinh Kim Nhung	Deputy Chief Executive Officer (until 26 February 2019)

Registered Office

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

Auditor

KPMG Limited
Vietnam

Masan Consumer Corporation Statement of the Board of Management

The Board of Management of Masan Consumer Corporation (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the year ended 31 December 2018.

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

- (a) the consolidated financial statements set out on pages 5 to 64 give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

The Company’s Board of Management has, on the date of this statement, authorised the accompanying consolidated 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, 7 March 2019



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Masan Consumer Corporation

We have audited the accompanying consolidated financial statements of Masan Consumer Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2018, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 7 March 2019, as set out on pages 5 to 64.

Board of Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Auditor's Opinion


In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Masan Consumer Corporation and its subsidiaries as at 31 December 2018 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 18-01-00557-19-2




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



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

Ho Chi Minh City, 7 March 2019

Masan Consumer Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2018

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

	Code	Note	31/12/2018 VND	1/1/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		3,633,456,428,858	5,793,075,753,348
Cash and cash equivalents	110	6	1,669,119,982,526	4,235,913,074,249
Cash	111		114,319,982,526	82,888,074,249
Cash equivalents	112		1,554,800,000,000	4,153,025,000,000
Short-term financial investments	120		251,200,000,000	154,258,720,000
Held-to-maturity investments	123	7(a)	251,200,000,000	154,258,720,000
Accounts receivable – short-term	130		458,279,877,556	348,223,852,227
Accounts receivable from customers	131	8	291,484,778,821	261,094,359,738
Prepayments to suppliers	132		149,743,969,504	48,438,835,310
Other short-term receivables	136	9(a)	17,051,129,231	38,698,246,885
Allowance for doubtful debts	137	10	-	(7,589,706)
Inventories	140	11	1,215,429,352,783	1,010,974,147,574
Inventories	141		1,263,207,672,163	1,017,930,397,608
Allowance for inventories	149		(47,778,319,380)	(6,956,250,034)
Other current assets	150		39,427,215,993	43,705,959,298
Short-term prepaid expenses	151		14,874,603,168	17,450,908,457
Deductible value added tax	152		22,820,844,999	23,128,636,709
Taxes and other receivables from State Treasury	153		1,731,767,826	3,126,414,132

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

Masan Consumer Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2018 (continued)

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

	Code	Note	31/12/2018 VND	1/1/2018 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		13,419,348,774,861	11,851,980,806,425
Accounts receivable – long-term	210		8,205,002,665,275	6,237,572,225,813
Long-term loans receivable	215	12	7,433,716,876,592	5,896,716,876,592
Other long-term receivables	216	9(b)	771,285,788,683	340,855,349,221
Fixed assets	220		4,077,188,360,222	4,412,933,243,930
Tangible fixed assets	221	13	3,087,400,141,923	3,241,037,214,968
Cost	222		5,519,548,816,735	5,230,319,735,557
Accumulated depreciation	223		(2,432,148,674,812)	(1,989,282,520,589)
Intangible fixed assets	227	14	989,788,218,299	1,171,896,028,962
Cost	228		2,060,208,191,558	2,103,301,612,207
Accumulated amortisation	229		(1,070,419,973,259)	(931,405,583,245)
Long-term work in progress	240		230,563,818,314	252,152,223,620
Construction in progress	242	15	230,563,818,314	252,152,223,620
Long-term financial investments	250		249,391,858,906	249,391,858,906
Investment in an associate	252	7(b)	249,391,858,906	249,391,858,906
Other long-term assets	260		657,202,072,144	699,931,254,156
Long-term prepaid expenses	261	16	165,907,440,337	190,950,225,630
Deferred tax assets	262	17	204,359,878,763	153,245,522,534
Goodwill	269	18	286,934,753,044	355,735,505,992
TOTAL ASSETS (270 = 100 + 200)	270		17,052,805,203,719	17,645,056,559,773

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


Masan Consumer Corporation and its subsidiaries
Consolidated balance sheet as at 31 December 2018 (continued)

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

	Code	Note	31/12/2018 VND	1/1/2018 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		6,171,592,731,916	6,313,229,100,033
Current liabilities	310		5,917,949,750,813	5,947,095,673,192
Accounts payable to suppliers – short-term	311	19	996,132,919,346	801,573,550,158
Advances from customers	312		48,883,742,075	35,712,183,790
Taxes payable to State Treasury	313	20	283,813,387,948	224,311,703,039
Payables to employees	314		286,388,185	24,501,018
Accrued expenses	315	21	1,267,088,936,129	893,632,037,512
Other short-term payables	319	22(a)	19,702,381,860	581,121,178,228
Short-term borrowings	320	23(a)	3,279,081,068,531	3,387,677,592,708
Bonus and welfare funds	322		22,960,926,739	23,042,926,739
Long-term liabilities	330		253,642,981,103	366,133,426,841
Accounts payable to suppliers – long-term	331	19	36,330,147,040	78,525,018,000
Other long-term payables	337	22(b)	20,101,628,673	20,821,499,726
Long-term borrowings	338	23(b)	41,142,136,776	95,998,319,156
Deferred tax liabilities	341	17	140,455,807,864	157,986,259,876
Provisions – long-term	342		15,613,260,750	12,802,330,083
EQUITY (400 = 410)	400		10,881,212,471,803	11,331,827,459,740
Owners' equity	410	24	10,881,212,471,803	11,331,827,459,740
Share capital	411	25	6,279,291,230,000	5,431,327,770,000
- Ordinary shares with voting rights	411a		6,279,291,230,000	5,431,327,770,000
Share premium	412	25	4,292,501,204,992	5,088,056,394,992
Other capital	414		(265,775,657,006)	(265,775,657,006)
Treasury shares	415	25	(1,640,252,631,255)	(1,640,252,631,255)
Foreign exchange differences	417		5,398,307,899	2,951,013,886
Investment and development fund	418		22,731,972,844	22,731,972,844
Undistributed profits after tax	421		1,962,584,222,892	2,226,022,362,372
- Undistributed profits after tax brought forward	421a		-	93,929,785,879
- Undistributed profit after tax for the current year	421b		1,962,584,222,892	2,132,092,576,493
Non-controlling interests	429		224,733,821,437	466,766,233,907
TOTAL RESOURCES (440 = 300 + 400)	440		17,052,805,203,719	17,645,056,559,773

7 March 2019

Prepared by: 
Phan Thi Thuy Hoa
Chief Accountant


Huynh Viet Thang
Acting Chief Financial Officer

Approved by: 

Truong Cong Thang
Chairman of the Board of Directors

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

Masan Consumer Corporation and its subsidiaries
Consolidated statement of income for the year ended 31 December 2018

Form B 02 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2018 VND	2017 VND
Revenue from sale of goods and provision of services	01	28	17,290,253,757,722	13,422,926,705,427
Revenue deductions	02	28	283,778,144,765	209,286,432,011
Net revenue (10 = 01 - 02)	10	28	17,006,475,612,957	13,213,640,273,416
Cost of sales	11	29	9,388,082,263,631	7,181,058,837,278
Gross profit (20 = 10 - 11)	20		7,618,393,349,326	6,032,581,436,138
Financial income	21	30	550,227,206,305	456,988,463,034
Financial expenses	22	31	182,528,190,256	135,642,808,146
<i>In which: Interest expense</i>	23		<i>180,421,924,187</i>	<i>131,876,543,711</i>
Share of profit in an associate	24		5,318,434,000	5,318,434,000
Selling expenses	25	32	3,284,879,798,663	3,013,408,048,716
General and administration expenses	26	33	793,223,583,936	721,475,937,145
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		3,913,307,416,776	2,624,361,539,165
Other income	31		622,448,279	1,340,161,739
Other expenses	32		19,524,646,870	3,734,128,540
Results of other activities (40 = 31 - 32)	40		(18,902,198,591)	(2,393,966,801)
Accounting profit before tax (50 = 30 + 40)	50		3,894,405,218,185	2,621,967,572,364
Income tax expense – current	51	34	565,570,608,804	398,411,246,861
Income tax benefit – deferred	52	34	(68,644,808,241)	(22,441,350,578)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		3,397,479,417,622	2,245,997,676,081

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

Masan Consumer Corporation and its subsidiaries
Consolidated statement of income for the year ended 31 December 2018 (continued)

Form B 02 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2018 VND	2017 VND
Net profit after tax (brought forward from previous page)	60		3,397,479,417,622	2,245,997,676,081
Attributable to:				
Equity holders of the Company	61		3,367,089,339,533	2,131,847,621,907
Non-controlling interests	62		30,390,078,089	114,150,054,174
<hr/>				
	Code	Note	2018 VND	2017 VND (as restated)
Earnings per share				
Basic earnings per share	70	35	5,549	3,548

7 March 2019

Prepared by:



Phan Thi Thuy Hoa
Chief Accountant

Approved by:





Huynh Viet Thang
Acting Chief Financial Officer

Trương Công Thang
Chairman of the Board of Directors

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

Masan Consumer Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2018
(Indirect method)

Form B 03 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	2018 VND	2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	3,894,405,218,185	2,621,967,572,364
Adjustments for			
Depreciation and amortisation	02	685,883,152,709	674,245,273,989
Allowances and provisions	03	77,111,027,113	30,761,091,598
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04	(131,172,203)	465,899,740
Losses on disposals and written-off of fixed assets	05	14,496,001,037	2,012,204,594
Interest income from investing activities	05	(546,923,962,024)	(453,172,625,151)
Share of profit in an associate	05	(5,318,434,000)	(5,318,434,000)
Interest expense	06	180,421,924,187	131,876,543,711
Operating profit before changes in working capital	08	4,299,943,755,004	3,002,837,526,845
Change in receivables and other current assets	09	(20,673,206,465)	(39,021,357,334)
Change in inventories	10	(278,755,301,655)	(322,145,799,020)
Change in payables and other liabilities	11	571,272,430,854	(17,270,444,352)
Change in prepaid expenses	12	31,856,346,083	35,077,038,825
		4,603,644,023,821	2,659,476,964,964
Interest paid	14	(178,714,103,145)	(128,967,211,624)
Corporate income tax paid	15	(525,263,590,831)	(417,362,885,649)
Other payments for operating activities	17	(82,000,000)	(196,600,000)
Net cash flows from operating activities	20	3,899,584,329,845	2,112,950,267,691

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

Masan Consumer Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2018
(Indirect method – continued)

Form B 03 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	2018 VND	2017 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(419,735,286,269)	(489,808,473,401)
Proceeds from disposals of fixed assets	22	2,645,551,428	1,848,263,994
Payments for granting loans	23	(4,637,000,000,000)	(5,920,405,000,000)
Receipts from collecting of loans	24	3,100,000,000,000	500,000,000,000
Placement of term deposits to banks and other investments	23	(756,211,720,000)	(3,173,376,720,000)
Withdrawal of term deposits from banks and other investments	24	659,270,440,000	4,752,066,841,175
Payments for acquisition of non-controlling interests in a subsidiary	25	(1,612,925,442,493)	-
Receipts of interest and dividends	27	146,796,478,068	255,682,931,659
Net cash flows from investing activities	30	(3,517,159,979,266)	(4,073,992,156,573)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share capital issued	31	52,408,270,000	49,726,600,000
Proceeds from capital contribution in a subsidiary by non-controlling interests	31	76,343,325,699	-
Payments for shares repurchased in a subsidiary	32	-	(247,200,000)
Proceeds from bank borrowings	33	13,076,955,605,131	7,798,314,906,822
Payments to settle loan principals to banks	34	(13,240,408,311,688)	(7,412,453,959,741)
Payments of dividends	36	(2,916,727,251,200)	(1,157,089,232,500)
Net cash flows from financing activities	40	(2,951,428,362,058)	(721,748,885,419)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(2,569,004,011,479)	(2,682,790,774,301)
Cash and cash equivalents at the beginning of the year	60	4,235,913,074,249	6,914,244,921,330
Effect of exchange rate fluctuations on cash and cash equivalents	61	1,991,773,485	4,369,156,614
Currency translation differences	61	219,146,271	89,770,606
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 6)	70	1,669,119,982,526	4,235,913,074,249

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

Masan Consumer Corporation and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2018
(Indirect method – continued)

Form B 03 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

NON-CASH INVESTING AND FINANCING ACTIVITIES

	2018	2017
	VND	VND
Net-off dividends payable with loans receivable from the parent company	-	1,187,405,000,000

7 March 2019

Prepared by: 
Phan Thi Thuy Hoa
Chief Accountant

Approved by:  
Huynh Viet Thang **Trương Công Thang**
Acting Chief Financial Officer *Chairman of the Board of Directors*



Masan Consumer Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018

Form B 09 – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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

1. Reporting entity

(a) Ownership structure

Masan Consumer Corporation (“the Company”) is a joint stock company incorporated in Vietnam. The consolidated financial statements for the year ended 31 December 2018 comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in an associate.

(b) Principal activities

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

(c) Normal operating cycle

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

Masan Consumer Corporation and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

Form B 09 – DN/HN

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

(d) Group structure

As at 31 December 2018, the Group has 3 directly owned subsidiaries, 13 indirectly owned subsidiaries and 1 associate (1/1/2018: 3 directly owned subsidiaries, 13 indirectly owned subsidiaries and 1 associate). Information of the subsidiaries and an associate are described as follows:

Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			31/12/2018	1/1/2018	31/12/2018	1/1/2018
Directly owned subsidiaries						
Masan Food Company Limited	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
Masan Beverage Company Limited	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
Masan Consumer (Thailand) Limited (“MTH”)	Trading and distribution	No. 83, 4 th Floor, Amnuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand.	99.99%	99.99%	99.99%	99.99%
Indirectly owned subsidiaries						
Masan Industrial One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong Province, Vietnam.	100%	100%	100%	100%
Viet Tien Food Technology One Member Company Limited	(i) Seasonings manufacturing	Lot III-10, Street No. 1, Industrial Group III, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%

Masan Consumer Corporation and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

Form B 09 – DN/HN

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

Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			31/12/2018	1/1/2018	31/12/2018	1/1/2018
Masan PQ Corporation (formerly known as Ma San PQ Corporation)	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam.	99.99%	99.99%	99.99%	99.99%
Masan HD One Member Company Limited	(i) Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam.	100%	100%	100%	100%
Masan MB One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Loc District, Nghe An Province, Vietnam.	100%	100%	100%	100%
Masan HG One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam.	100%	100%	100%	100%
Masan JinJu Joint Stock Company (formerly known as Saigon Nutri Food Joint Stock Company)	(i) Convenience food manufacturing and trading	Factory F5, Lot 6, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong Province, Vietnam.	74.99%	99.99%	74.99%	99.99%
Nam Ngu Phu Quoc One Member Company Limited	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam.	100%	100%	100%	100%
VinaCafé Bien Hoa Joint Stock Company	(ii) Beverage manufacturing and trading	Bien Hoa Industrial Park I, Bien Hoa City, Dong Nai Province, Vietnam.	98.49%	68.46%	98.49%	68.46%
Vinh Hao Mineral Water Corporation	(ii) Beverage manufacturing and trading and packaging	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam.	88.56%	88.56%	88.56%	88.56%

Masan Consumer Corporation and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

Form B 09 – DN/HN*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			31/12/2018	1/1/2018	31/12/2018	1/1/2018
KronFa., JSC	(iii) Beverage manufacturing	Km 37, Highway 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam.	88.55%	88.55%	99.99%	99.99%
Quang Ninh Mineral Water Corporation	(ii) Beverage manufacturing and trading	No. 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam.	65.85%	65.85%	65.85%	65.85%
Café De Nam Joint Stock Company (formerly known as CDN Production Trading Corporation)	(iv) Beverage manufacturing and trading	Lot C I.III-3+5+7, Long Thanh Industrial Park, Tam An Commune, Long Thanh District, Dong Nai Province, Vietnam.	83.72%	58.19%	85%	85%
An associate						
Cholimex Food Joint Stock Company	(i) Seasonings manufacturing and trading	Lot C40 – 43/I, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.	32.83%	32.83%	32.83%	32.83%

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- (i) These subsidiaries and an associate are indirectly owned by the Company through Masan Food Company Limited (“MSF”).
- (ii) These subsidiaries are indirectly owned by the Company through Masan Beverage Company Limited (“MSB”).
- (iii) KronFa., JSC is indirectly owned by the Company through Vinh Hao Mineral Water Corporation.
- (iv) Café De Nam Joint Stock Company (formerly known as CDN Production Trading Corporation) is indirectly owned by the Company through VinaCafé Bien Hoa Joint Stock Company.

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

As at 31 December 2018, the Group had 4,418 employees (1/1/2018: 4,382 employees).

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

The annual accounting period of the Group is from 1 January to 31 December.

(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 Group in the preparation of these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

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

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

(iii) Loss of control

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

(iv) Associates (equity accounted investees)

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

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(v) *Transactions eliminated on consolidation*

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

(vi) *Business combinations under common control*

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

The consolidated statement of income and consolidated statement of cash flows include the results of operations of the combining companies as if the group structure had been in existence from the Controlling Shareholders' perspective throughout the entire years presented, or where the companies were incorporated at a date later than the beginning of the earliest years presented, for the year from the date of incorporation to the end of the relevant reporting periods.

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

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

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

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

(b) Foreign currency

(i) Foreign currency transactions

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

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

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

(ii) Foreign operations

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

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

(c) Cash and cash equivalents

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

(d) Held-to-maturity investments

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

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(e) Accounts receivable from customers and other receivables

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

(f) Inventories

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

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

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(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

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

(ii) Software

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

(iii) Exploitation rights

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

(iv) Brand name

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

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

(v) Customer relationships

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

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(vi) Mineral water resources

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

(i) Construction in progress

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

(j) Long-term prepaid expenses

(i) Prepaid land costs

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

(ii) Goodwill from equitisation

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

(iii) Tools and supplies

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

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(k) Goodwill

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

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

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

(l) Accounts payable to suppliers and other payables

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

(m) Provisions

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

Severance allowance

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

(n) Equity

(i) *Share capital and share premium*

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

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(ii) Other capital

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

(iii) Treasury shares

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

(o) Taxation

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

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

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 annual accounting period.

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

(p) Revenue

(i) Sale of goods

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

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(ii) Rental income

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

(q) Financial income and financial expenses

(i) Financial income

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

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

(ii) Financial expenses

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

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

(r) Operating lease payments

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

(s) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

The consolidated profit or loss attributable to ordinary shareholders of the Company is determined after deducting any amounts appropriated to bonus and welfare funds for the year.

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(t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segment. The Group's primary format and secondary format for segment reporting are based on business segments and geographical segments, respectively.

Segment results, assets and liabilities include items attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise cash and cash equivalents and related income, investments and related income, loans and borrowings and related expenses, the Company's headquarters corporate assets, general and administration expenses, income tax assets and liabilities and expenses, and items that are attributable to more than one segment and cannot reasonably be allocated to a segment.

(u) Related parties

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

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

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

For the year ended 31 December 2018	Seasonings VND	Convenience food (*) VND	Beverage (*) VND	Others VND	Consolidated VND
Total segment revenue – net	7,067,067,312,590	4,807,915,923,297	5,124,368,362,689	7,124,014,381	17,006,475,612,957
Segment gross profit	3,569,061,406,429	1,861,740,755,798	2,184,125,405,213	3,465,781,886	7,618,393,349,326
Segment results	2,476,299,954,784	658,888,450,912	912,573,078,728	3,465,781,886	4,051,227,266,310
Unallocated general and administration expenses					(505,618,865,583)
Financial income					550,227,206,305
Financial expenses					(182,528,190,256)
Net operating profit					3,913,307,416,776
Other income					622,448,279
Other expenses					(19,524,646,870)
Income tax expense					(496,925,800,563)
Net profit after tax					3,397,479,417,622



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For the year ended 31 December 2017	Seasonings VND	Convenience food (*) VND	Beverage (*) VND	Others VND	Consolidated VND
Total segment revenue – net	5,294,071,048,560	3,833,707,907,972	4,079,256,392,751	6,604,924,133	13,213,640,273,416
Segment gross profit	2,799,817,614,902	1,555,970,296,881	1,673,487,896,768	3,305,627,587	6,032,581,436,138
Segment results	1,815,542,378,157	462,679,492,591	363,725,232,242	3,305,627,587	2,645,252,730,577
Unallocated general and administration expenses					(342,236,846,300)
Financial income					456,988,463,034
Financial expenses					(135,642,808,146)
Net operating profit					2,624,361,539,165
Other income					1,340,161,739
Other expenses					(3,734,128,540)
Income tax expense					(375,969,896,283)
Net profit after tax					2,245,997,676,081

Segment results represent segment net revenue less segment cost of sales, directly attributable selling expenses and general and administration expenses, and indirectly attributable selling expenses and general and administration expenses which can be allocated on a reasonable basis.

Unallocated expenses represent general and administration expenses which the Company's Board of Management assesses cannot be allocated to each segment on a reasonable basis. These expenses are incurred at the corporate level.

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- (*) The segment results of the Convenience food and Beverage segments included amortisation of goodwill amounting to VND68,801 million (2017: VND68,801 million), amortisation of fair values of intangible fixed assets arisen in business combinations amounting to VND99,380 million (2017: VND99,380 million) and depreciation of fair values uplift of tangible fixed assets arisen in business combinations amounting to VND2,304 million (2017: VND18,724 million) during the year.

As at 31 December 2018	Seasonings VND	Convenience food VND	Beverage VND	Consolidated VND
Segment assets	2,003,154,003,000	1,469,337,297,751	2,403,268,880,343	5,875,760,181,094
Unallocated assets				11,177,045,022,625
Total assets				17,052,805,203,719
Segment liabilities	315,923,020,745	527,430,592,405	703,376,472,523	1,546,730,085,673
Unallocated liabilities				4,624,862,646,243
Total liabilities				6,171,592,731,916
For the year ended 31 December 2018				
Capital expenditure	115,570,180,201	231,368,176,184	46,476,952,249	393,415,308,634
Unallocated capital expenditure				38,317,354,220
Depreciation of tangible fixed assets	222,398,998,845	113,338,250,661	128,262,138,944	463,999,388,450
Unallocated depreciation of tangible fixed assets				13,337,032,631
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	4,482,885,314	20,972,494,649	172,885,985,858	198,341,365,821
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses				52,538,510,527

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As at 1 January 2018	Seasonings VND	Convenience food VND	Beverage VND	Consolidated VND
Segment assets	2,121,779,688,936	1,312,938,157,237	2,657,484,292,677	6,092,202,138,850
Unallocated assets				11,552,854,420,923
Total assets				17,645,056,559,773
Segment liabilities	162,634,420,955	242,830,882,104	1,247,805,815,031	1,653,271,118,090
Unallocated liabilities				4,659,957,981,943
Total liabilities				6,313,229,100,033
For the year ended 31 December 2017				
Capital expenditure	321,286,774,303	65,252,920,842	50,009,342,633	436,549,037,778
Unallocated capital expenditure				60,801,639,940
Depreciation of tangible fixed assets	217,942,856,506	92,844,229,662	138,257,042,534	449,044,128,702
Unallocated depreciation of tangible fixed assets				14,145,343,771
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	4,920,054,479	15,985,005,807	177,701,447,217	198,606,507,503
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses				53,347,290,176

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Details of unallocated assets and unallocated liabilities are as follows:

	31/12/2018 VND	1/1/2018 VND
Cash and cash equivalents	1,669,119,982,526	4,235,913,074,249
Held-to-maturity investments – short-term	251,200,000,000	154,258,720,000
Accounts receivable – short-term, net	333,369,724,755	275,936,245,323
Inventories	200,926,794,772	130,885,289,948
Other current assets	14,666,691,515	9,478,308,181
Accounts receivable – long-term, net	8,205,002,665,275	6,237,572,225,813
Fixed assets	186,339,598,041	254,612,406,562
Construction in progress	39,630,909,143	8,309,258,685
Other long-term assets	276,788,656,598	245,888,892,162
Unallocated assets	11,177,045,022,625	11,552,854,420,923
Accounts payable to suppliers – short-term	243,874,755,248	131,742,947,085
Advances from customers	41,304,326,695	15,951,247,994
Taxes payable to State Treasury	267,692,533,153	215,304,122,304
Payables to employees	70,685,162	16,907,555
Accrued expenses	597,424,199,680	632,578,085,243
Other short-term payables	13,817,133,134	22,702,500,022
Short-term borrowings	3,279,081,068,531	3,387,677,592,708
Long-term borrowings	41,142,136,776	95,998,319,156
Deferred tax liabilities	140,455,807,864	157,986,259,876
Unallocated liabilities	4,624,862,646,243	4,659,957,981,943

(b) Geographical segments

The Group operates in Vietnam and Thailand. The Thailand business is currently immaterial to the Group.

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5. Transactions with non-controlling interests

(a) Acquisition of additional equity interests in VinaCafé Bien Hoa Joint Stock Company

In February 2018, Masan Beverage Company Limited (“MSB”), a subsidiary of the Company, successfully acquired additional 7,982,361 shares of VinaCafé Bien Hoa Joint Stock Company (“VCF”) for a total consideration of VND1,612,925 million. As a result of this transaction, the Company’s equity interest in VCF has increased from 68.46% to 98.49%, resulting in the following effects:

	VND
Consideration paid in cash	1,612,925,442,493
Proportionate carrying amount of net assets acquired	(311,418,585,035)
	1,301,506,857,458
Difference recorded in undistributed profits after tax (Note 24)	1,301,506,857,458

(b) Capital contribution in Masan JinJu Joint Stock Company (formerly known as Saigon Nutri Food Joint Stock Company) by non-controlling interests

In June 2018, Masan JinJu Joint Stock Company (formerly known as Saigon Nutri Food Joint Stock Company (“SNF”)), a subsidiary of the Company and JinJu Ham Company Limited (“JinJu”) entered into an agreement in which JinJu agrees to contribute capital with the amount of VND76,343 million in exchange for 25% equity interest in SNF. As at the reporting date, the capital amount was fully received and SNF amended its Business Registration Certificate accordingly. As a result of this transaction, the Company’s equity interest in SNF has decreased from 99.99% to 74.99%, resulting in the following effects:

	VND
Consideration received in cash	76,343,325,699
Proportionate carrying amount of net assets disposed	(42,266,450,754)
	34,076,874,945
Difference recorded in undistributed profits after tax (Note 24)	34,076,874,945

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6. Cash and cash equivalents

	31/12/2018	1/1/2018
	VND	VND
Cash on hand	1,319,699,580	1,296,649,680
Cash at banks	113,000,282,946	81,591,424,569
Cash equivalents	1,554,800,000,000	4,153,025,000,000
	<hr/>	<hr/>
Cash and cash equivalents in the consolidated statement of cash flows	1,669,119,982,526	4,235,913,074,249
	<hr/>	<hr/>

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

7. Investments

(a) Held-to-maturity investments – short-term

	31/12/2018	1/1/2018
	VND	VND
Held-to-maturity investments – short-term		
▪ Term deposits at banks	251,200,000,000	154,258,720,000
	<hr/>	<hr/>

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

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(b) Investment in an associate

	Number of shares	31/12/2018 % of equity owned and % of voting rights	Carrying value under equity method VND	Number of shares	1/1/2018 % of equity owned and % of voting rights	Carrying value under equity method VND
Investment in an associate:						
▪ Cholimex Food Joint Stock Company	2,659,217	32.83%	249,391,858,906	2,659,217	32.83%	249,391,858,906

The Group has not determined the fair value of the equity investment in an associate for disclosure in the consolidated financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair value of the equity investment may differ from its carrying amount.

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

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

	Cholimex Food Joint Stock Company VND
Carrying value of investment in an associate at the beginning of the year	249,391,858,906
Share of post-acquisition profit in an associate during the year	5,318,434,000
Post-acquisition dividends receivable from an associate	(5,318,434,000)
	<hr/>
Carrying value of investment in an associate at the end of the year	249,391,858,906

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8. Accounts receivable from customers

	31/12/2018	1/1/2018
	VND	VND
Receivable from third parties	172,189,794,069	169,918,577,951
Receivable from related parties	119,294,984,752	91,175,781,787
	<hr/>	<hr/>
	291,484,778,821	261,094,359,738
	<hr/>	<hr/>

Please see Note 36 for balances between the Group and the related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 30 – 180 days from invoice date.

9. Other receivables

(a) Other short-term receivables

	31/12/2018	1/1/2018
	VND	VND
Accrued interest receivable from deposits at banks	5,694,530,137	9,545,537,923
Short-term deposits	4,096,877,250	21,976,745,630
Others	7,259,721,844	7,175,963,332
	<hr/>	<hr/>
	17,051,129,231	38,698,246,885
	<hr/>	<hr/>

(b) Other long-term receivables

	31/12/2018	1/1/2018
	VND	VND
Accrued interest receivable from a related party (*)	744,335,693,311	335,038,767,569
Long-term deposits	26,950,095,372	5,816,581,652
	<hr/>	<hr/>
	771,285,788,683	340,855,349,221
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(*) These represented interest income receivable from loans provided to a related party. Please see Notes 12 and 36 for further information.

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10. Allowance for doubtful debts

Movements of the allowance for doubtful debts during the year were as follows:

	2018	2017
	VND	VND
Opening balance	7,589,706	1,217,027,357
Allowance utilised during the year	(7,589,706)	(1,185,937,651)
Written back	-	(23,500,000)
	<hr/>	<hr/>
Closing balance	-	7,589,706
	<hr/>	<hr/>

11. Inventories

	31/12/2018		1/1/2018	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	46,162,485,789	-	52,156,943,848	-
Raw materials	571,181,399,445	(12,384,740,374)	579,492,610,142	(1,166,227,003)
Tools and supplies	77,707,709,750	(25,918,601,266)	76,197,364,169	-
Work in progress	93,507,831,475	-	76,069,236,191	-
Finished goods	465,386,443,069	(9,474,977,740)	228,837,186,075	(5,783,610,499)
Merchandise inventories	9,261,802,635	-	5,177,057,183	(6,412,532)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,263,207,672,163	(47,778,319,380)	1,017,930,397,608	(6,956,250,034)
	<hr/>	<hr/>	<hr/>	<hr/>

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

	2018	2017
	VND	VND
Opening balance	6,956,250,034	13,103,260,471
Increase in allowance during the year	74,849,185,249	28,838,750,368
Allowance utilised during the year	(33,478,027,100)	(33,239,690,202)
Written back	(549,088,803)	(1,746,070,603)
	<hr/>	<hr/>
Closing balance	47,778,319,380	6,956,250,034
	<hr/>	<hr/>

Included in inventories of the Group as at 31 December 2018 was VND47,778 million (1/1/2018: VND6,956 million) of slow-moving inventories.

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12. Long-term loans receivable

	31/12/2018	1/1/2018
	VND	VND
Loans receivable from a related party	7,433,716,876,592	5,896,716,876,592

The long-term loans receivable were unsecured and earned interest at 6.5% per annum as at 31 December 2018 (1/1/2018: 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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13. Tangible fixed assets

	Buildings VND	Leasehold improvements VND	Office equipment VND	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost						
Opening balance	1,436,687,308,233	62,791,110,984	65,778,567,325	3,637,257,479,750	27,805,269,265	5,230,319,735,557
Additions during the year	373,927,815	-	-	3,989,491,541	87,652,000	4,451,071,356
Transfer from construction in progress	57,265,283,238	-	3,018,131,266	278,387,799,303	-	338,671,213,807
Net transfer to long-term prepaid expenses	-	-	-	(283,341,705)	-	(283,341,705)
Transfer to short-term prepaid expenses	-	-	-	(49,108,886)	-	(49,108,886)
Disposals	(2,261,318,008)	-	(412,849,547)	(33,440,411,855)	(4,369,999,245)	(40,484,578,655)
Written off	(3,045,088,330)	-	(612,998,925)	(2,201,088,273)	(7,216,999,211)	(13,076,174,739)
Closing balance	1,489,020,112,948	62,791,110,984	67,770,850,119	3,883,660,819,875	16,305,922,809	5,519,548,816,735
Accumulated depreciation						
Opening balance	306,627,179,424	29,935,955,606	37,472,523,021	1,597,882,447,252	17,364,415,286	1,989,282,520,589
Charge for the year	76,980,917,065	10,451,709,067	6,850,400,627	380,460,721,351	2,592,672,971	477,336,421,081
Net transfer to long-term prepaid expenses	-	-	-	(48,787,128)	-	(48,787,128)
Disposals	(229,902,091)	-	(412,849,547)	(18,547,631,031)	(3,508,551,062)	(22,698,933,731)
Written off	(2,401,461,583)	-	(612,998,925)	(2,174,096,702)	(6,533,988,789)	(11,722,545,999)
Closing balance	380,976,732,815	40,387,664,673	43,297,075,176	1,957,572,653,742	9,914,548,406	2,432,148,674,812
Net book value						
Opening balance	1,130,060,128,809	32,855,155,378	28,306,044,304	2,039,375,032,498	10,440,853,979	3,241,037,214,968
Closing balance	1,108,043,380,133	22,403,446,311	24,473,774,943	1,926,088,166,133	6,391,374,403	3,087,400,141,923

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Included in tangible fixed assets of the Group were assets costing VND525,507 million, which were fully depreciated as of 31 December 2018 (1/1/2018: VND389,228 million), but which are still in active use.

As at 31 December 2018, certain of the Group's tangible fixed assets were pledged with banks as security for loans granted to the Group (1/1/2018: certain of the Group's tangible fixed assets were pledged with banks as security for loans granted to the Group and the parent company).

The carrying amount of the Group's temporarily idle equipment in tangible fixed assets amounted to VND661 million as of 31 December 2018 (1/1/2018: VND11,261 million).

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14. Intangible fixed asset

	Land use rights VND	Software VND	Exploitation rights VND	Brand name VND	Customer relationships VND	Mineral water resources VND	Total VND
Cost							
Opening balance	119,085,818,402	291,102,724,674	117,945,577,348	758,354,816,571	404,114,911,701	412,697,763,511	2,103,301,612,207
Additions during the year	-	-	2,765,431,200	-	-	-	2,765,431,200
Transfer from construction in progress	-	2,137,005,818	-	-	-	-	2,137,005,818
Transfer to long-term prepaid expenses	-	(1,069,892,667)	-	-	-	-	(1,069,892,667)
Written off	-	(490,000,000)	-	-	-	-	(490,000,000)
Others	-	-	(46,435,965,000)	-	-	-	(46,435,965,000)
Closing balance	119,085,818,402	291,679,837,825	74,275,043,548	758,354,816,571	404,114,911,701	412,697,763,511	2,060,208,191,558
Accumulated amortisation							
Opening balance	29,862,531,845	98,028,541,320	13,898,704,478	385,228,742,429	352,923,944,341	51,463,118,832	931,405,583,245
Charge for the year	3,730,881,408	35,131,303,248	3,917,416,004	66,892,868,504	8,138,841,240	21,934,668,276	139,745,978,680
Transfer to long-term prepaid expenses	-	(241,588,666)	-	-	-	-	(241,588,666)
Written off	-	(490,000,000)	-	-	-	-	(490,000,000)
Closing balance	33,593,413,253	132,428,255,902	17,816,120,482	452,121,610,933	361,062,785,581	73,397,787,108	1,070,419,973,259
Net book value							
Opening balance	89,223,286,557	193,074,183,354	104,046,872,870	373,126,074,142	51,190,967,360	361,234,644,679	1,171,896,028,962
Closing balance	85,492,405,149	159,251,581,923	56,458,923,066	306,233,205,638	43,052,126,120	339,299,976,403	989,788,218,299

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Included in intangible fixed assets of the Group were assets costing VND12,683 million, which were fully amortised as of 31 December 2018 (1/1/2018: VND12,313 million), but which are still in active use.

15. Construction in progress

	2018 VND
Opening balance	252,152,223,620
Additions during the year	339,454,944,474
Transfer to tangible fixed assets	(338,671,213,807)
Transfer to intangible fixed assets	(2,137,005,818)
Transfer to long-term prepaid expenses	(20,235,130,155)
	230,563,818,314
Closing balance	230,563,818,314

Major constructions in progress were as follows:

	31/12/2018 VND	1/1/2018 VND
Buildings	51,142,314,446	14,065,705,531
Machinery and equipment	170,826,924,213	234,781,043,000
Software	-	3,246,249,258
Others	8,594,579,655	59,225,831
	230,563,818,314	252,152,223,620
	230,563,818,314	252,152,223,620

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16. Long-term prepaid expenses

	Prepaid land costs VND	Goodwill from equitisation VND	Tools and supplies VND	Total VND
Opening balance	85,669,355,388	25,074,969,229	80,205,901,013	190,950,225,630
Additions during the year	-	-	11,997,376,585	11,997,376,585
Transfer from construction in progress	-	-	20,235,130,155	20,235,130,155
Net transfer from tangible fixed assets	-	-	234,554,577	234,554,577
Transfer from intangible fixed assets	-	-	828,304,001	828,304,001
Net transfer from short-term prepaid expenses	-	-	263,652,504	263,652,504
Disposals	-	-	(16,303,154,834)	(16,303,154,834)
Amortisation for the year	(2,096,255,810)	(3,134,371,153)	(37,102,517,757)	(42,333,144,720)
Currency translation differences	-	-	34,496,439	34,496,439
Closing balance	83,573,099,578	21,940,598,076	60,393,742,683	165,907,440,337

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17. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

	31/12/2018		1/1/2018	
	Deferred tax assets VND	Deferred tax liabilities VND	Deferred tax assets VND	Deferred tax liabilities VND
Accrued advertising and promotion expenses	114,386,918,462	-	109,894,922,823	-
Accrued logistic expense	22,614,175,812	-	13,788,420,646	-
Accrued sales discounts	15,665,716,716	-	6,441,407,777	-
Other accruals	34,872,162,934	-	16,263,544,537	-
Unrealised profits	16,820,904,839	-	6,857,226,751	-
Tangible fixed assets	-	(2,176,548,351)	-	(2,650,137,072)
Intangible fixed assets	-	(138,279,259,513)	-	(155,336,122,804)
	<u>204,359,878,763</u>	<u>(140,455,807,864)</u>	<u>153,245,522,534</u>	<u>(157,986,259,876)</u>

18. Goodwill

	2018 VND
Cost	
Opening and closing balances	693,961,414,227
Accumulated amortisation	
Opening balance	338,225,908,235
Charge for the year	68,800,752,948
Closing balance	407,026,661,183
Net book value	
Opening balance	355,735,505,992
Closing balance	286,934,753,044

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19. Accounts payable to suppliers

(a) Accounts payable to suppliers classified by payment term

	31/12/2018		1/1/2018	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Short-term	996,132,919,346	996,132,919,346	801,573,550,158	801,573,550,158
Long-term	36,330,147,040	36,330,147,040	78,525,018,000	78,525,018,000
	<u>1,032,463,066,386</u>	<u>1,032,463,066,386</u>	<u>880,098,568,158</u>	<u>880,098,568,158</u>

(b) Accounts payable to suppliers who are related parties

	31/12/2018		1/1/2018	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Payable to related parties	21,466,478,463	21,466,478,463	459,181,308	459,181,308

Please see Note 36 for balances between the Group and the related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice date.

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20. Taxes payable to State Treasury

	1/1/2018 VND	Incurred VND	Paid VND	Deducted/Refunded VND	Reclassified VND	31/12/2018 VND
Value added tax	72,045,746,024	3,168,271,915,841	(630,650,053,670)	(2,519,819,893,449)	720,340,161	90,568,054,907
Import-export tax	-	12,356,262,592	(12,356,262,592)	-	-	-
Corporate income tax	148,627,947,893	565,570,608,804	(525,263,590,831)	-	(1,275,430,377)	187,659,535,489
Personal income tax	2,550,402,744	56,106,348,228	(51,262,402,205)	(2,611,728,667)	-	4,782,620,100
Other taxes	1,087,606,378	101,152,167,915	(101,436,596,841)	-	-	803,177,452
	224,311,703,039	3,903,457,303,380	(1,320,968,906,139)	(2,522,431,622,116)	(555,090,216)	283,813,387,948

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21. Accrued expenses

	31/12/2018	1/1/2018
	VND	VND
Advertising and promotion expenses	614,724,035,713	570,590,834,872
Logistic expense	113,070,879,061	74,505,500,282
Exhibition expense	41,161,828,771	15,855,033,925
Bonus and 13 th month salary	207,212,703,794	85,716,216,827
Sales discounts	78,328,583,580	37,228,040,655
Market research expense	15,950,411,147	19,597,265,927
Accrued interest expense	10,404,139,017	8,696,317,975
Construction in progress	30,029,665,406	9,293,959,972
Purchases not yet received invoices	79,962,098,326	15,878,108,053
Accrued information and technology expenses	24,222,864,545	14,910,270,008
Others	52,021,726,769	41,360,489,016
	<hr/>	<hr/>
	1,267,088,936,129	893,632,037,512
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22. Other payables

(a) Other short-term payables

	31/12/2018	1/1/2018
	VND	VND
Trade union fee, social, health and unemployment insurances	10,382,636,512	15,717,691,116
Short-term deposits received	1,820,079,403	2,817,633,596
Dividends payable	5,513,547,300	555,872,942,000
Others	1,986,118,645	6,712,911,516
	<hr/>	<hr/>
	19,702,381,860	581,121,178,228
	<hr/>	<hr/>

(b) Other long-term payables

	31/12/2018	1/1/2018
	VND	VND
Long-term deposits received	20,101,628,673	20,821,499,726
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23. Borrowings

(a) Short-term borrowings

	1/1/2018		Movements during the year		31/12/2018	
	Carrying amount VND	Amount within repayment capacity VND	Addition VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	3,332,821,410,328	3,332,821,410,328	13,076,955,605,131	(13,184,066,174,903)	3,225,710,840,556	3,225,710,840,556
Current portion of long-term borrowings	54,856,182,380	54,856,182,380	53,370,227,975	(54,856,182,380)	53,370,227,975	53,370,227,975
	3,387,677,592,708	3,387,677,592,708	13,130,325,833,106	(13,238,922,357,283)	3,279,081,068,531	3,279,081,068,531

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

	Currency	Annual interest rate	31/12/2018 VND	1/1/2018 VND
Short-term borrowings				
▪ Secured bank loans	VND	5.3% - 6.3%	138,876,285,706	399,546,993,783
▪ Unsecured bank loans	VND	5.1% - 6.7%	3,086,834,554,850	2,933,274,416,545
			3,225,710,840,556	3,332,821,410,328

As at 31 December 2018 and 1 January 2018, the secured bank loans of the Group were guaranteed by the Company.

(b) Long-term borrowings

	31/12/2018 VND	1/1/2018 VND
Long-term borrowings	94,512,364,751	150,854,501,536
Repayable within 12 months	(53,370,227,975)	(54,856,182,380)
	41,142,136,776	95,998,319,156

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

	Currency	Annual interest rate	Year of maturity	31/12/2018 VND	1/1/2018 VND
Long-term borrowings					
▪ Secured bank loans	VND	9.3%	2020	94,512,364,751	150,854,501,536

The secured bank loans of the Group were secured over fixed assets of the Group with the carrying amount of VND550,516 million (1/1/2018: VND615,689 million).

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

As at 31 December 2018 and 1 January 2018, the Group does not have any overdue borrowings including principle and interest.

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24. Changes in owners' equity

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Undistributed profits after tax VND	Non-controlling interests ("NCI") VND	Total VND
Balance as at 1 January 2017	5,381,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	(2,253,725,216)	22,731,972,844	2,434,650,312,379	909,680,511,323	11,928,438,348,061
Share capital issued (Note 25)	49,726,600,000	-	-	-	-	-	-	-	49,726,600,000
Net profit for the year	-	-	-	-	-	-	2,131,847,621,907	114,150,054,174	2,245,997,676,081
Dividends (Note 26)	-	-	-	-	-	-	(2,340,720,526,500)	-	(2,340,720,526,500)
Purchase of shares in a subsidiary	-	-	-	-	-	-	244,954,586	(492,154,586)	(247,200,000)
Dividends declared by subsidiaries	-	-	-	-	-	-	-	(556,572,186,000)	(556,572,186,000)
Currency translation differences	-	-	-	-	5,204,739,102	-	-	8,996	5,204,748,098
Balance as at 31 December 2017	5,431,327,770,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	2,951,013,886	22,731,972,844	2,226,022,362,372	466,766,233,907	11,331,827,459,740

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	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Undistributed profits after tax VND	Non-controlling interests (“NCI”) VND	Total VND
Balance as at 1 January 2018	5,431,327,770,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	2,951,013,886	22,731,972,844	2,226,022,362,372	466,766,233,907	11,331,827,459,740
Share capital issued (Note 25)	52,408,270,000	-	-	-	-	-	-	-	52,408,270,000
Bonus shares issued (Note 25)	795,555,190,000	(795,555,190,000)	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	3,367,089,339,533	30,390,078,089	3,397,479,417,622
Dividends (Note 26)	-	-	-	-	-	-	(2,363,097,496,500)	-	(2,363,097,496,500)
Acquisition of NCI (Note 5(a))	-	-	-	-	-	-	(1,301,506,857,458)	(311,418,585,035)	(1,612,925,442,493)
Capital contribution in a subsidiary by NCI (Note 5(b))	-	-	-	-	-	-	34,076,874,945	42,266,450,754	76,343,325,699
Dividends declared by a subsidiary	-	-	-	-	-	-	-	(3,270,360,000)	(3,270,360,000)
Currency translation differences	-	-	-	-	2,447,294,013	-	-	3,722	2,447,297,735
Balance as at 31 December 2018	6,279,291,230,000	4,292,501,204,992	(265,775,657,006)	(1,640,252,631,255)	5,398,307,899	22,731,972,844	1,962,584,222,892	224,733,821,437	10,881,212,471,803

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25. Share capital, share premium and treasury shares

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

	31/12/2018		1/1/2018	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	627,929,123	6,279,291,230,000	543,132,777	5,431,327,770,000
Treasury shares				
Ordinary shares	18,000,000	1,640,252,631,255	18,000,000	1,640,252,631,255
Shares currently in circulation				
Ordinary shares	609,929,123	6,099,291,230,000	525,132,777	5,251,327,770,000
Share premium		4,292,501,204,992		5,088,056,394,992

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

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

Movements of shares currently in circulation during the year were as follows:

	2018		2017	
	Number of shares	Par value VND	Number of shares	Par value VND
Balance at the beginning of the year – currently in circulation	525,132,777	5,251,327,770,000	520,160,117	5,201,601,170,000
Issuance of new shares at par for cash	5,240,827	52,408,270,000	4,972,660	49,726,600,000
Issuance of bonus shares (*)	79,555,519	795,555,190,000	-	-
Balance at the end of the year – currently in circulation	609,929,123	6,099,291,230,000	525,132,777	5,251,327,770,000

(*) In August 2018, the Company's Board of Directors approved for the issuance of 79,555,519 bonus shares to the Company's shareholders. The issuance was completed.

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26. Dividends

The Annual General Meeting of Shareholders of the Company on 24 April 2018 resolved to distribute dividends by cash amounting to VND2,363,097 million (2017: VND2,340,721 million).

27. Off balance sheet items

(a) Lease commitments

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

	31/12/2018	1/1/2018
	VND	VND
Within 1 year	127,765,788,160	68,171,420,108
Within 2 to 5 years	75,685,864,262	34,583,920,018
	<hr/>	<hr/>
	203,451,652,422	102,755,340,126
	<hr/>	<hr/>

(b) Foreign currencies

	31/12/2018		1/1/2018	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	740,958	17,145,755,322	68,009	1,541,076,916
THB	83,683,037	58,076,027,338	84,093,681	56,931,421,922
		<hr/>		<hr/>
		75,221,782,660		58,472,498,838
		<hr/>		<hr/>

(c) Capital expenditure commitments

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

	31/12/2018	1/1/2018
	VND	VND
Approved and contracted	515,280,553,275	34,772,517,932
Approved but not contracted	758,931,378,098	59,105,280,099
	<hr/>	<hr/>
	1,274,211,931,373	93,877,798,031
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28. Revenue from sale of goods and provision of services

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

Net revenue comprised of:

	2018	2017
	VND	VND
Total revenue		
▪ Sale of goods	17,261,137,304,354	13,387,481,139,058
▪ Other sales	29,116,453,368	35,445,566,369
	<hr/>	<hr/>
	17,290,253,757,722	13,422,926,705,427
Less revenue deductions		
▪ Sales discounts	239,691,062,886	119,637,550,845
▪ Sales returns	44,087,081,879	89,648,881,166
	<hr/>	<hr/>
	283,778,144,765	209,286,432,011
	<hr/>	<hr/>
Net revenue	17,006,475,612,957	13,213,640,273,416
	<hr/>	<hr/>

29. Cost of sales

	2018	2017
	VND	VND
Total cost of sales		
▪ Goods sold	9,273,923,412,036	7,101,751,091,727
▪ Other cost of goods sold	39,858,755,149	52,215,065,786
▪ Allowance for inventories	74,300,096,446	27,092,679,765
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	9,388,082,263,631	7,181,058,837,278
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30. Financial income

	2018	2017
	VND	VND
Interest income from deposits at banks and other investments	131,269,502,036	230,080,756,031
Interest income from loans provided to a related party	409,296,925,742	220,132,965,010
Interest income from other loan investing activities	6,357,534,246	2,958,904,110
Foreign exchange gains	3,116,696,530	3,815,837,883
Others	186,547,751	-
	<hr/>	<hr/>
	550,227,206,305	456,988,463,034
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31. Financial expenses

	2018	2017
	VND	VND
Interest expense on borrowings from banks	180,421,924,187	131,876,543,711
Foreign exchange losses	2,041,801,876	3,766,264,435
Others	64,464,193	-
	<hr/>	<hr/>
	182,528,190,256	135,642,808,146
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32. Selling expenses

	2018	2017
	VND	VND
Advertising and promotion expenses	2,128,550,544,726	2,058,692,697,367
Logistic expense	608,104,871,347	510,524,903,640
Staff costs	268,328,446,207	271,109,257,566
Exhibition expense	162,483,454,654	87,993,128,341
Leased line system and information technology services	41,922,414,884	632,089,617
Marketing research expense	37,646,182,924	49,294,638,984
Others	37,843,883,921	35,161,333,201
	<hr/>	<hr/>
	3,284,879,798,663	3,013,408,048,716
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33. General and administration expenses

	2018 VND	2017 VND
Staff costs	371,230,840,746	234,320,300,793
Amortisation of fair value uplift of fixed assets arising in business combination	101,683,757,256	118,104,446,087
Leased line system and information technology services	81,263,158,513	107,771,402,668
Amortisation of goodwill	68,800,752,948	68,800,752,948
Depreciation and amortisation of fixed assets	46,464,630,264	64,799,939,488
Office rental	53,690,994,670	51,183,011,983
Research and development expenses	15,198,148,028	13,930,816,202
Others	54,891,301,511	62,565,266,976
	<hr/>	<hr/>
	793,223,583,936	721,475,937,145
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34. Income tax

(a) Recognised in the consolidated statement of income

	2018 VND	2017 VND
Current tax expense		
Current year	566,854,850,985	369,263,690,931
(Over)/under provision in prior years	(1,284,242,181)	29,147,555,930
	<hr/>	<hr/>
	565,570,608,804	398,411,246,861
	<hr/>	<hr/>
Deferred tax benefit		
Origination and reversal of temporary differences	(68,644,808,241)	(15,811,983,211)
Effect of change in tax rate	-	(6,629,367,367)
	<hr/>	<hr/>
	(68,644,808,241)	(22,441,350,578)
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Income tax expense	496,925,800,563	375,969,896,283
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(b) Reconciliation of effective tax rate

	2018 VND	2017 VND
Accounting profit before tax	3,894,405,218,185	2,621,967,572,364
Tax at the Company's income tax rate	778,881,043,637	524,393,514,473
Effect of incentive tax rates in subsidiaries	(306,861,679,110)	(199,751,491,179)
Effect of share of profit in an associate	(1,063,686,798)	(1,063,686,798)
Non-deductible expenses	6,709,833,116	5,211,913,869
(Over)/under provision in prior years	(1,284,242,181)	29,147,555,930
Tax losses utilised	-	(213,273,480)
Effect of amortisation of goodwill	13,760,150,590	13,760,150,587
Unrecognised deferred tax assets	6,784,381,309	4,485,212,881
	<u>496,925,800,563</u>	<u>375,969,896,283</u>

(c) Applicable tax rates

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

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

(d) Tax contingencies

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

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35. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2018 was based on the profit attributable to ordinary shareholders of the Company after deducting the amounts appropriated to bonus and welfare funds for the year, of VND3,367,089 million (2017: VND2,131,848 million) and a weighted average number of ordinary shares outstanding of 606,742,272 (2017: 600,909,728), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2018	2017
	VND	VND
Net profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds	3,367,089,339,533	2,131,847,621,907

(ii) Weighted average number of ordinary shares

	2018	2017
		(as restated)
Issued ordinary shares at the beginning of the year – currently in circulation	525,132,777	520,160,117
Effect of shares issued during the year	2,469,650	2,370,528
	527,602,427	522,530,645
Effect of bonus shares issued during the year	79,139,845	78,379,083
Weighted average number of ordinary shares at the end of the year – currently in circulation	606,742,272	600,909,728

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

Issued ordinary shares at the beginning of 2017 and 2018 have been adjusted to reflect the bonus shares issued in 2018. Basic earnings per share for the year ended 31 December 2017 have also been restated accordingly to reflect these bonus share.

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(iii) Basic earnings per share

	2018 VND	2017 VND (as restated)
Basic earnings per share	5,549	3,548

(b) Diluted earnings per share

As at 31 December 2018 and 1 January 2018, the Company did not have potential ordinary shares, therefore the presentation of diluted earnings per share is not applicable.

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36. Significant transactions with related parties

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

Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		2018 VND	2017 VND	31/12/2018 VND	1/1/2018 VND
Parent of parent company					
Masan Group Corporation	Sale of goods	33,207,236	11,187,458	-	-
	Management fee	4,996,948,188	-	5,496,643,007	-
Parent company					
MasanConsumerHoldings Company Limited	Loans provided	4,337,000,000,000	5,420,405,000,000	7,433,716,876,592	5,896,716,876,592
	Collection of loans	2,800,000,000,000	-	-	-
	Collection of loans through net-off with dividends payable	-	1,187,405,000,000	-	-
	Interest income receivable from loans	409,296,925,742	220,132,965,010	744,335,693,311	335,038,767,569
	Dividends declared	2,270,686,203,000	2,270,686,203,000	-	-
	Dividends paid by cash	2,270,686,203,000	1,083,281,203,000	-	-
Associate					
Cholimex Food Joint Stock Company	Post-acquisition dividends received	5,318,443,000	5,318,443,000	-	-
Other related parties					
Masan Brewery PY One Member Company Limited	Sale of goods	33,680,677	30,145,786	-	-
Masan Brewery Distribution One Member Company Limited	Sale of goods	2,299,953,474	816,513,690	2,527,369,828	10,614,490
	Purchase of goods	46,151,538,108	1,620,813,794	(20,804,520,370)	(409,681,308)
	Management fee	25,966,703,930	42,212,820,014	60,624,394,654	46,467,302,338

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		2018 VND	2017 VND	31/12/2018 VND	1/1/2018 VND
Masan Brewery HG One Member Company Limited	Sale of goods	23,114,838	177,621,475	-	-
	Purchase of goods	55,827,750	55,000,000	-	(49,500,000)
	Management fee	2,552,138,546	1,733,359,174	2,745,941,875	1,906,695,091
Masan Brewery MB One Member Company Limited	Sale of fixed assets	19,240,043,103	-	21,164,047,413	-
Agro Nutrition International Joint Stock Company	Sale of goods	52,760,545	58,170,627	-	16,698,000
	Management fee	5,401,497,275	8,635,272,987	2,821,114,056	8,970,161,887
MNS Feed Tien Giang Company Limited (formerly known as Agro Nutrition International Tien Giang One Member Limited Company)	Sale of goods	-	6,844,745	-	-
	Management fee	1,413,647,105	1,248,902,868	617,822,920	1,373,793,155
MNS Feed Thai Nguyen Company Limited (formerly known as Agro Nutrition International Thai Nguyen Company Limited)	Sale of goods	29,696,909	6,516,573	-	-
	Management fee	1,317,783,118	1,260,197,437	498,242,808	1,386,217,181
MNS Feed Vinh Long Company Limited (formerly known as Aqua Nutrition International Joint Venture Co., Ltd)	Sale of goods	-	16,924,336	-	-
	Management fee	1,510,709,543	1,397,436,985	637,208,299	1,537,180,683

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		2018 VND	2017 VND	31/12/2018 VND	1/1/2018 VND
MNS Feed Hau Giang Company Limited (formerly known as Agro Nutrition International Hau Giang One Member Limited Liability Company)	Sale of goods Management fee	- 1,074,951,181	1,875,273 903,161,912	- 507,005,940	- 993,478,103
MNS Feed Nghe An Company Limited (formerly known as Agro Nutrition International Nghe An Company Limited)	Sale of goods Management fee	41,116,909 1,606,391,239	5,953,991 1,287,824,042	- 804,869,783	- 1,416,606,447
MNS Farm Nghe An Company Limited (formerly known as Masan Nutri-Farm (N.A) Limited Liability Company)	Sale of goods Management fee	14,472,982 3,096,357,943	15,601,936 7,652,397,325	- 986,100,091	- 6,898,790,674
Vietnamese – French Cattle Feed Joint Stock Company	Sale of goods Management fee	71,593,600 10,571,231,250	132,675,545 14,829,590,245	- 5,131,224,940	- 15,432,135,658
Proconco Can Tho One Member Company Limited	Sale of goods Management fee	- 2,483,411,874	17,861,973 1,781,402,913	- 1,411,327,932	- 1,959,543,205
Conco Binh Dinh Co.,Ltd	Sale of goods Management fee	- 1,671,915,669	6,469,691 1,472,308,326	- 736,957,268	- 1,619,539,159

Masan Consumer Corporation and its subsidiaries

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Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		2018 VND	2017 VND	31/12/2018 VND	1/1/2018 VND
Proconco Hung Yen Manufacturing and Trading Company Limited	Sale of goods	5,238,000	6,985,391	-	-
	Management fee	761,002,325	1,079,114,287	34,718,341	1,187,025,716
Masan Nutri-Science Corporation	Management fee	6,247,128,302	-	6,871,841,133	-
MNS Meat Ha Nam Company Limited	Sale of goods	20,766,928	-	7,912,200	-
	Sale of fixed assets	129,833,333	-	-	-
	Management fee	1,327,010,547	-	1,459,711,602	-
Nui Phao Mining Company Limited	Sale of goods	1,072,107,209	-	86,225,766	-
	Management fee	3,261,776,530	-	3,587,954,183	-
Vietnam Technological and Commercial Joint Stock Bank	Sale of goods	2,722,682,431	-	536,350,713	-
	Sale of services	21,818,182	-	-	-
JinJu Ham Company Limited	Purchase of goods	9,309,912,853	-	(661,958,093)	-
	Capital contribution	76,343,325,699	-	-	-
Key management personnel	Remuneration to key management personnel (*)	49,160,905,351	22,505,992,606	-	-

Masan Consumer Corporation and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2018
(continued)

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As at 31 December 2018 and 1 January 2018, the Group has current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank at normal terms.

- (*) No board fees were paid to members of the Board of Directors of the Company for the years ended 31 December 2018 and 2017.

37. Post balance sheet events

In January 2019, MSF, a subsidiary directly owned by the Company, established a new subsidiary named Masan Long An Company Limited (“MLA”) under the Enterprise Registration Certificate No. 1101905952 issued by the Department of Planning and Investment of Long An Province. As a result of this event, MLA became a subsidiary indirectly owned by the Company.

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

7 March 2019

Prepared by: 

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Chief Accountant

Approved by: 

Huynh Viet Thang
Acting Chief Financial Officer



Thương Công Thang
Chairman of the Board of Directors