



**Masan Consumer Corporation**  
Separate Financial Statements  
for the year ended 31 December 2019



## Masan Consumer Corporation Corporate Information

### Enterprise Registration Certificate No.

0302017440

31 May 2000

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is dated 12 September 2019. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

### Board of Directors

Mr Truong Cong Thang	Chairman
Mr Nguyen Dang Quang	Member
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Quang	Member
Mr Danny Le	Member

### Board of Management

Mr Truong Cong Thang	Chief Executive Officer
Ms Nguyen Hoang Yen	Deputy Chief Executive Officer
Mr Pham Hong Son	Deputy Chief Executive Officer
Mr Pham Dinh Toai	Deputy Chief Executive Officer (until 19 March 2019)
Mr Nguyen Anh Nguyen	Deputy Chief Executive Officer
Ms Dinh Kim Nhung	Deputy Chief Executive Officer (until 25 February 2019)

### Registered Office

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

### Auditor

KPMG Limited  
Vietnam

## Masan Consumer Corporation Statement of the Board of Management

The Board of Management of Masan Consumer Corporation (“the Company”) presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2019.

The Company’s Board of Management is responsible for the preparation and fair presentation of the separate 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 separate financial statements set out on pages 5 to 43 give a true and fair view of the separate financial position of the Company as at 31 December 2019, and of its separate results of operations and its separate 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 Company will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Nguyen Hoang Yen  
*Authorised Representative*

Ho Chi Minh City, 20 March 2020



KPMG Limited Branch  
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115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying separate financial statements of Masan Consumer Corporation ("the Company"), which comprise the separate balance sheet as at 31 December 2019, the separate 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 20 March 2020, as set out on pages 5 to 43.

### **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 separate 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 separate 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 separate 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 Company'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 separate financial statements give a true and fair view, in all material respects, of the separate financial position of Masan Consumer Corporation as at 31 December 2019 and of its separate results of operations and its separate 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.: 19-01-00465-20-1



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, 20 March 2020

**Masan Consumer Corporation**  
**Separate balance sheet as at 31 December 2019**

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>5,308,882,755,413</b>	<b>3,896,749,996,990</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>1,409,367,132,962</b>	<b>822,064,867,520</b>
Cash	111		14,967,132,962	17,064,867,520
Cash equivalents	112		1,394,400,000,000	805,000,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>150,604,109,559</b>	<b>-</b>
Trading securities	121	5(a)	150,604,109,559	-
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>3,357,440,669,322</b>	<b>2,651,176,310,050</b>
Accounts receivable from customers	131	6	310,423,899,804	249,444,392,998
Prepayments to suppliers	132		11,297,745,747	11,320,207,090
Short-term loans receivable	135	7(a)	1,200,000,000,000	-
Other short-term receivables	136	8(a)	1,835,719,023,771	2,390,411,709,962
<b>Inventories</b>	<b>140</b>	<b>9</b>	<b>383,016,961,802</b>	<b>416,718,844,961</b>
Inventories	141		395,247,821,242	420,741,003,312
Allowance for inventories	149		(12,230,859,440)	(4,022,158,351)
<b>Other current assets</b>	<b>150</b>		<b>8,453,881,768</b>	<b>6,789,974,459</b>
Short-term prepaid expenses	151		8,453,881,768	6,789,974,459

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

**Masan Consumer Corporation**  
**Separate balance sheet as at 31 December 2019 (continued)**

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>Long-term assets</b> (200 = 210 + 220 + 240 + 250 + 260)	<b>200</b>		<b>16,585,385,718,276</b>	<b>14,580,962,433,268</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>8,882,257,469,321</b>	<b>7,705,459,105,062</b>
Long-term loans receivable	215	7(b)	7,655,716,876,592	6,967,716,876,592
Other long-term receivables	216	8(b)	1,226,540,592,729	737,742,228,470
<b>Fixed assets</b>	<b>220</b>		<b>143,312,835,605</b>	<b>186,259,798,041</b>
Tangible fixed assets	221	10	22,357,447,117	32,899,873,392
Cost	222		87,426,926,948	88,341,031,474
Accumulated depreciation	223		(65,069,479,831)	(55,441,158,082)
Intangible fixed assets	227	11	120,955,388,488	153,359,924,649
Cost	228		278,488,281,116	277,295,650,978
Accumulated amortisation	229		(157,532,892,628)	(123,935,726,329)
<b>Long-term work in progress</b>	<b>240</b>		-	<b>2,839,037,507</b>
Construction in progress	242	12	-	2,839,037,507
<b>Long-term financial investments</b>	<b>250</b>		<b>7,429,671,509,348</b>	<b>6,510,771,509,348</b>
Investments in subsidiaries	251	5(b)	7,429,671,509,348	6,510,771,509,348
<b>Other long-term assets</b>	<b>260</b>		<b>130,143,904,002</b>	<b>175,632,983,310</b>
Long-term prepaid expenses	261	13	3,258,628,454	4,786,567,807
Deferred tax assets	262	14	126,885,275,548	170,846,415,503
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>21,894,268,473,689</b>	<b>18,477,712,430,258</b>

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

**Masan Consumer Corporation**  
**Separate balance sheet as at 31 December 2019 (continued)**

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

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>8,071,672,446,359</b>	<b>6,116,730,778,111</b>
<b>Current liabilities</b>	<b>310</b>		<b>8,048,323,180,639</b>	<b>6,097,072,673,399</b>
Accounts payable to suppliers	311	15	3,106,605,047,439	2,595,927,263,387
Advances from customers	312		40,813,457,144	41,014,853,528
Taxes payable to State Treasury	313	16	87,503,609,584	83,180,744,270
Payables to employees	314		6,994,718	-
Accrued expenses	315	17	758,974,279,727	991,509,981,562
Other short-term payables	319	18(a)	10,219,792,027	11,333,832,223
Short-term borrowings	320	19	4,044,200,000,000	2,374,105,998,429
<b>Long-term liabilities</b>	<b>330</b>		<b>23,349,265,720</b>	<b>19,658,104,712</b>
Other long-term payables	337	18(b)	23,349,265,720	19,658,104,712
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>13,822,596,027,330</b>	<b>12,360,981,652,147</b>
<b>Owners' equity</b>	<b>410</b>	<b>20</b>	<b>13,822,596,027,330</b>	<b>12,360,981,652,147</b>
Share capital	411	21	7,229,246,040,000	6,279,291,230,000
- Ordinary shares with voting rights	411a		7,229,246,040,000	6,279,291,230,000
Share premium	412	21	3,555,999,144,992	4,292,501,204,992
Treasury shares	415	21	(1,640,252,631,255)	(1,640,252,631,255)
Undistributed profits after tax	421		4,677,603,473,593	3,429,441,848,410
- Undistributed profits after tax brought forward	421a		684,760,794,910	734,698,515,732
- Undistributed profit after tax for the current year/prior year	421b		3,992,842,678,683	2,694,743,332,678
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>21,894,268,473,689</b>	<b>18,477,712,430,258</b>

20 March 2020

Prepared by:   
Phan Thi Thuy Hoa  
Chief Accountant

  
Huynh Viet Thang  
Chief Financial Officer

Approved by:   

  
Nguyen Hoang Yen  
Authorised Representative

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



**Masan Consumer Corporation**  
**Separate statement of income for the year ended 31 December 2019**

**Form B 02 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	2019 VND	2018 VND
Revenue from sale of goods	01	24	19,656,939,440,911	17,300,118,182,975
Revenue deductions	02	24	631,564,792,092	259,520,203,314
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>24</b>	<b>19,025,374,648,819</b>	<b>17,040,597,979,661</b>
Cost of sales	11	25	15,642,717,371,798	13,410,697,726,027
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>3,382,657,277,021</b>	<b>3,629,900,253,634</b>
Financial income	21	26	4,216,302,657,798	2,821,765,422,611
Financial expenses	22	27	160,230,334,047	106,256,167,044
<i>In which: Interest expense</i>	23		159,192,751,248	105,243,716,316
Selling expenses	25	28	2,956,303,265,234	3,168,580,699,916
General and administration expenses	26	29	405,785,128,882	404,139,398,240
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) - (25 + 26)}</b>	<b>30</b>		<b>4,076,641,206,656</b>	<b>2,772,689,411,045</b>
Other income	31		1,206,440,807	66,816,610
Other expenses	32		80,428,078	2,178,358,145
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>1,126,012,729</b>	<b>(2,111,541,535)</b>
<b>Accounting profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>		<b>4,077,767,219,385</b>	<b>2,770,577,869,510</b>
Income tax expense – current	51	31	40,963,400,747	140,388,019,098
Income tax expense/(benefit) – deferred	52	31	43,961,139,955	(64,553,482,266)
<b>Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>3,992,842,678,683</b>	<b>2,694,743,332,678</b>

20 March 2020

Prepared by:



Phan Thi Thuy Hoa  
Chief Accountant

Approved by:



Huynh Viet Thang  
Chief Financial Officer




Nguyen Hoang Yen  
Authorised Representative

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

**Masan Consumer Corporation**  
**Separate statement of cash flows for the year ended 31 December 2019**  
**(Indirect method)**

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

	<b>Code</b>	<b>2019 VND</b>	<b>2018 VND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>4,077,767,219,385</b>	<b>2,770,577,869,510</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	46,848,372,670	46,640,039,138
Allowances and provisions	03	20,599,519,529	19,641,571,474
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04	(45,354,374)	(100,407,932)
Gains on disposals of fixed assets	05	-	(19,578,367)
Interest income, distributed profits and related income from investing activities	05	(4,214,743,202,071)	(2,820,750,314,796)
Interest expense	06	159,192,751,248	105,243,716,316
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>89,619,306,387</b>	<b>121,232,895,343</b>
Change in receivables and other assets	09	(78,510,896,309)	182,294,045,294
Change in inventories	10	13,102,363,630	(283,604,515,968)
Change in payables and other liabilities	11	286,146,728,672	2,640,694,998,231
Change in prepaid expenses	12	(135,967,956)	4,707,245,312
Change in trading securities	13	(150,604,109,559)	-
		<b>159,617,424,865</b>	<b>2,665,324,668,212</b>
Interest paid	14	(153,031,051,851)	(101,426,439,339)
Corporate income tax paid	15	(47,625,173,264)	(153,440,048,334)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(41,038,800,250)</b>	<b>2,410,458,180,539</b>

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

**Masan Consumer Corporation**  
**Separate statement of cash flows for the year ended 31 December 2019**  
**(Indirect method – continued)**

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

	Code	2019 VND	2018 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(1,062,372,727)	(3,153,024,907)
Proceeds from disposals of fixed assets	22	-	881,026,550
Payments for granting loans	23	(2,038,000,000,000)	(4,337,000,000,000)
Receipts from collecting loans	24	150,000,000,000	2,800,000,000,000
Placement of term deposits to banks	23	-	(15,511,720,000)
Withdrawal of term deposits from banks	24	-	19,687,440,000
Payments for investments in subsidiaries	25	(918,900,000,000)	(959,500,000,000)
Receipts of interest and distributed profits	27	4,298,164,709,075	2,083,935,491,625
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>1,490,202,336,348</b>	<b>(410,660,786,732)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share capital issued	31	213,452,750,000	52,408,270,000
Proceeds from borrowings from banks	33	11,730,891,113,249	8,232,245,677,011
Payments to settle loan principals to banks	34	(10,060,797,111,678)	(7,777,671,704,948)
Payments of dividends	36	(2,745,473,534,300)	(2,361,806,673,200)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(861,926,782,729)</b>	<b>(1,854,824,431,137)</b>
<b>Net cash flows during the year</b> (50 = 20 + 30 + 40)	<b>50</b>	<b>587,236,753,369</b>	<b>144,972,962,670</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>822,064,867,520</b>	<b>677,000,209,110</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>65,512,073</b>	<b>91,695,740</b>
<b>Cash and cash equivalents at the end of the year</b> (70 = 50 + 60 + 61) (Note 4)	<b>70</b>	<b>1,409,367,132,962</b>	<b>822,064,867,520</b>

20 March 2020

Prepared by:   
**Phan Thi Thuy Hoa**  
*Chief Accountant*

  
**Huynh Viet Thang**  
*Chief Financial Officer*

Approved by:   
  
**Nguyen Hoang Yen**  
*Authorised Representative*

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

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**

**Form B 09 – 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 Enterprise Registration Certificate No. 0302017440 issued by the Department of Planning and Investment of Ho Chi Minh City (“DPI”) on 31 May 2000 and its amendments.

### **(c) Normal operating cycle**

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

### **(d) Company structure**

As at 31 December 2019, the Company had 1,238 employees (1/1/2019: 1,109 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 December 2019 of the Company and its subsidiaries (collectively referred to as “the Group”), their consolidated results of operations and their consolidated cash flows for the year then ended, these separate financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2019.

### **(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 year ended 31 December 2019**  
**(continued)**

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

**(c) Annual accounting period**

The annual accounting period of the Company 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 2019 were brought forward from the audited figures as at 31 December 2018.

**3. Summary of significant accounting policies**

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

**(a) 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 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 year ended 31 December 2019**  
**(continued)**

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

**(c) Investments**

**(i) Trading securities**

Trading securities are bonds held by the Company for trading purpose i.e. purchased for resale with the aim of making profits over a short period of time. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less interest income for the period before investment acquisition date and allowance for diminution in value. An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

**(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 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 year ended 31 December 2019**  
**(continued)**

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

**(f) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the separate statement of income in the 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:

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

**(g) Intangible fixed assets**

**(i) Software**

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

**(ii) Brand name**

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

**(h) Construction in progress**

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

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
**(continued)**

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

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

***Tools and supplies***

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

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

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

**(k) Provisions**

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

**(l) Equity**

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

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

**(ii) *Treasury shares***

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



**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(m) Taxation**

Income tax on the separate profit or loss for the year 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 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.

**(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 year ended 31 December 2019**  
**(continued)**

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

**(ii) Financial expenses**

Financial expenses mainly comprise interest expense on borrowings 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.

**(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**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	223,439,876	246,849,385
Cash at banks	14,743,693,086	16,818,018,135
Cash equivalents	1,394,400,000,000	805,000,000,000
	<hr/>	<hr/>
Cash and cash equivalents in the separate statement of cash flows	1,409,367,132,962	822,064,867,520
	<hr/>	<hr/>

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

**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN**

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

**5. Investments**

**(a) Trading securities**

	31/12/2019				1/1/2019			
	Quantity	Cost VND	Fair value VND	Allowance for diminution in value VND	Quantity	Cost VND	Fair value VND	Allowance for diminution in value VND
Bonds	15,000	150,604,109,559	(*)	-	-	-	(*)	-

(\*) The Company has not determined the fair value of the trading securities for disclosure in the separate 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 trading securities may differ from its carrying amounts.

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(b) Investments in subsidiaries**

	31/12/2019		1/1/2019	
	% of equity owned and voting rights	Cost VND	% of equity owned and voting rights	Cost VND
Investments in subsidiaries:				
▪ Masan Food Company Limited (i)	100%	2,444,900,009,348	100%	2,131,000,009,348
▪ Masan Beverage Company Limited (ii)	100%	4,315,000,000,000	100%	4,315,000,000,000
▪ Masan Consumer (Thailand) Limited (iii)	99.99%	64,771,500,000	99.99%	64,771,500,000
▪ Masan HPC Company Limited (iv)	100%	605,000,000,000	-	-
		7,429,671,509,348		6,510,771,509,348

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

There was no allowance from diminution in value of these investments in subsidiaries in these separate financial statements for the years ended 31 December 2019 and 2018.

- (i) Masan Food Company Limited has 9 subsidiaries, which include Masan Industrial One Member Company Limited (“MSI”), Viet Tien Food Technology One Member Company Limited (“VTF”), Masan PQ Corporation (“MPQ”), Masan HD One Member Company Limited (“MHD”), Masan MB One Member Company Limited (“MMB”), Masan HG One Member Company Limited (“MHG”), Masan JinJu Joint Stock Company (“MSJ”), Nam Ngu Phu Quoc One Member Company Limited (“NPQ”) and Masan Long An Company Limited (“MLA”). These subsidiaries, except for MHG and MLA, are manufacturing companies and sell their products to the Company who then distributes them to the market. MHG was established in 2015 and MLA was established in 2019 and as at the date of issuance of these separate financial statements, these entities have not yet started their operations. Please see Note 32 for significant transactions between the Company and these subsidiaries.
- (ii) Masan Beverage Company Limited has 5 subsidiaries, which include VinaCafé Bien Hoa Joint Stock Company (“VCF”), Café De Nam Joint Stock Company (“CDN”), Vinh Hao Mineral Water Corporation (“VHC”), Kronfa, JSC (“Kronfa”) and Quang Ninh Mineral Water Corporation (“QNW”). These subsidiaries are manufacturing companies and sell their products to the Company who then distributes them to the market. Please see Note 32 for significant transactions between the Company and these subsidiaries.
- (iii) Masan Consumer (Thailand) Limited (“MTH”) was established in 2016.

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
**(continued)**

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

- (iv) Masan HPC Company Limited (“HPC”) was established on 20 December 2019 under the Enterprise Registration Certificate No. 0316076125 issued by the Department of Planning and Investment of Ho Chi Minh City.

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

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

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	6,510,771,509,348	5,551,271,509,348
Additions during the year	918,900,000,000	959,500,000,000
	<hr/>	<hr/>
Closing balance	7,429,671,509,348	6,510,771,509,348
	<hr/>	<hr/>

**6. Accounts receivable from customers**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Receivable from third parties	188,722,833,799	142,856,495,690
Receivable from related parties	121,701,066,005	106,587,897,308
	<hr/>	<hr/>
	310,423,899,804	249,444,392,998
	<hr/>	<hr/>

Please see Note 32 for balances between the Company and its related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 30 – 180 days from invoice date.

**7. Loans receivable**

**(a) Short-term loans receivable**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Long-term loans receivable within 12 months	1,200,000,000,000	-
	<hr/>	<hr/>

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
**(continued)**

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

**(b) Long-term loans receivable**

	31/12/2019 VND	1/1/2019 VND
Long-term loans receivable from related parties	8,855,716,876,592	6,967,716,876,592
Receivable within 12 months	(1,200,000,000,000)	-
	<u>7,655,716,876,592</u>	<u>6,967,716,876,592</u>

The long-term loans receivable were unsecured and earned interest at 6.5% per annum as at 31 December 2019 (1/1/2019: 6.5% per annum). These loans mature on 31 December 2022. Interest is receivable on the maturity date of loan agreements.

**8. Other receivables**

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

	31/12/2019 VND	1/1/2019 VND
Non-trade amounts due from related parties:		
▪ Distributed profits receivable from related parties	1,795,989,914,373	2,385,522,870,411
▪ Accrued interest receivable (*)	24,041,096	-
▪ Other receivables (**)	7,974,881,347	-
Short-term deposits	18,344,329,780	1,118,143,860
Accrued interest receivable from deposits at banks	3,010,684,932	1,941,873,973
Others	10,375,172,243	1,828,821,718
	<u>1,835,719,023,771</u>	<u>2,390,411,709,962</u>

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

	31/12/2019 VND	1/1/2019 VND
Accrued interest receivable from related parties (*)	1,217,570,536,868	712,551,939,889
Long-term deposits	8,970,055,861	25,190,288,581
	<u>1,226,540,592,729</u>	<u>737,742,228,470</u>

(\*) These represented interest income receivable from loans provided to related parties. Please see Notes 7 and 32 for further information.

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

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
**(continued)**

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

**9. Inventories**

	31/12/2019		1/1/2019	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	3,884,300,800	-	14,966,089,695	-
Raw materials	33,819,566,835	(678,394,538)	26,875,640,923	(254,857,625)
Tools and supplies	3,553,000	-	433,000	-
Finished goods	23,574,905,415	(361,405,062)	9,599,966,052	(45,749,097)
Merchandise inventories	333,965,495,192	(11,191,059,840)	369,298,873,642	(3,721,551,629)
	<u>395,247,821,242</u>	<u>(12,230,859,440)</u>	<u>420,741,003,312</u>	<u>(4,022,158,351)</u>

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

	2019 VND	2018 VND
Opening balance	4,022,158,351	112,676,380
Increase in allowance during the year	22,101,076,216	19,641,571,474
Allowance utilised during the year	(12,390,818,440)	(15,732,089,503)
Written back	(1,501,556,687)	-
Closing balance	<u>12,230,859,440</u>	<u>4,022,158,351</u>

Included in inventories as at 31 December 2019 was VND12,231 million (1/1/2019: VND4,022 million) of slow-moving inventories.

**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN**

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

**10. Tangible fixed assets**

	<b>Leasehold improvements VND</b>	<b>Office equipment VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Total VND</b>
<b>Cost</b>					
Opening balance	56,251,611,219	22,315,416,086	3,504,301,741	6,269,702,428	88,341,031,474
Additions during the year	-	848,022,727	114,030,000	-	962,052,727
Transfer from construction in progress	-	1,746,727,369	-	-	1,746,727,369
Written off	(3,584,744,625)	(38,139,997)	-	-	(3,622,884,622)
Closing balance	52,666,866,594	24,872,026,185	3,618,331,741	6,269,702,428	87,426,926,948
<b>Accumulated depreciation</b>					
Opening balance	33,848,164,908	12,750,536,637	3,179,146,234	5,663,310,303	55,441,158,082
Charge for the year	10,451,709,067	2,311,485,436	178,098,321	309,913,547	13,251,206,371
Written off	(3,584,744,625)	(38,139,997)	-	-	(3,622,884,622)
Closing balance	40,715,129,350	15,023,882,076	3,357,244,555	5,973,223,850	65,069,479,831
<b>Net book value</b>					
Opening balance	22,403,446,311	9,564,879,449	325,155,507	606,392,125	32,899,873,392
Closing balance	11,951,737,244	9,848,144,109	261,087,186	296,478,578	22,357,447,117

Included in tangible fixed assets were assets costing VND15,204 million which were fully depreciated as of 31 December 2019 (1/1/2019: VND16,516 million), but which are still in active use.



**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
(continued)

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

**11. Intangible fixed assets**

	Software VND	Brand name VND	Total VND
<b>Cost</b>			
Opening balance	276,659,287,342	636,363,636	277,295,650,978
Transfer from construction in progress	1,192,630,138	-	1,192,630,138
Closing balance	277,851,917,480	636,363,636	278,488,281,116
<b>Accumulated amortisation</b>			
Opening balance	123,299,362,693	636,363,636	123,935,726,329
Charge for the year	33,597,166,299	-	33,597,166,299
Closing balance	156,896,528,992	636,363,636	157,532,892,628
<b>Net book value</b>			
Opening balance	153,359,924,649	-	153,359,924,649
Closing balance	120,955,388,488	-	120,955,388,488

Included in intangible fixed assets were assets costing VND11,019 million which were fully amortised as of 31 December 2019 (1/1/2019: VND11,019 million), but which are still in active use.

**12. Construction in progress**

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

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
(continued)

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

**13. Long-term prepaid expenses**

	<b>Tools and supplies VND</b>
Opening balance	4,786,567,807
Additions during the year	5,719,446,639
Transfer to short-term prepaid expenses	(2,207,453,814)
Amortisation for the year	(5,039,932,178)
	3,258,628,454
Closing balance	3,258,628,454

**14. Deferred tax assets**

**Recognised deferred tax assets**

	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
Accrued advertising and promotion expenses	78,071,356,273	114,386,918,462
Accrued logistic expense	20,249,218,279	22,614,175,812
Accrued sales discounts	15,300,614,186	15,665,716,716
Other accruals	13,264,086,810	18,179,604,513
	126,885,275,548	170,846,415,503
	126,885,275,548	170,846,415,503

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
**(continued)**

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

**15. Accounts payable to suppliers**

**(a) Accounts payable to suppliers classified by payment term**

	31/12/2019		1/1/2019	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Short-term	3,106,605,047,439	3,106,605,047,439	2,595,927,263,387	2,595,927,263,387

**(b) Accounts payable to suppliers who are related parties**

	31/12/2019		1/1/2019	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Payable to related parties	2,923,074,319,236	2,923,074,319,236	2,418,944,972,866	2,418,944,972,866

Please see Note 32 for balances between the Company and its related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice date.

**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN**

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

**16. Taxes payable to State Treasury**

	<b>1/1/2019 VND</b>	<b>Incurred VND</b>	<b>Paid VND</b>	<b>Deducted/Refunded VND</b>	<b>31/12/2019 VND</b>
Value added tax	39,341,196,264	1,899,763,613,027	(86,783,541,019)	(1,802,265,161,121)	50,056,107,151
Corporate income tax	40,863,907,281	40,963,400,747	(47,625,173,264)	-	34,202,134,764
Personal income tax	2,975,640,725	72,046,584,224	(71,029,619,600)	(747,237,680)	3,245,367,669
Import-export tax	-	608,625,435	(608,625,435)	-	-
Other taxes	-	32,466,878,363	(32,466,878,363)	-	-
	<b>83,180,744,270</b>	<b>2,045,849,101,796</b>	<b>(238,513,837,681)</b>	<b>(1,803,012,398,801)</b>	<b>87,503,609,584</b>

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
(continued)

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

**17. Accrued expenses**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Advertising and promotion expenses	390,356,781,366	571,934,592,307
Logistic expense	101,246,091,395	113,070,879,061
Bonus and 13 <sup>th</sup> month salary	97,128,286,151	113,062,923,050
Sales discounts	76,503,070,931	78,328,583,580
Exhibition expense	26,709,655,659	41,161,828,771
Accrued information and technology expenses	19,670,592,138	24,222,864,545
Accrued interest expense	14,077,106,013	7,915,406,616
Purchases not yet received invoices	12,679,714,612	16,299,574,374
Market research expense	8,829,022,402	13,900,411,147
Others	11,773,959,060	11,612,918,111
	<hr/>	<hr/>
	758,974,279,727	991,509,981,562
	<hr/>	<hr/>

**18. Other payables**

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

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Trade union fee, social, health and unemployment insurances	6,958,231,034	7,236,973,993
Others	3,261,560,993	4,096,858,230
	<hr/>	<hr/>
	10,219,792,027	11,333,832,223
	<hr/>	<hr/>

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

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits received	23,349,265,720	19,658,104,712
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Masan Consumer Corporation

Notes to the separate financial statements for the year ended 31 December 2019 (continued)

Form B 09 – DN

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

19. Short-term borrowings

	1/1/2019		Movements during the year		31/12/2019	
	Carrying amount VND	Amount within repayment capacity VND	Addition VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	2,374,105,998,429	2,374,105,998,429	11,730,891,113,249	(10,060,797,111,678)	4,044,200,000,000	4,044,200,000,000

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

	Currency	Annual interest rate	31/12/2019 VND	1/1/2019 VND
Unsecured bank loans	VND	5.25% - 6.10%	4,044,200,000,000	2,374,105,998,429

**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN**

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

**20. Changes in owners' equity**

	Share capital VND	Share premium VND	Treasury shares VND	Undistributed profits after tax VND	Total VND
<b>Balance as at 1 January 2018</b>	5,431,327,770,000	5,088,056,394,992	(1,640,252,631,255)	3,097,796,012,232	11,976,927,545,969
Share capital issued (Note 21)	52,408,270,000	-	-	-	52,408,270,000
Bonus shares issued (Note 21)	795,555,190,000	(795,555,190,000)	-	-	-
Net profit for the year	-	-	-	2,694,743,332,678	2,694,743,332,678
Dividends (Note 22)	-	-	-	(2,363,097,496,500)	(2,363,097,496,500)
<b>Balance as at 1 January 2019</b>	6,279,291,230,000	4,292,501,204,992	(1,640,252,631,255)	3,429,441,848,410	12,360,981,652,147
Share capital issued (Note 21)	30,493,250,000	182,959,500,000	-	-	213,452,750,000
Bonus shares issued (Note 21)	919,461,560,000	(919,461,560,000)	-	-	-
Net profit for the year	-	-	-	3,992,842,678,683	3,992,842,678,683
Dividends (Note 22)	-	-	-	(2,744,681,053,500)	(2,744,681,053,500)
<b>Balance as at 31 December 2019</b>	7,229,246,040,000	3,555,999,144,992	(1,640,252,631,255)	4,677,603,473,593	13,822,596,027,330

**Masan Consumer Corporation****Notes to the separate financial statements for the year ended 31 December 2019**

(continued)

**Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***21. Share capital, share premium and treasury shares**

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

	31/12/2019		1/1/2019	
	Number of shares	VND	Number of shares	VND
<b>Authorised and issued share capital</b>				
Ordinary shares	722,924,604	7,229,246,040,000	627,929,123	6,279,291,230,000
<b>Treasury shares</b>				
Ordinary shares	18,000,000	1,640,252,631,255	18,000,000	1,640,252,631,255
<b>Shares currently in circulation</b>				
Ordinary shares	704,924,604	7,049,246,040,000	609,929,123	6,099,291,230,000
<b>Share premium</b>		3,555,999,144,992		4,292,501,204,992

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

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

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

	2019		2018	
	Number of shares	Par value VND	Number of shares	Par value VND
Balance at the beginning of the year - currently in circulation	609,929,123	6,099,291,230,000	525,132,777	5,251,327,770,000
Issuance of new shares at par for cash	3,049,325	30,493,250,000	5,240,827	52,408,270,000
Issuance of bonus shares (*)	91,946,156	919,461,560,000	79,555,519	795,555,190,000
Balance at the end of the year - currently in circulation	704,924,604	7,049,246,040,000	609,929,123	6,099,291,230,000

(\*) In August 2019, the Company's Board of Directors approved for the issuance of 91,946,156 bonus shares to the Company's shareholders. The issuance was completed during the year.



**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
(continued)

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

**22. Dividends**

The Annual General Meeting of Shareholders of the Company on 24 April 2019 resolved to distribute dividends by cash amounting to VND2,744,681 million (2018: VND2,363,097 million).

**23. Off balance sheet items**

**(a) Lease commitments**

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

	31/12/2019 VND	1/1/2019 VND
Within 1 year	63,048,361,853	102,821,448,131
Within 2 to 5 years	40,641,183,340	75,670,464,262
	103,689,545,193	178,491,912,393

**(b) Foreign currency**

	31/12/2019		1/1/2019	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	164,183	3,794,279,992	328,965	7,612,240,613

**(c) Capital expenditure commitments**

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

	31/12/2019 VND	1/1/2019 VND
Approved but not contracted	668,000,000	2,188,199,224
Approved and contracted	-	370,100,138
	668,000,000	2,558,299,362

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
**(continued)**

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

**24. Revenue from sale of goods**

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

Net revenue comprised of:

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Sale of goods	19,650,284,731,511	17,297,469,224,360
▪ Other sales	6,654,709,400	2,648,958,615
	<hr/>	<hr/>
	19,656,939,440,911	17,300,118,182,975
	<hr/>	<hr/>
Less revenue deductions		
▪ Sales discounts	570,855,433,993	233,643,571,391
▪ Sales returns	60,709,358,099	25,876,631,923
	<hr/>	<hr/>
	631,564,792,092	259,520,203,314
	<hr/>	<hr/>
Net revenue	19,025,374,648,819	17,040,597,979,661
	<hr/>	<hr/>

**25. Cost of sales**

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales		
▪ Goods sold	15,622,117,852,269	13,391,056,154,553
▪ Allowance for inventories	20,599,519,529	19,641,571,474
	<hr/>	<hr/>
	15,642,717,371,798	13,410,697,726,027
	<hr/>	<hr/>

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
**(continued)**

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

**26. Financial income**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Profits distributed by subsidiaries	3,656,274,773,924	2,385,522,870,411
Interest income from loans provided to related parties	505,042,638,075	379,006,925,745
Interest income from deposits at banks	53,425,790,072	56,220,518,640
Foreign exchange gains	1,559,455,727	1,015,107,815
	<hr/>	<hr/>
	4,216,302,657,798	2,821,765,422,611
	<hr/>	<hr/>

**27. Financial expenses**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Interest expense on borrowings from banks	159,192,751,248	105,243,716,316
Foreign exchange losses	428,692,643	947,986,535
Others	608,890,156	64,464,193
	<hr/>	<hr/>
	160,230,334,047	106,256,167,044
	<hr/>	<hr/>

**28. Selling expenses**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Advertising and promotion expenses	1,699,940,789,294	2,045,538,893,616
Logistic expense	632,445,508,801	594,746,086,844
Staff costs	305,596,794,290	240,978,456,696
Exhibition expense	165,478,631,308	164,864,180,251
Marketing research expense	47,464,674,472	32,410,802,649
Leased line system and information technology services	43,556,091,765	41,922,414,884
Others	61,820,775,304	48,119,864,976
	<hr/>	<hr/>
	2,956,303,265,234	3,168,580,699,916
	<hr/>	<hr/>

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
(continued)

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

**29. General and administration expenses**

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Staff costs	225,756,678,391	223,848,116,352
Office rental	58,372,237,158	52,693,140,944
Leased line system and information technology services	29,644,769,957	39,582,776,252
Depreciation and amortisation of fixed assets	29,489,528,278	29,364,566,722
Research and development expenses	8,331,305,157	4,491,368,122
Others	54,190,609,941	54,159,429,848
	<hr/>	<hr/>
	405,785,128,882	404,139,398,240
	<hr/>	<hr/>

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

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
Cost of merchandise goods sold	15,622,117,852,269	13,391,056,154,553
Staff costs	531,353,472,681	464,826,573,048
Depreciation and amortisation	46,848,372,670	46,640,039,138
Outside services	2,685,234,007,912	2,934,327,248,678
Other expenses	119,252,060,382	146,567,808,766
	<hr/>	<hr/>

**31. Income tax**

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

	<b>2019</b> <b>VND</b>	<b>2018</b> <b>VND</b>
<b>Current tax expense</b>		
Current year	40,963,400,747	142,722,919,795
Over provision in prior years	-	(2,334,900,697)
	<hr/>	<hr/>
	40,963,400,747	140,388,019,098
	<hr/>	<hr/>
<b>Deferred tax expense/(benefit)</b>		
Origination and reversal of temporary differences	43,961,139,955	(64,553,482,266)
	<hr/>	<hr/>
Income tax expense	84,924,540,702	75,834,536,832
	<hr/>	<hr/>

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
(continued)

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

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

	<b>2019</b>	<b>2018</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax (*)	4,077,767,219,385	2,770,577,869,510
Tax at the Company's income tax rate	815,553,443,877	554,115,573,902
Tax exempt income	(731,254,954,785)	(477,104,574,082)
Non-deductible expenses	626,051,610	1,158,437,709
Over provision in prior years	-	(2,334,900,697)
	84,924,540,702	75,834,536,832

(\*) The Company's accounting profit before tax included VND3,656,275 million (2018: VND2,385,523 million) of profits distributed by subsidiaries which is not subject to tax.

**(c) Applicable tax rates**

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

**(d) Tax contingencies**

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

**Masan Consumer Corporation****Notes to the separate financial statements for the year ended 31 December 2019 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***32. Significant transactions with related parties**

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

Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		2019 VND	2018 VND	31/12/2019 VND	1/1/2019 VND
<b>Parent of parent company</b>					
Masan Group Corporation	Sale of goods	120,257,134	22,526,304	-	-
	Management fee	3,383,713,619	4,996,948,188	3,647,590,054	5,496,643,007
<b>Parent company</b>					
Masan Consumer Holdings Company Limited	Dividends declared	2,611,289,133,000	2,270,686,203,000	-	-
	Dividends paid by cash	2,611,289,133,000	2,270,686,203,000	-	-
<b>Subsidiaries</b>					
Masan Food Company Limited	Distributed profits (*)	3,021,694,613,924	2,385,522,870,411	1,795,989,914,373	2,385,522,870,411
	Capital contribution	313,900,000,000	27,500,000,000	-	-
Masan Industrial One Member Company Limited	Sale of goods	414,740,948,014	275,839,973,515	-	-
	Purchase of goods and services	5,397,143,230,444	4,434,152,834,178	(591,543,910,924)	(326,381,897,838)
	Collection of loans by cash	105,000,000,000	2,800,000,000,000	-	-
	Loans provided	-	506,000,000,000	3,031,716,876,592	3,136,716,876,592
	Interest income from loans receivable	203,849,199,718	341,306,747,664	878,700,961,526	674,851,761,808
Viet Tien Food Technology One Member Company Limited	Sale of goods	1,910,215,886	5,763,370,389	-	-
	Purchase of goods	145,425,695,546	475,191,703,131	(61,972,189,384)	(165,496,473,117)

**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN**

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

Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		2019 VND	2018 VND	31/12/2019 VND	1/1/2019 VND
Masan HD One Member Company Limited	Sale of goods	31,951,294,198	33,585,469,336	-	-
	Purchase of goods	1,024,136,441,236	941,822,705,564	(90,218,292,179)	(107,369,612,484)
Masan PQ Corporation	Sale of goods	15,268,019	3,940,239	-	-
	Purchase of goods	737,701,485	-	(401,940,380)	-
Nam Ngu Phu Quoc One Member Company Limited	Sale of goods	2,251,844,151	1,143,730,783	-	599,031,555
	Purchase of goods	172,685,546,819	119,477,561,384	(46,638,259,241)	-
	Prepayment for purchase of goods	-	8,294,187,749	-	8,294,187,749
Masan Beverage Company Limited	Distributed profits (**)	634,580,160,000	-	-	-
	Capital contribution	-	932,000,000,000	-	-
VinaCafé Bien Hoa Joint Stock Company	Sale of goods	109,864,662,462	74,467,360,692	-	-
	Purchase of goods and services	2,835,573,409,147	2,959,106,972,554	(1,177,933,303,323)	(1,070,218,150,205)
Café De Nam Joint Stock Company	Sale of goods	2,180,245	1,948,184	-	-
	Purchase of goods	7,344,011,934	4,656,146,056	(1,268,774,450)	(847,937,204)
Masan MB One Member Company Limited	Sale of goods	256,616,599,027	184,621,456,439	-	-
	Purchase of goods	4,104,010,916,464	3,440,460,919,308	(612,049,216,638)	(586,546,385,981)
	Loans provided	1,993,000,000,000	3,831,000,000,000	5,824,000,000,000	3,831,000,000,000
	Interest income from loans receivable	301,169,397,261	37,700,178,081	338,869,575,342	37,700,178,081

**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN**

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

Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		2019 VND	2018 VND	31/12/2019 VND	1/1/2019 VND
Masan JinJu Joint Stock Company	Sale of goods and services	3,330,785,544	2,818,093,340	-	-
	Purchase of goods	342,267,550,555	173,245,372,007	(55,715,890,787)	(29,770,357,611)
	Purchase of fixed assets	-	81,818,182	-	-
Vinh Hao Mineral Water Corporation	Sale of goods	4,138,651,800	442,606,137	-	-
	Purchase of goods and services	629,899,517,964	352,331,601,600	(218,196,622,572)	(50,454,047,341)
Quang Ninh Mineral Water Corporation	Sale of goods	119,778,975	1,648,678,333	-	-
	Purchase of goods and services	267,164,694,056	221,850,358,615	(67,135,919,358)	(61,055,590,715)
Masan Consumer (Thailand) Limited	Sale of goods	57,823,942,807	41,242,658,023	13,297,723,713	8,394,279,127
Masan HPC Company Limited	Capital contribution	605,000,000,000	-	-	-
	Loans provided	45,000,000,000	-	-	-
	Collection of loans by cash	45,000,000,000	-	-	-
	Interest income from loans receivable	24,041,096	-	24,041,096	-
<b>Other related parties</b>					
Masan Brewery Company Limited	Sale of services	1,000,000,000	-	1,000,000,000	-
Masan Master Brewery Company Limited	Sale of goods	1,261,868	-	-	-
Masan Brewery PY One Member Company Limited	Sale of goods	44,454,161	26,774,927	-	-



**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN**

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

Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		2019 VND	2018 VND	31/12/2019 VND	1/1/2019 VND
Masan Brewery Distribution One Member Company Limited	Sale of goods	3,192,744	3,192,913,253	-	2,527,369,828
	Sale returns	1,194,673,977	893,440,179	-	-
	Purchase of goods	550,716,470	44,794,061,290	-	(20,804,520,370)
	Prepayment for purchase of goods	146,127,485	-	146,127,485	-
	Management fee	43,899,198,611	25,966,703,930	76,560,997,745	60,624,394,654
Masan Brewery HG One Member Company Limited	Sale of goods	96,562,265	15,548,538	-	-
	Purchase of goods	41,541,848	55,827,750	-	-
	Return of goods	56,122,834	-	-	-
	Management fee	3,422,504,715	2,552,138,546	3,901,450,010	2,745,941,875
Agro Nutrition International Joint Stock Company	Sale of goods	32,324,909	52,760,545	6,587,800	-
	Management fee	3,516,609,673	5,401,497,275	1,851,733,472	2,821,114,056
MNS Feed Tien Giang Company Limited	Management fee	1,072,868,060	1,413,647,105	565,193,852	617,822,920
MNS Feed Thai Nguyen Company Limited	Sale of goods	32,096,545	29,696,909	-	-
	Management fee	879,568,987	1,317,783,118	463,338,369	498,242,808
MNS Feed Vinh Long Company Limited	Management fee	1,121,192,828	1,510,709,543	590,657,722	637,208,299
MNS Feed Hau Giang Company Limited	Management fee	884,076,132	1,074,951,181	465,644,364	507,005,940

**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN**

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

Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		2019 VND	2018 VND	31/12/2019 VND	1/1/2019 VND
MNS Feed Nghe An Company Limited	Sale of goods	40,491,636	41,116,909	-	-
	Management fee	1,386,854,782	1,606,391,239	730,275,716	804,869,783
MNS Farm Nghe An Company Limited	Sale of goods	-	9,563,891	-	-
	Management fee	4,576,729,011	3,096,357,943	2,678,874,657	986,100,091
Vietnamese – French Cattle Feed Joint Stock Company	Sale of goods	77,160,181	71,593,600	-	-
	Management fee	5,709,464,606	10,571,231,250	3,005,475,157	5,131,224,940
Proconco Can Tho One Member Company Limited	Management fee	2,411,943,046	2,483,411,874	1,269,531,065	1,411,327,932
Conco Binh Dinh Co., Ltd	Management fee	1,284,195,718	1,671,915,669	676,273,315	736,957,268
Proconco Hung Yen Manufacturing and Trading Company Limited	Sale of goods	8,100,000	5,238,000	5,610,000	-
	Management fee	124,649,821	761,002,325	66,007,008	34,718,341
Masan MEATLife Corporation (formerly known as Masan Nutri-Science Corporation)	Sale of goods	6,555,636	-	-	-
	Management fee	9,406,249,966	6,247,128,302	5,009,393,771	6,871,841,133
MNS Meat Ha Nam Company Limited	Sale of goods	326,141,355	18,476,019	116,949,047	7,912,200
	Purchase of goods	6,509,335	-	-	-
	Management fee	9,199,836,783	1,327,010,547	5,856,548,984	1,459,711,602

**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2019 (continued)**

**Form B 09 – DN**

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

Relationship	Nature of transactions	Transaction value		Receivable/(payable) as at	
		2019 VND	2018 VND	31/12/2019 VND	1/1/2019 VND
Nui Phao Mining Company Limited	Sale of goods	1,366,258,009	1,072,107,209	75,409,765	86,225,766
	Management fee	2,762,610,442	3,261,776,530	2,992,606,068	3,587,954,183
Masan Blue Corporation	Sale of goods	3,642,299,383	-	3,302,403,296	-
	Management fee	1,451,627,991	-	1,539,672,402	-
<b>Key management personnel</b>	Remuneration to key management personnel (***)	11,581,923,149	22,519,251,698	-	-

As at 31 December 2019 and 1 January 2019, the Company has current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank at normal terms.

(\*) During the year, MSI, MHD, MMB and VTF distributed their profits amounting to VND3,013,274 million (2018: MSI, MHD and MMB distributed their profits amounting to VND2,380,024 million) to Masan Food Company Limited (“MSF”). At the same time, MSF distributed profits amounting to VND3,021,695 million to the Company (2018: VND2,385,523 million).

(\*\*) During the year, the Annual General Meeting of Shareholders of VCF and QNW resolved to distribute dividends amounting to VND634,580 million to Masan Beverage Company Limited (“MSB”) (2018: nil). On 23 August 2019, MSB distributed profits amounting to VND634,580 million to the Company (2018: nil).

(\*\*\*) No board fees were paid to members of the Board of Directors of the Company for the years ended 31 December 2019 and 2018.

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2019**  
**(continued)**

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

**33. Post balance sheet events**

In February 2020, HPC, a subsidiary indirectly owned by the Company, has successfully acquired 11,703,630 shares (equivalents to 52.25% equity interests) of Net Detergent Joint Stock Company (“NET”) which is one of the local home care manufacturers. Such transaction resulted in NET 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 separate financial statements.

20 March 2020

Prepared by 



Phan Thi Thuy Hoa  
Chief Accountant

Approved by:

  
Huynh Viet Thang  
Chief Financial Officer  
Nguyen Hoang Yen  
Authorised Representative

