

Masan Consumer Corporation
Separate Financial Statements
for the three-month period ended 31 March 2018



Masan Consumer Corporation
Statement of the Board of Management

**Business Registration
Certificate No.**

0302017440

31 May 2000

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 8 March 2018. The Business 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
Dr Nguyen Dang Quang
Mr Ho Hung Anh

Chairman
Member
Member
(until 12 April 2018)

Ms Nguyen Hoang Yen
Mr Nguyen Thieu Quang
Mr Seokhee Won

Member
Member
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
Mr Pham Hong Son
Mr Pham Dinh Toai
Mr Nguyen Anh Nguyen
Ms Dinh Kim Nhung

Deputy Chief Executive Officer
Deputy Chief Executive Officer
Deputy Chief Executive Officer
Deputy Chief Executive Officer
Deputy Chief Executive Officer

Registered Office

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

Masan Consumer Corporation
Separate balance sheet as at 31 March 2018

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

	Code	Note	31/3/2018 VND	1/1/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		3,329,880,218,783	3,339,470,305,579
Cash and cash equivalents	110	4	1,687,829,215,886	677,000,209,110
Cash	111		9,611,125,886	9,100,209,110
Cash equivalents	112		1,678,218,090,000	667,900,000,000
Short-term financial investments	120		19,687,440,000	4,175,720,000
Held-to-maturity investments	123	5(a)	19,687,440,000	4,175,720,000
Accounts receivable – short-term	130		1,222,143,119,027	2,499,118,637,158
Accounts receivable from customers	131		194,706,511,807	399,624,323,346
Prepayments to suppliers	132		2,284,438,056	49,900,293,622
Other short-term receivables	136	6(a)	1,025,152,169,164	2,049,594,020,190
Inventories	140	8	388,695,016,654	152,755,900,467
Inventories	141		394,536,732,975	152,868,576,847
Allowance for inventories	149		(5,841,716,321)	(112,676,380)
Other current assets	150		11,525,427,216	6,419,838,844
Short-term prepaid expenses	151		11,525,427,216	6,419,838,844

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

Masan Consumer Corporation
Separate balance sheet as at 31 March 2018 (continued)

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

	Code	Note	31/3/2018 VND	1/1/2018 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		12,701,256,708,967	11,666,944,521,078
Accounts receivable – long-term	210		5,856,930,171,526	5,766,298,135,597
Loans receivable – long-term	215	7	5,430,716,876,592	5,430,716,876,592
Other long-term receivables	216	6(b)	426,213,294,934	335,581,259,005
Fixed assets	220		217,889,334,819	230,800,048,905
Tangible fixed assets	221	9	41,983,888,250	45,445,819,566
<i>Cost</i>	222		<i>97,363,398,884</i>	<i>97,363,398,884</i>
<i>Accumulated depreciation</i>	223		<i>(55,379,510,634)</i>	<i>(51,917,579,318)</i>
Intangible fixed assets	227	10	175,905,446,569	185,354,229,339
<i>Cost</i>	228		<i>275,158,645,160</i>	<i>276,228,537,827</i>
<i>Accumulated depreciation</i>	229		<i>(99,253,198,591)</i>	<i>(90,874,308,488)</i>
Long-term work in progress	240		4,030,369,258	3,246,249,258
Construction in progress	242	11	4,030,369,258	3,246,249,258
Long-term financial investments	250		6,483,271,509,348	5,551,271,509,348
Investments in subsidiaries	251	5(b)	6,483,271,509,348	5,551,271,509,348
Other long-term assets	260		139,135,324,016	115,328,577,970
Long-term prepaid expenses	261	12	8,325,080,386	9,035,644,733
Deferred tax assets	262		130,810,243,630	106,292,933,237
TOTAL ASSETS (270 = 100 + 200)	270		16,031,136,927,750	15,006,414,826,657

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

Masan Consumer Corporation
Separate balance sheet as at 31 March 2018 (continued)

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


	Code	Note	31/3/2018 VND	1/1/2018 VND
RESOURCES				
LIABILITIES (300 = 310)	300		4,001,630,091,580	3,029,487,280,688
Current liabilities	310		4,000,980,680,580	3,029,487,280,688
Accounts payable to suppliers short-term	311	13	1,257,285,155,806	391,581,362,507
Advances from customers	312		26,746,672,338	15,924,045,598
Taxes payable to State Treasury	313	14	57,235,889,810	106,186,633,805
Payables to employees	314		20,488,001,759	-
Accrued expenses	315	15	676,837,108,417	576,395,617,148
Other short-term payables	319	16(a)	46,750,573,794	19,867,595,264
Short-term borrowings	320	17	1,915,637,278,656	1,919,532,026,366
Long-term liabilities	330		649,411,000	-
Other long-term payables	337	16(b)	649,411,000	-
EQUITY (400 = 410)	400		12,029,506,836,170	11,976,927,545,969
Owners' equity	410	18	12,029,506,836,170	11,976,927,545,969
Share capital	411	19	5,431,327,770,000	5,431,327,770,000
- Ordinary shares with voting rights	411a		5,431,327,770,000	5,431,327,770,000
Share premium	412	19	5,088,056,394,992	5,088,056,394,992
Treasury shares	415	19	(1,640,252,631,255)	(1,640,252,631,255)
Undistributed profits after tax	421		3,150,375,302,433	3,097,796,012,232
- Undistributed profits after tax brought forward	421a		3,097,796,012,232	-
- Undistributed profit after tax for the current period	421b		52,579,290,201	3,097,796,012,232
TOTAL RESOURCES (440 = 300 + 400)	440		16,031,136,927,750	15,006,414,826,657

23 April 2018

Prepared by: 

Huynh Viet Thang
Chief Accountant

Approved by:


Pham Dinh Toai
Acting Chief Financial Officer


Truong Cong Thang
Chairman of the Board of Directors

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

Masan Consumer Corporation

Separate statement of income for the three-month period ended 31 March 2018

Form B 02a – DN

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

	Code	Note	Quarter I		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
Revenue from sales of goods and provision of services	01	21	3,347,540,801,367	1,477,656,616,885	3,347,540,801,367	1,477,656,616,885
Revenue deductions	02	21	27,854,399,746	9,907,082,374	27,854,399,746	9,907,082,374
Net revenue (10 = 01 - 02)	10	21	3,319,686,401,621	1,467,749,534,511	3,319,686,401,621	1,467,749,534,511
Cost of sales	11	22	2,586,674,901,335	1,140,227,369,381	2,586,674,901,335	1,140,227,369,381
Gross profit (20 = 10 - 11)	20		733,011,500,286	327,522,165,130	733,011,500,286	327,522,165,130
Financial income	21	23	97,185,190,469	329,715,679,119	97,185,190,469	329,715,679,119
Financial expenses	22	24	23,945,861,899	10,707,020,833	23,945,861,899	10,707,020,833
<i>In which: Interest expense</i>	23		23,868,635,878	10,569,622,617	23,868,635,878	10,569,622,617
Selling expenses	25		661,514,226,823	406,485,870,483	661,514,226,823	406,485,870,483
General and administration expenses	26		82,381,123,366	73,412,019,573	82,381,123,366	73,412,019,573
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		62,355,478,667	166,632,933,360	62,355,478,667	166,632,933,360
Other income	31		5,927,946	65,860,278	5,927,946	65,860,278
Other expenses	32		2,178,117,302	285,948,672	2,178,117,302	285,948,672
Results of other activities (40 = 31 - 32)	40		(2,172,189,356)	(220,088,394)	(2,172,189,356)	(220,088,394)
Accounting profit before tax (50 = 30 + 40)	50		60,183,289,311	166,412,844,966	60,183,289,311	166,412,844,966

(Carried forward to next page)

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

Masan Consumer Corporation

Separate statement of income for the three-month period ended 31 March 2018 (continued)

Form B 02a – DN

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

	Code Note	Quarter I		Year to date	
		2018 VND	2017 VND	2018 VND	2017 VND
Accounting profit before tax (50 = 30 + 40) (brought forward from previous page)	50	60,183,289,311	166,412,844,966	60,183,289,311	166,412,844,966
Income tax expense - current	51	32,121,309,503	-	32,121,309,503	-
Income tax benefit - deferred	52	(24,517,310,393)	-	(24,517,310,393)	-
Net profit after tax (60 = 50 - 51 - 52)	60	52,579,290,201	166,412,844,966	52,579,290,201	166,412,844,966

23 April 2018

Prepared by:


Huynh Viet Thang
Chief Accountant

Approved by:


Pham Dinh Toai
Acting Chief Financial Officer


Trương Công Thang
Chairman of the Board of Directors



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

Masan Consumer Corporation
Separate statement of cash flows for the three-month period ended 31 March 2018
(Indirect method)

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

	Code	For the three-month period ended	
		31/3/2018	31/3/2017
		VND	VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	60,183,289,311	166,412,844,966
Adjustments for			
Depreciation and amortisation	02	12,082,410,085	11,957,842,861
Allowances and provisions	03	5,834,934,189	943,235,289
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04	(60,860,543)	17,444,096
Interest income, distributed profits and related income from investing activities	05	(96,970,334,778)	(329,624,749,972)
Interest expense	06	23,868,635,878	10,569,622,617
Operating profit/(loss) before changes in working capital	08	4,938,074,142	(139,723,760,143)
Change in receivables and other current assets	09	232,148,310,374	(53,952,998,961)
Change in inventories	10	(241,774,050,376)	(78,987,489,083)
Change in payables and other liabilities	11	978,915,136,921	(983,021,927,915)
Change in prepaid expenses	12	(3,566,720,024)	5,377,690,171
		970,660,751,037	(1,250,308,485,931)
Interest paid	14	(23,616,867,640)	(11,519,391,834)
Corporate income tax paid	15	(35,212,687,713)	(48,221,652,715)
Net cash flows from operating activities	20	911,831,195,684	(1,310,049,530,480)


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

Masan Consumer Corporation
Separate statement of cash flows for the three-month period ended 31 March 2018
(Indirect method – continued)

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

	Code	For the three-month period ended	
		31/3/2018	31/3/2017
		VND	VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(554,816,200)	(680,431,825)
Placement of term deposits to banks	23	(15,511,720,000)	(742,018,000,000)
Withdrawal of term deposits from banks	24	-	1,275,900,000,000
Payments for investments in a subsidiary	25	(932,000,000,000)	-
Receipts of interest and distributed profits	27	1,050,940,335,058	54,893,615,360
Net cash flows from investing activities	30	102,873,798,858	588,095,183,535
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings from banks	33	1,212,499,094,320	697,202,022,100
Payments to settle loan principals to banks	34	(1,216,393,842,030)	(1,783,221,575,096)
Payments of dividends	36	(50,679,200)	(217,888,400)
Net cash flows from financing activities	40	(3,945,426,910)	(1,086,237,441,396)
Net cash flows during the period (50 = 20 + 30 + 40)	50	1,010,759,567,632	(1,808,191,788,341)
Cash and cash equivalents at the beginning of the period	60	677,000,209,110	4,696,551,755,028
Effect of exchange rate fluctuations on cash and cash equivalents	61	69,439,144	(2,790,372)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	1,687,829,215,886	2,888,357,176,315

23 April 2018

Prepared by: 


 Huynh Viet Thang
 Chief Accountant

Approved by:


 Pham Dinh Toai
 Acting Chief Financial Officer




 Trương Công Thang
 Chairman of the Board of Directors

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

Masan Consumer Corporation

Notes to the separate financial statements for the three-month period ended 31 March 2018

Form B 09a – DN

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

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

1. Reporting entity

(a) Ownership structure

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

(b) Principal activities

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

(c) Normal operating cycle

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

(d) Company structure

As at 31 March 2018, the Company had 1,076 employees (1/1/2018: 1,080 employees).

2. Basis of preparation

(a) Statement of compliance

These separate 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.

The Company prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the consolidated financial position as at 31 March 2018 of the Company and its subsidiaries (collectively referred to as “the Group”), their consolidated results of operations and their consolidated cash flows for the period then ended, these separate financial statements should be read in conjunction with the consolidated financial statements of the Group for the period ended 31 March 2018.

(b) Basis of measurement

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

Masan Consumer Corporation
Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December. The separate financial statements are prepared for the three-month period ended 31 March 2018.

(d) Accounting and presentation currency

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

(e) Corresponding figures

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

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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

(b) Cash and cash equivalents

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

Masan Consumer Corporation
Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(c) Investments

(i) Held-to-maturity investments

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

(ii) Investments in subsidiaries

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

(d) Accounts receivable from customers and other receivables

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

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods 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 Company applies the perpetual method of accounting for inventories.

Masan Consumer Corporation

**Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)**

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
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(f) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

▪ buildings	4 – 6 years
▪ leasehold improvements	3 – 5 years
▪ office equipment	3 – 8 years
▪ machinery and equipment	3 – 7 years
▪ motor vehicles	3 – 7 years

(g) Intangible fixed assets

(i) Software

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

(ii) Brand name

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

(h) Construction in progress

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

Masan Consumer Corporation
Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
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(i) Long-term prepaid expenses

Tools and supplies

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

(j) Accounts payable to suppliers and other payables

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

(k) Provisions

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

(l) Equity

(i) Share capital and share premium

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

(ii) Treasury shares

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

Masan Consumer Corporation
Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)

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(m) Taxation

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

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

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

(n) Revenue

Sale of goods

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

(o) Financial income and financial expenses

(i) Financial income

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

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

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

Masan Consumer Corporation
Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)

Form B 09a – DN
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(ii) Financial expenses

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

(p) Operating lease payments

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

(q) Related parties

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

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

4. Cash and cash equivalents

	31/3/2018	1/1/2018
	VND	VND
Cash on hand	490,488,513	77,070,074
Cash in banks	9,120,637,373	9,023,139,036
Cash equivalents	1,678,218,090,000	667,900,000,000
	<hr/>	<hr/>
	1,687,829,215,886	677,000,209,110
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Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transaction dates.

Masan Consumer Corporation

Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
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5. Investments**(a) Held-to-maturity investments – short-term**

	31/3/2018 VND	1/1/2018 VND
Held-to-maturity investments - short-term		
▪ Term deposits at banks	19,687,440,000	4,175,720,000

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

(b) Investments in subsidiaries

	31/3/2018		1/1/2018	
	% of equity owned and % voting rights	Cost VND	% of equity owned and % voting rights	Cost VND
Investments in subsidiaries:				
♦ Masan Food Company Limited (*)	100%	2,103,500,009,348	100%	2,103,500,009,348
♦ Masan Beverage Company Limited (**)	100%	4,315,000,000,000	100%	3,383,000,000,000
♦ Masan Consumer (Thailand) Limited (***)	99.99%	64,771,500,000	99.99%	64,771,500,000
		<u>6,483,271,509,348</u>		<u>5,551,271,509,348</u>

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

Masan Consumer Corporation

Notes to the separate financial statements for the three-month period ended 31 March 2018 (continued)

Form B 09a – DN

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

- (*) Masan Food Company Limited has 8 subsidiaries, which include Masan Industrial One Member Company Limited (“MSI”), Viet Tien Food Technology One Member Company Limited (“VTF”), Masan PQ Corporation (“MPQ”), Masan HD One Member Company Limited (“MHD”), Masan MB One Member Company Limited (“MMB”), Masan HG One Member Company Limited (“MHG”), Saigon Nutri Food Joint Stock Company (“SNF”) and Nam Ngu Phu Quoc One Member Company Limited (“NPQ”).
- (**) Masan Beverage Company Limited has 5 subsidiaries, which include VinaCafé Bien Hoa Joint Stock Company (“VCF”), CDN Production Trading Corporation (“CDN”), Vinh Hao Mineral Water Corporation (“VHC”), Kronfa., JSC (“KRP”) and Quang Ninh Mineral Water Corporation (“QNW”).
- (***) Masan Consumer (Thailand) Limited (“MTH”) was established in 2016.

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

6. Other receivables

(a) Other short-term receivables

	31/3/2018 VND	1/1/2018 VND
Non-trade amounts due from related parties		
▪ Distributed profits receivable	984,431,695,809	2,027,777,099,313
▪ Other receivables	17,631,945,503	-
Accrued interests receivable from deposits at banks	4,214,894,080	1,879,747,645
Short-term deposits	17,242,724,390	17,736,998,330
Others	1,630,909,382	2,200,174,902
	<hr/>	<hr/>
	1,025,152,169,164	2,049,594,020,190

(b) Other long-term receivables

	31/3/2018 VND	1/1/2018 VND
Accrued interests receivable	420,585,270,933	333,545,014,144
Long-term deposits	5,628,024,001	2,036,244,861
	<hr/>	<hr/>
	426,213,294,934	335,581,259,005

Masan Consumer Corporation**Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***7. Loans receivable**

	31/3/2018	1/1/2018
	VND	VND
Long-term loans receivable	5,430,716,876,592	5,430,716,876,592
	<u>5,430,716,876,592</u>	<u>5,430,716,876,592</u>

8. Inventories

	31/3/2018		1/1/2018	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	16,955,037,841	-	5,542,163,766	-
Raw materials	26,331,742,308	-	22,587,397,115	-
Tools and supplies	433,000	-	-	-
Finished goods	6,329,674,953	-	1,124,900,926	-
Merchandise inventories	344,453,275,513	(5,841,716,321)	123,614,115,040	(112,676,380)
Goods in transit for sale	466,569,360	-	-	-
	<u>394,536,732,975</u>	<u>(5,841,716,321)</u>	<u>152,868,576,847</u>	<u>(112,676,380)</u>

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

	For the three-month period ended	
	31/3/2018	31/3/2017
	VND	VND
Opening balance	112,676,380	279,293,596
Increase in allowance during the period	5,834,934,189	943,235,289
Allowance utilised during the period	(105,894,248)	(954,935,753)
Closing balance	<u>5,841,716,321</u>	<u>267,593,132</u>

Masan Consumer Corporation

Notes to the separate financial statements for the three-month period ended 31 March 2018 (continued)

Form B 09a – DN

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

9. Tangible fixed assets

	Buildings VND	Leasehold improvements VND	Office equipment VND	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost						
Opening balance	1,511,680,743	55,688,424,678	21,192,153,171	3,791,659,980	15,179,480,312	97,363,398,884
Closing balance	1,511,680,743	55,688,424,678	21,192,153,171	3,791,659,980	15,179,480,312	97,363,398,884
Accumulated depreciation						
Opening balance	1,511,680,743	22,833,269,300	11,292,323,337	3,087,042,785	13,193,263,153	51,917,579,318
Charge for the period	-	2,612,927,268	467,204,386	109,012,995	272,786,667	3,461,931,316
Closing balance	1,511,680,743	25,446,196,568	11,759,527,723	3,196,055,780	13,466,049,820	55,379,510,634
Net book value						
Opening balance	-	32,855,155,378	9,899,829,834	704,617,195	1,986,217,159	45,445,819,566
Closing balance	-	30,242,228,110	9,432,625,448	595,604,200	1,713,430,492	41,983,888,250

Masan Consumer Corporation**Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***10. Intangible fixed assets**

	Software VND	Brand name VND	Total VND
Cost			
Opening balance	275,592,174,191	636,363,636	276,228,537,827
Transfer to long-term prepayment	(1,069,892,667)	-	(1,069,892,667)
Closing balance	274,522,281,524	636,363,636	275,158,645,160
Accumulated amortisation			
Opening balance	90,237,944,852	636,363,636	90,874,308,488
Charge for the period	8,620,478,769	-	8,620,478,769
Transfer to long-term prepayment	(241,588,666)	-	(241,588,666)
Closing balance	98,616,834,955	636,363,636	99,253,198,591
Net book value			
Opening balance	185,354,229,339	-	185,354,229,339
Closing balance	175,905,446,569	-	175,905,446,569

11. Construction in progress

For the three-month period ended	31/3/2018 VND
Opening balance	3,246,249,258
Additions during the period	784,120,000
Closing balance	4,030,369,258

12. Long-term prepaid expenses

For the three-month period ended	31/3/2018 Tools and supplies VND
Opening balance	9,035,644,733
Additions	257,800,000
Transfer from intangible fixed assets	828,304,001
Amortisation for the period	(1,796,668,348)
Closing balance	8,325,080,386

Masan Consumer Corporation

Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)

Form B 09a – DN

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

13. Accounts payable to suppliers

	31/3/2018		1/1/2018	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Short-term	1,257,285,155,806	1,257,285,155,806	391,581,362,507	391,581,362,507

14. Taxes payable to State Treasury

	31/3/2018 VND	1/1/2018 VND
Value added tax	2,049,753,789	50,503,782,781
Corporate income tax	50,824,558,307	53,915,936,517
Personal income tax	4,361,577,714	1,766,914,507
	<u>57,235,889,810</u>	<u>106,186,633,805</u>

15. Accrued expenses

	31/3/2018 VND	1/1/2018 VND
Advertising and promotion expenses	480,156,863,189	424,409,525,794
Logistic expenses	86,789,252,825	49,763,823,968
Exhibition expense	23,826,211,107	11,203,662,963
Bonus and 13th month salary	10,690,579,760	39,862,208,085
Sales discounts	17,934,265,180	8,011,083,372
Market research expenses	13,992,429,687	15,279,254,584
Accrued interest expenses	4,349,897,877	4,098,129,639
Accrued information and technology expenses	26,330,772,399	14,910,270,008
Purchases not yet received invoices	6,645,460,965	970,613,231
Others	6,121,375,428	7,887,045,504
	<u>676,837,108,417</u>	<u>576,395,617,148</u>

Masan Consumer Corporation

Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)

Form B 09a – DN

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

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

	31/3/2018	1/1/2018
	VND	VND
Trade union fees, social insurance, health insurance and unemployment insurance	18,193,426,901	12,555,998,725
Others	28,557,146,893	7,311,596,539
	<u>46,750,573,794</u>	<u>19,867,595,264</u>

(b) Other long-term payables

	31/3/2018	1/1/2018
	VND	VND
Long-term deposits	<u>649,411,000</u>	<u>-</u>

17. Short-term borrowings

	31/3/2018		1/1/2018	
	Carrying amount	Amount within	Carrying amount	Amount within
	VND	repayment capacity	VND	repayment capacity
		VND		VND
Short-term borrowings	1,915,637,278,656	1,915,637,278,656	1,919,532,026,366	1,919,532,026,366

Masan Consumer Corporation

Notes to the separate financial statements for the three-month period ended 31 March 2018 (continued)

Form B 09a – DN*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***18. Changes in owners' equity**

	Share capital VND	Share premium VND	Treasury shares VND	Undistributed profit after tax VND	Total VND
Balance at 1 January 2017	5,381,601,170,000	5,088,056,394,992	(1,640,252,631,255)	2,360,819,522,708	11,190,224,456,445
Net profit for the period	-	-	-	166,412,844,966	166,412,844,966
Balance at 31 March 2017	5,381,601,170,000	5,088,056,394,992	(1,640,252,631,255)	2,527,232,367,674	11,356,637,301,411
Balance at 1 January 2018	5,431,327,770,000	5,088,056,394,992	(1,640,252,631,255)	3,097,796,012,232	11,976,927,545,969
Net profit for the period	-	-	-	52,579,290,201	52,579,290,201
Balance at 31 March 2018	5,431,327,770,000	5,088,056,394,992	(1,640,252,631,255)	3,150,375,302,433	12,029,506,836,170

Masan Consumer Corporation**Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***19. Share capital, share premium and treasury shares**

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

	31/3/2018		1/1/2018	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	543,132,777	5,431,327,770,000	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	525,132,777	5,251,327,770,000	525,132,777	5,251,327,770,000
Share premium	-	5,088,056,394,992	-	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 period were as follows:

	For the three-month period ended			
	31/3/2018		31/3/2017	
	Number of shares	Par value VND	Number of shares	Par value VND
Opening balance - currently in circulation	525,132,777	5,251,327,770,000	520,160,117	5,201,601,170,000
Closing balance - currently in circulation	525,132,777	5,251,327,770,000	520,160,117	5,201,601,170,000

Masan Consumer Corporation**Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***20. Off balance sheet items****Foreign currency**

	31/3/2018		1/1/2018	
	Original currency	Equivalent VND	Original currency	Equivalent VND
USD	111,818	2,542,744,958	3,971	89,980,821
		<u>2,542,744,958</u>		<u>89,980,821</u>

21. Revenue from sale of goods

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

Net revenue comprised of:

	For the three-month period ended	
	31/3/2018 VND	31/3/2017 VND
Total revenue	3,347,540,801,367	1,477,656,616,885
Less revenue deductions		
▪ Sales discounts	23,140,206,212	2,834,991,970
▪ Sales returns	4,714,193,534	7,072,090,404
	<u>27,854,399,746</u>	<u>9,907,082,374</u>
Net revenue	<u>3,319,686,401,621</u>	<u>1,467,749,534,511</u>

22. Cost of sales

	For the three-month period ended	
	31/3/2018 VND	31/3/2017 VND
Total cost of sales		
▪ Goods sold	2,580,839,967,146	1,139,284,134,092
▪ Allowance for inventories	5,834,934,189	943,235,289
	<u>2,586,674,901,335</u>	<u>1,140,227,369,381</u>

Masan Consumer Corporation**Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***23. Financial income**

	For the three-month period ended	
	31/3/2018	31/3/2017
	VND	VND
Interest income from deposits to banks	9,930,077,989	48,123,686,517
Interest income from financial activities	87,040,256,789	24,613,893,517
Distributed profits income from subsidiaries	-	256,887,169,938
Foreign exchange gains	214,855,691	90,929,147
	<hr/>	<hr/>
	97,185,190,469	329,715,679,119
	<hr/>	<hr/>

24. Financial expenses

	For the three-month period ended	
	31/3/2018	31/3/2017
	VND	VND
Interest expense on borrowings from banks	23,868,635,878	10,569,622,617
Foreign exchange losses	77,226,021	137,398,216
	<hr/>	<hr/>
	23,945,861,899	10,707,020,833
	<hr/>	<hr/>

Masan Consumer Corporation**Notes to the separate financial statements for the three-month period ended 31 March 2018 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***25. Significant transactions with related parties**

During the period and as at 31 March 2018, the Company has the following significant transactions and balances with its related parties:

Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		For the three-month period ended 31/3/2018 VND	31/3/2017 VND	31/3/2018 VND	1/1/2018 VND
Subsidiaries					
Masan Food Company Limited	Distributed profits	-	256,887,169,938	715,510,611,809	826,856,015,313
Masan Industrial One Member Company Limited	Sales of merchandise inventories	63,193,680,357	29,056,612,650	-	78,686,317,617
	Purchases of goods and services	1,038,778,242,531	560,996,214,856	(321,036,373,857)	-
	Loans provided	-	-	5,430,716,876,592	5,430,716,876,592
	Interest income receivable	87,040,256,789	24,613,893,517	420,585,270,933	333,545,014,144
Viet Tien Food Technology One Member Company Limited	Sales of merchandise inventories	1,729,261,821	2,892,977,260	-	-
	Purchases of goods	129,603,472,417	145,832,262,989	(115,013,392,717)	(178,743,996,256)
Masan HD One Member	Sales of merchandise inventories	5,070,398,117	2,116,510,096	-	-
	Purchases of goods	201,354,369,094	119,966,178,390	(152,617,689,689)	(103,660,354,580)
Masan MB One Member	Sales of merchandise inventories	44,607,476,840	13,639,499,736	-	-
	Purchases of goods	713,034,074,347	338,674,832,757	(339,444,997,818)	(19,950,867,204)

Masan Consumer Corporation

Notes to the separate financial statements for the three-month period ended 31 March 2018 (continued)

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

Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		For the three-month period ended		31/3/2018	1/1/2018
		31/3/2018	31/3/2017	31/3/2018	1/1/2018
		VND	VND	VND	VND
Subsidiaries					
Ma San PQ Corporation	Sales of merchandise inventories	1,731,546	1,068,900	1,904,701	-
Nam Ngu Phu Quoc One Member Company Limited	Sales of merchandise inventories	322,949,985	997,640	-	208,000,020
	Prepayments for purchases of goods	-	-	-	18,531,591,916
	Purchases of goods	45,012,256,153	822,240,000	(2,742,786,122)	-
Masan Beverage Member Company Limited	Distributed profits	-	-	268,921,084,000	1,200,921,084,000
	Capital contribution	932,000,000,000	-	-	-
Vinacafé Bien Hoa Joint	Sales of merchandise inventories	13,406,386,466	6,290,778,239	-	3,870,083,455
	Purchases of goods	468,688,505,300	34,174,682	(177,475,666,573)	-
	Management fee	-	36,094,807,888	-	87,828,531,406
CDN Production Trading Corporation	Sales of merchandise inventories	-	1,674,610	-	-
	Purchases of goods	795,747,306	25,800,000	(875,322,037)	-
Saigon Nutri Food Joint Stock Company	Sales of merchandise inventories	518,903,808	359,275,000	-	-
	Purchases of goods	28,524,082,283	24,157,683,232	(5,319,032,202)	(9,636,224,394)

Masan Consumer Corporation

Notes to the separate financial statements for the three-month period ended 31 March 2018 (continued)

Form B 09a – DN

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

Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		For the three-month period ended		31/3/2018	1/1/2018
		31/3/2018	31/3/2017	31/3/2018	1/1/2018
		VND	VND	VND	VND
Subsidiaries					
Vinh Hao Mineral Water Corporation	Sales of merchandise inventories	1,308,744	7,055,085,370	-	-
	Purchases of goods and services	51,224,140,716	2,871,272	(33,673,725,669)	-
	Management fee	-	11,751,499,143	-	19,654,007,992
Quang Ninh Mineral Water Corporation	Sales of merchandise inventories	-	17,494,330	-	-
	Purchases of goods	35,413,905,652	-	(38,155,296,227)	-
Masan Consumer (Thailand) Limited	Sales of merchandise inventories	12,385,029,620	-	4,282,023,361	18,163,278,771
Other related parties					
Masan Brewery PY One Member Company Limited	Sales of merchandise inventories	-	4,311,230	-	-
Masan Brewery Distribution One Member Company Limited	Sales of merchandise inventories	-	427,560	-	10,614,490
	Purchases of goods	173,994,136	295,403,362	-	-
	Management fee	5,857,700,111	12,418,915,801	52,144,223,389	46,467,302,338
Masan Brewery HG One Member Company Limited	Sales of merchandise inventories	-	4,703,160	-	-
	Management fee	480,350,512	648,342,519	2,596,842,767	1,906,695,091

Masan Consumer Corporation

Notes to the separate financial statements for the three-month period ended 31 March 2018 (continued)

Form B 09a – DN

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

Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		For the three-month period ended		31/3/2018	1/1/2018
		31/3/2018	31/3/2017	31/3/2018	1/1/2018
		VND	VND	VND	VND
Other related parties					
Agro Nutrition International Joint Stock Company	Sales of merchandise inventories	43,625,891	-	14,836,800	-
	Management fee	4,586,866,933	-	11,485,657,607	22,576,228,130
Vietnamese-French Cattle Feed Joint Stock Company	Sales of merchandise inventories	7,528,000	-	4,118,400	-
	Management fee	4,419,131,249	-	4,419,131,249	20,198,243,738
Key management personnel	Remuneration to key management personnel (*)	12,919,387,085	8,472,203,617	-	-

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

Masan Consumer Corporation

**Notes to the separate financial statements for the three-month period ended 31 March 2018
(continued)**

Form B 09a – DN


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

26. Explanation of profit

Net Profit After Tax (“NPAT”) for quarter 1 of 2018 decreased by VND114 billion, equivalent to 68% when comparing with the same period in previous year. This is mainly due to:

- Decreased net financial activities by 77% compare to same period in previous year due to impact of profits distribution from subsidiaries;
- However net revenue significantly increased by 126% compared to the same period in previous year as a result of the transformation from sales driven to brand driven business model and centralising of the sale and distribution of the Company’s subsidiaries to sell through the Company in the beverage segment.

23 April 2018

Prepared by: 


Huynh Viet Thang
Chief Accountant

Approved by: 


Pham Dinh Toai
Acting Chief Financial Officer


Truong Cong Thang
Chairman of the Board of Directors