

**Masan Consumer Corporation and its subsidiaries**

Consolidated Financial Statement

for the three-month period ended 31 March 2017

**Masan Consumer Corporation  
Corporate Information**

**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 4 August 2016. The Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

**Board of Directors**

Dr Nguyen Dang Quang	Chairman
Mr Ho Hung Anh	Member
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Quang	Member
Mr Seokhee Won	Member

**Board of Management**

Mr Seokhee Won	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
Mr Le Trung Thanh	Deputy Chief Executive Officer (until 15 February 2017)
Mr Nguyen Anh Nguyen	Deputy Chief Executive Officer
Ms Dinh Kim Nhung	Deputy Chief Executive Officer

**Registered Office**

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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 March 2017**

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

	Code	Note	31/3/2017 VND	1/1/2017 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>9,186,513,907,223</b>	<b>11,519,694,860,637</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>4,449,533,564,693</b>	<b>6,914,244,921,330</b>
Cash	111		100,563,131,359	113,124,921,330
Cash equivalents	112		4,348,970,433,334	6,801,120,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>1,590,566,841,175</b>	<b>1,732,948,841,175</b>
Held-to-maturity investments	123	5(a)	1,590,566,841,175	1,732,948,841,175
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>2,130,715,149,147</b>	<b>2,121,205,426,935</b>
Accounts receivable from customers	131		149,793,245,681	232,759,444,755
Prepayments to suppliers	132		115,163,550,656	61,482,083,206
Short-term loans receivable	135	7	1,663,716,876,592	1,663,716,876,592
Other short-term receivables	136	6(a)	203,258,503,575	164,464,049,739
Allowance for doubtful debts	137		(1,217,027,357)	(1,217,027,357)
<b>Inventories</b>	<b>140</b>	<b>8</b>	<b>943,540,595,275</b>	<b>715,921,028,319</b>
Inventories	141		947,594,150,524	729,024,288,790
Allowance for inventories	149		(4,053,555,249)	(13,103,260,471)
<b>Other current assets</b>	<b>150</b>		<b>72,157,756,933</b>	<b>35,374,642,878</b>
Short-term prepaid expenses	151		18,561,593,174	19,718,137,599
Deductible value added tax	152		53,596,163,759	15,656,505,279

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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 March 2017 (continued)**

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

	Code	Note	31/3/2017 VND	1/1/2017 VND
<b>Long-term assets</b> (200 = 210 + 220 + 240 + 250 + 260)	<b>200</b>		<b>5,795,891,599,350</b>	<b>5,858,131,385,763</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>19,884,029,340</b>	<b>24,757,902,339</b>
Other long-term receivables	216	6(b)	19,884,029,340	24,757,902,339
<b>Fixed assets</b>	<b>220</b>		<b>4,317,183,046,139</b>	<b>4,444,692,083,576</b>
Tangible fixed assets	221	9	3,040,164,760,195	3,132,110,361,000
<i>Cost</i>	222		4,708,675,328,215	4,694,881,086,995
<i>Accumulated depreciation</i>	223		<i>(1,668,510,568,020)</i>	<i>(1,562,770,725,995)</i>
Intangible fixed assets	227	10	1,277,018,285,944	1,312,581,722,576
<i>Cost</i>	228		2,101,979,918,028	2,102,498,034,268
<i>Accumulated depreciation</i>	229		<i>(824,961,632,084)</i>	<i>(789,916,311,692)</i>
<b>Long-term work in progress</b>	<b>240</b>		<b>454,720,534,786</b>	<b>371,351,502,339</b>
Construction in progress	242	11	454,720,534,786	371,351,502,339
<b>Long-term financial investments</b>	<b>250</b>		<b>249,391,858,906</b>	<b>249,391,858,906</b>
Investment in an associate	252	5(b)	249,391,858,906	249,391,858,906
<b>Other long-term assets</b>	<b>260</b>		<b>754,712,130,179</b>	<b>767,938,038,603</b>
Long-term prepaid expenses	261	12	190,111,065,872	193,229,086,523
Deferred tax assets	262		157,264,993,604	150,172,693,140
Goodwill	269	13	407,336,070,703	424,536,258,940
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>14,982,405,506,573</b>	<b>17,377,826,246,400</b>

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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 March 2017 (continued)**

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

	Code	Note	31/3/2017 VND	1/1/2017 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>2,949,558,339,172</b>	<b>5,449,387,898,339</b>
<b>Current liabilities</b>	<b>310</b>		<b>2,480,011,753,955</b>	<b>4,942,371,387,944</b>
Accounts payable to suppliers – short-term	311	14	488,050,848,963	708,987,463,602
Advances from customers	312		41,641,061,294	18,887,115,066
Taxes payable to State Treasury	313	15	111,936,073,717	312,750,964,401
Payables to employees	314		4,082,729,561	4,383,144,705
Accrued expenses	315	16	575,713,064,872	958,703,296,344
Other short-term payables	319	17(a)	54,776,904,444	27,461,089,550
Short-term borrowings	320	18(a)	1,180,587,144,365	2,887,958,787,537
Bonus and welfare funds	322		23,223,926,739	23,239,526,739
<b>Long-term liabilities</b>	<b>330</b>		<b>469,546,585,217</b>	<b>507,016,510,395</b>
Accounts payable to suppliers – long-term	331	14	78,525,018,000	88,334,503,000
Other long-term payables	337	17(b)	20,579,521,718	22,360,630,839
Long-term borrowings	338	18(b)	188,942,131,651	209,856,177,246
Deferred tax liabilities	341		172,389,495,598	177,354,781,060
Provisions – long-term	342		9,110,418,250	9,110,418,250
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>12,032,847,167,401</b>	<b>11,928,438,348,061</b>
<b>Owners' equity</b>	<b>410</b>	<b>19</b>	<b>12,032,847,167,401</b>	<b>11,928,438,348,061</b>
Share capital	411	20	5,381,601,170,000	5,381,601,170,000
Share premium	412	20	5,088,056,394,992	5,088,056,394,992
Other capital	414		(265,775,657,006)	(265,775,657,006)
Treasury shares	415	20	(1,640,252,631,255)	(1,640,252,631,255)
Foreign exchange differences	417		(2,171,983,147)	(2,253,725,216)
Investment and development fund	418		22,731,972,844	22,731,972,844
Undistributed profit after tax	421		2,554,218,076,544	2,434,650,312,379
-Undistributed profit after tax brought forward	421a		2,434,650,312,379	326,210,121,712
-Undistributed profit after tax for the current period	421b		119,567,764,165	2,108,440,190,667
Non-controlling interests	429		894,439,824,429	909,680,511,323
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>14,982,405,506,573</b>	<b>17,377,826,246,400</b>

Prepared by: 

Huynh Viet Thang  
Chief Accountant

25 April 2017

Approved by:   
 Nguyen Hoang Tung  
Interim Chief Financial Officer

Approved by:   
 Seokhee Won  
Chief Executive Officer



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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of income for the three-month period ended 31 March 2017**

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

Code	Note	From		From	
		1/1/2017 to 31/3/2017 VND	1/1/2016 to 31/3/2016 VND	1/1/2017 to 31/3/2017 VND	1/1/2016 to 31/3/2016 VND
01	22	2,024,622,023,675	2,451,699,811,646	2,024,622,023,675	2,451,699,811,646
02	22	25,787,081,394	52,147,424,586	25,787,081,394	52,147,424,586
10	22	1,998,834,942,281	2,399,552,387,060	1,998,834,942,281	2,399,552,387,060
11	23	1,151,080,078,471	1,401,680,021,101	1,151,080,078,471	1,401,680,021,101
20		847,754,863,810	997,872,365,959	847,754,863,810	997,872,365,959
21	24	98,687,645,222	156,502,396,560	98,687,645,222	156,502,396,560
22	25	21,488,597,640	28,799,353,359	21,488,597,640	28,799,353,359
23		20,835,189,811	26,782,697,652	20,835,189,811	26,782,697,652
24		-	3,456,901,037	-	3,456,901,037
25		609,842,529,697	579,817,954,257	609,842,529,697	579,817,954,257
26		186,261,902,325	196,372,924,365	186,261,902,325	196,372,924,365
30		128,849,479,370	352,841,431,575	128,849,479,370	352,841,431,575
31		301,486,353	368,299,717	301,486,353	368,299,717
32		473,737,409	708,914,431	473,737,409	708,914,431
40		(172,251,056)	(340,614,714)	(172,251,056)	(340,614,714)
50		128,677,228,314	352,500,816,861	128,677,228,314	352,500,816,861

(carried forward to next page)

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**Masan Consumer Corporation and its subsidiaries**

**Consolidated statement of income for the three-month period ended 31 March 2017 (continued)**

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

Code	Note	From		From	
		1/1/2017 to 31/3/2017 VND	1/1/2016 to 31/3/2016 VND	1/1/2017 to 31/3/2017 VND	1/1/2016 to 31/3/2016 VND
50		128,677,228,314	352,500,816,861	128,677,228,314	352,500,816,861
	Accounting profit before tax (50 = 30 + 40) (brought forward from previous page)				
51		36,407,737,137	66,849,569,802	36,407,737,137	66,849,569,802
	Income tax expense - current				
52		(12,057,585,926)	(28,226,337,061)	(12,057,585,926)	(28,226,337,061)
	Income tax benefit - deferred				
60		104,327,077,103	313,877,584,120	104,327,077,103	313,877,584,120
	Net profit after tax (60 = 50 - 51 - 52)				
	Attributable to:				
61	Equity holders of the Company	119,567,764,165	328,585,936,822	119,567,764,165	328,585,936,822
62	Non-controlling interests	(15,240,687,062)	(14,708,352,702)	(15,240,687,062)	(14,708,352,702)
	<b>Earnings per share</b>				
70	Basic earnings per share	230	635	230	635

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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of income for the three-month period ended 31 March 2017 (continued)**

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

Code	Proforma (*)		From 1/1/2016 to 31/3/2016 VND	From 1/1/2017 to 31/3/2017 VND	From 1/1/2016 to 31/3/2016 VND
	From 1/1/2017 to 31/3/2017 VND	From 1/1/2016 to 31/3/2016 VND			
Revenue from sales of goods and provision of services	01	2,024,622,023,675	2,451,699,811,646	2,024,622,023,675	2,451,699,811,646
Revenue deductions	02	25,787,081,394	52,147,424,586	25,787,081,394	52,147,424,586
Net revenue (10 = 01 - 02)	10	1,998,834,942,281	2,399,552,387,060	1,998,834,942,281	2,399,552,387,060
Cost of sales	11	1,151,080,078,471	1,401,680,021,101	1,151,080,078,471	1,401,680,021,101
Gross profit (20 = 10 - 11)	20	847,754,863,810	997,872,365,959	847,754,863,810	997,872,365,959
Financial income	21	98,687,645,222	156,502,396,560	98,687,645,222	156,502,396,560
Financial expenses	22	21,488,597,640	28,799,353,359	21,488,597,640	28,799,353,359
Share of profit in an associate	24	-	3,456,901,037	-	3,456,901,037
Selling expenses	25	609,842,529,697	579,817,954,257	609,842,529,697	579,817,954,257
General and administration expenses	26	138,714,568,125	137,579,972,034	138,714,568,125	137,579,972,034
Net operating profit	30	176,396,813,570	411,634,383,906	176,396,813,570	411,634,383,906
{30 = 20 + (21 - 22) + 24 - (25 + 26)}					
Other income	31	301,486,353	368,299,717	301,486,353	368,299,717
Other expenses	32	473,737,409	708,914,431	473,737,409	708,914,431
Results of other activities (40 = 31 - 32)	40	(172,251,056)	(340,614,714)	(172,251,056)	(340,614,714)
Accounting profit before tax (50 = 30 + 40)	50	176,224,562,514	411,293,769,192	176,224,562,514	411,293,769,192
(carried forward to next page)					

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



**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of income for the three-month period ended 31 March 2017 (continued)**

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

Code	Proforma (*)			
	From 1/1/2017 to 31/3/2017 VND	From 1/1/2016 to 31/3/2016 VND	From 1/1/2017 to 31/3/2017 VND	From 1/1/2016 to 31/3/2016 VND
50	176,224,562,514	411,293,769,192	176,224,562,514	411,293,769,192
<b>Accounting profit before tax (50 = 30 + 40)</b> (brought forward from previous page)				
51	36,407,737,137	66,849,569,802	36,407,737,137	66,849,569,802
<b>Income tax expense - current</b>				
52	(7,092,300,464)	(21,677,666,125)	(7,092,300,464)	(21,677,666,125)
<b>Income tax benefit - deferred</b>				
60	146,909,125,841	366,121,865,515	146,909,125,841	366,121,865,515
<b>Net profit after tax (60 = 50 - 51 - 52)</b>				
<b>Attributable to:</b>				
61	155,668,491,330	368,006,038,512	155,668,491,330	368,006,038,512
Equity holders of the Company				
62	(8,759,365,489)	(1,884,172,997)	(8,759,365,489)	(1,884,172,997)
Non-controlling interests				
<b>Earnings per share</b>				
70	299	712	299	712
Basic earnings per share				

(\*) Added-back amortisation of goodwill and fair value adjustments from the acquisition of Vinacafé Bien Hoa Joint Stock Company, Vinh Hao Mineral Water Corporation, Krongfa Joint Stock Company, Saigon Nutri Food Joint Stock Company, Quang Ninh Mineral Water Corporation and CDN Production Trading Corporation.

25 April 2017

  
 Prepared by:

  
 Huynh Viet Thang  
 Chief Accountant

Approved by:

  
 Nguyen Hoang Tung  
 Interim Chief Financial Officer

  
 Sokhee W on  
 Chief Executive Officer

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

**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the three-month period ended 31 March 2017**  
**(Indirect method)**

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

	Code	From 1/1/2017 to 31/3/2017 VND	From 1/1/2016 to 31/3/2016 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>128,677,228,314</b>	<b>352,500,816,861</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	162,557,562,432	160,287,879,762
Allowances and provisions	03	753,419,259	249,611,322
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	(39,236,269)	1,275,604,671
Losses on disposals of fixed assets and construction in progress	05	9,736,531	114,660,369
Interest income from investing activities	05	(98,013,310,955)	(156,050,272,567)
Share of profit in an associate	05	-	(3,456,901,037)
Interest expense	06	20,835,189,811	26,782,697,652
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>214,780,589,123</b>	<b>381,704,097,033</b>
Change in receivables and other current assets	09	(4,174,626,105)	17,055,804,993
Change in inventories	10	(228,372,986,215)	(170,260,343,753)
Change in payables and other liabilities	11	(642,705,752,020)	(349,272,147,676)
Change in prepaid expenses	12	9,863,760,301	6,447,548,843
		<b>(650,609,014,916)</b>	<b>(114,325,040,560)</b>
Interest paid	14	(24,337,060,190)	(27,018,739,953)
Corporate income tax paid	15	(126,155,068,295)	(154,639,340,857)
Other payments for operating activities	17	(15,600,000)	(6,273,239,527)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(801,116,743,401)</b>	<b>(302,256,360,897)</b>

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


**Masan Consumer Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the three-month period ended 31 March 2017**  
**(Indirect method – continued)**


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

	Code	From 1/1/2017 to 31/3/2017 VND	From 1/1/2016 to 31/3/2016 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(157,310,757,497)	(142,107,991,434)
Proceeds from disposals of fixed assets and construction in progress	22	83,492,688	55,945,455
Loans provided	23	-	(3,131,978,712,592)
Collections of loans	24	-	6,729,614,068,000
Placement of term deposits to banks	23	(1,584,018,000,000)	(12,947,000,000,000)
Withdrawal of term deposits from banks	24	1,726,400,000,000	7,785,500,000,000
Payments for acquisition of non-controlling interests in subsidiaries	25	-	(367,595,425,645)
Proceeds from pre-acquisition dividends received from an associate	26	-	5,320,434,000
Receipts of interest	27	79,677,367,531	473,436,992,273
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>64,832,102,722</b>	<b>(1,594,754,689,943)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings from banks	33	1,111,802,830,962	2,037,711,970,937
Payments to settle loan principals to banks	34	(2,840,088,519,729)	(2,044,289,266,367)
Payments of dividends	36	(217,888,400)	(22,290,000)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(1,728,503,577,167)</b>	<b>(6,599,585,430)</b>
<b>Net cash flows during the period (50 = 20 + 30 + 40)</b>	<b>50</b>	<b>(2,464,788,217,846)</b>	<b>(1,903,610,636,270)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>6,914,244,921,330</b>	<b>3,366,663,621,920</b>
<b>Effect of exchange rate fluctuations</b>	<b>61</b>	<b>76,861,209</b>	<b>(660,515,218)</b>
<b>Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>4,449,533,564,693</b>	<b>1,462,392,470,432</b>

25 April 2017

Prepared by: 

  
Huynh Viet Thang  
Chief Accountant

  
Nguyen Hoang Tung  
Interim Chief Financial Officer

Approved by:   
  
Seokhee Won  
Chief Executive Officer

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

**Masan Consumer Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the three-month period ended 31 March 2017**

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

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

**1. Reporting entity**

**(a) Ownership structure**

Masan Consumer Corporation (“the Company”) is a joint stock company incorporated in Vietnam. The consolidated financial statements for the year ended 31 March 2017 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in an associate.

**(b) Principal activities**

The principal activities of the Company are to trade in food products; trade in non-alcoholic drinks and mineral water; advise and execute trade promotion activities and provide architectural and related technical consultancy services under 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.

**Masan Consumer Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the three-month period ended 31 March 2017 (continued)**

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

**(d) Group structure**

As at 31 March 2017, the Group has 4 directly owned subsidiaries, 13 indirectly owned subsidiaries and 1 associate (1/1/2017: 4 directly owned subsidiaries, 13 indirectly owned subsidiaries and 1 associate). Information of the subsidiaries and an associate are described as follows:

Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			31/3/2017	1/1/2017	31/3/2017	1/1/2017
<i>Direct subsidiaries</i>						
Masan Food Company Limited (“MSF”)	Trading and distribution	12th Floor, Kumho Asiana Plaza Saigon – 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
Masan Beverage Company Limited (“MSB”)	Trading and distribution	12th Floor, Kumho Asiana Plaza Saigon – 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
Masan DN One Member Company Limited (“MDN”)	(v) Seasonings, convenience food manufacturing and packaging	Street No.7, Hoa Khanh Industrial Park, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang District, Vietnam	100%	100%	100%	100%
Masan Consumer (Thailand) Limited (“MTH”)	Trading and distribution	4th Floor, Amnuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand	99.99%	99.99%	99.99%	99.99%

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Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			31/3/2017	1/1/2017	31/3/2017	1/1/2017
<b>Indirect subsidiaries</b>						
Masan Industrial One Member Company Limited ("MSI")	(i) Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Di An Ward, Binh Duong Province, Vietnam	100%	100%	100%	100%
Masan HD One Member Company Limited ("MHD")	(i) Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam	100%	100%	100%	100%
Viet Tien Food Technology One Member Company Limited ("VTF")	(i) Seasonings manufacturing	Lot III-10, Street No. 1, Industrial Group III, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
Ma San PQ Corporation ("MPQ")	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam	99.99%	99.99%	99.99%	99.99%
Nam Ngu Phu Quoc One Member Company Limited ("NPQ")	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam	100%	100%	100%	100%
Masan MB One Member Company Limited ("MMB")	(i) Seasonings, convenience food manufacturing and packaging	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Loc District, Nghe An Province, Vietnam	100%	100%	100%	100%
Saigon Nutri Food Joint Stock Company ("SNF")	(i) Convenience food manufacturing and trading	Lot K4, No. 2 Street, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam	99.99%	99.99%	99.99%	99.99%

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Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			31/3/2017	1/1/2017	31/3/2017	1/1/2017
Masan HG One Member Company Limited (“MHG”)	(i) Seasonings, convenience food manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam	100%	100%	100%	100%
Vinacafé Bien Hoa Joint Stock Company (“VCF”)	(ii) Beverage manufacturing and trading	Bien Hoa Industrial Park I, Bien Hoa City, Dong Nai province, Vietnam	68.46%	68.46%	68.46%	68.46%
Vinh Hao Mineral Water Corporation (“VHW”)	(ii) Beverage manufacturing and trading and packaging	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam	88.56%	88.56%	88.56%	88.56%
KronFa., JSC (“KRP”)	(iii) Beverage manufacturing	Km 37, Highway 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam	88.55%	88.55%	99.99%	99.99%
Quang Ninh Mineral Water Corporation (“QNW”)	(ii) Beverage manufacturing and trading	No. 3A, Suoi Mo Town, Bai Chay District, Ha Long City, Quang Ninh Province, Vietnam	65.68%	65.68%	65.68%	65.68%
CDN Production Trading Corporation (“CDN”)	(iv) Beverage manufacturing and trading	No.10, Hung Gia 2 street, District 7, Ho Chi Minh City, Vietnam	58.19%	58.19%	85%	85%
<b>Associate</b>						
Cholimex Food Joint Stock Company	(i) Seasonings manufacturing and trading	Lot C40 – 43/A, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam	32.83%	32.83%	32.83%	32.83%

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- (i) These subsidiaries and an associate are indirectly owned by the Company through Masan Food Company Limited (“MSF”).
- (ii) These subsidiaries are indirectly owned by the Company through Masan Beverage Company Limited (“MSB”).
- (iii) KronFa., JSC is indirectly owned by the Company through Vinh Hao Mineral Water Corporation.
- (iv) CDN Production Trading Corporation is indirectly owned by the Company through VinaCafé Bien Hoa Joint Stock Company.
- (v) Masan DN One Member Company Limited (“MDN”) was established on 12 September 2014 under the Business Registration Certificate No. 0401622417 issued by the Department of Planning and Investment of Da Nang City. The Board of Management Resolution No.7/2016/NQ-HDQT-MSC on 28 March 2016 resolved and approved to liquidate MDN. As at the date of issuance of these consolidated financial statements, the liquidation process of MDN is still in progress.

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

As at 31 March 2017, the Group had 4,428 employees (1/1/2017: 4,625 employees).

## **2. Basis of preparation**

### **(a) Statement of compliance**

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

### **(b) Basis of measurement**

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

### **(c) Annual accounting period**

The annual accounting period of the Group is from 1 January to 31 December. These consolidated financial statements are prepared for the three-month period ended 31 March 2017.

### **(d) Accounting and presentation currency**

The Group’s accounting currency is Vietnam Dong (“VND”) which is also the currency used for financial statement presentation purpose.

### **(e) Corresponding figures**

The corresponding figures as at 1 January 2017 were brought forward from the audited figures as at 31 December 2016.



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**3. Summary of significant accounting policies**

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

**(a) Basis of consolidation**

**(i) Subsidiaries**

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

**(ii) Non-controlling interests**

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

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with shareholders. Prior to 1 January 2015, the difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received is recorded directly in other capital under equity. From 1 January 2015, as a result of the adoption of Circular 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance (“Circular 202”), such difference is recorded directly in undistributed profits after tax under equity.

**(iii) Loss of control**

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

**(iv) Associates (equity accounted investees)**

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

**(v) Transactions eliminated on consolidation**

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from

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transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

**(vi) Business combinations under common control**

Business combination where the same group of shareholders ("the Controlling Shareholders") control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling Shareholders. Such common control business combination is specifically excluded from the scope of Vietnamese Accounting Standard 11 – *Business Combination* and in selecting its accounting policies with respect to such transaction, the Group has considered Vietnamese Accounting Standard 01 – *Framework* and Vietnamese Accounting Standard 21 – *Presentation of Financial Statements*. Based on these standards, the Group has adopted the merger ("carry-over") basis of accounting. The assets and liabilities of the combining companies are consolidated using the existing book values from the Controlling Shareholders' perspective. Prior to 1 January 2015, any difference between the cost of acquisition and net assets value acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in other capital under equity. From 1 January 2015, as a result of the adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity.

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

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

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

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

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

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**(b) Foreign currency**

**(i) 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 rates and selling rates at the end of the accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions.

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

**(ii) Foreign operations**

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

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

**(c) Cash and cash equivalents**

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

**(d) Held-to-maturity investments**

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

**(e) Accounts receivable from customers and other receivables**

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

**(f) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and

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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 selling expenses.

The Group applies the perpetual method of accounting for inventories.

**(g) Tangible fixed assets**

**(i) Cost**

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

**(ii) Depreciation**

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

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

**(h) Intangible fixed assets**

**(i) Land use rights**

Land use rights comprise:

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

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

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**(ii) Software**

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

**(iii) Exploitation rights**

Expenditure on obtaining exploitation rights for mineral water resources is capitalised and treated as an intangible asset. Amortisation is computed on a straight-line basis over their useful lives ranging from 8 to 30 years.

**(iv) Brand name**

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

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

**(v) Customer relationships**

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

**(vi) Mineral water resources**

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

**(i) Construction in progress**

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

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

**(i) Prepaid land costs**

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

**(ii) Goodwill from equitisation**

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

**(iii) Tools and supplies**

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

**(k) Goodwill**

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

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

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

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

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

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**(m) Provisions**

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

***Severance allowance***

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their current salary level.

Provision for severance allowance to be paid to the existing eligible employees as of 31 December 2016 has been made based on the eligible employees’ years of service, being the total employees’ years of service less the number of years for which the employees participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group, if any, and their average salary for the year prior to the end of the accounting period.

**(n) 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) Other capital***

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

***(iii) Treasury shares***

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

**(o) Taxation**

Income tax on the consolidated profit or loss for the period comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items

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recognised directly to equity, in which case it is recognised in equity.

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

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

**(p) Revenue**

**(i) Sale of goods**

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

**(ii) Rental income**

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

**(iii) Provision of services**

Revenue from provision of services is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(q) Financial income and financial expenses**

**(i) Financial income**

Financial income mainly comprise interest income from deposits at banks, interest income from loans and foreign exchange gains.

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



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**(ii) Financial expenses**

Financial expenses mainly comprise interest expenses on borrowings from banks and associated costs 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.

**(r) Operating lease payments**

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

**(s) Earnings per share**

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

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

**(t) Related parties**

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

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

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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**4. Cash and cash equivalents**

	<b>31/3/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	1,334,694,804	2,064,520,061
Cash in banks	99,228,436,555	111,060,401,269
Cash equivalents	4,348,970,433,334	6,801,120,000,000
	<hr/>	<hr/>
	4,449,533,564,693	6,914,244,921,330
	<hr/>	<hr/>

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

**5. Investments**

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

	<b>31/3/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
<b>Held-to-maturity investments - short-term</b>		
▪ Term deposits at banks	1,590,566,841,175	1,732,948,841,175
	<hr/>	<hr/>

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

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**(b) Investment in an associate**

	31/3/2017		1/1/2017	
	Number of shares	% of equity owned and % of voting rights	Number of shares	% of equity owned and % of voting rights
Cholimex Food Joint Stock Company	2,659,217	32.83%	2,659,217	32.83%
				Book value under the equity method
				VND
				249,391,858,906
				249,391,858,906

During the period, the Group does not have any significant transactions with Cholimex Food Joint Stock Company ("CLX").

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**6. Other receivables**

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

	<b>31/3/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Non-trade amounts due from related parties		
▪ Accrual interest receivables	139,519,696,076	114,905,802,559
▪ Other receivables	27,138,989,908	11,546,396,400
Accrued interests receivable from deposits at banks	20,592,425,348	26,870,375,441
Short-term deposits	8,897,206,910	3,932,192,910
Others	7,110,185,333	7,209,282,429
	<hr/>	<hr/>
	203,258,503,575	164,464,049,739
	<hr/>	<hr/>

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

	<b>31/3/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits	19,884,029,340	24,757,902,339
	<hr/>	<hr/>
	19,884,029,340	24,757,902,339
	<hr/>	<hr/>

**7. Short-term loans receivable**

	<b>31/3/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Loans receivable from the parent company	1,663,716,876,592	1,663,716,876,592
	<hr/>	<hr/>

**Masan Consumer Corporation and its subsidiaries**

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**8. Inventories**

	31/3/2017		1/1/2017	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	16,746,156,718	-	23,020,158,807	-
Raw materials	446,985,207,664	(2,599,266,989)	350,142,495,576	(9,590,373,377)
Tools and supplies	73,057,822,230	-	71,745,888,578	-
Work in progress	73,470,812,389	-	67,061,968,283	-
Finished goods	330,542,448,899	(1,454,288,260)	212,346,462,681	(3,512,887,094)
Merchandise inventories	6,791,702,624	-	4,707,314,865	-
	<u>947,594,150,524</u>	<u>(4,053,555,249)</u>	<u>729,024,288,790</u>	<u>(13,103,260,471)</u>

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

	From 1/1/2017 to 31/3/2017 VND	From 1/1/2016 to 31/3/2016 VND
Opening balance	13,103,260,471	16,622,900,983
Increase in allowance during the period	1,002,808,858	1,039,495,370
Allowance utilised during the period	(9,803,124,481)	(11,411,412,144)
Written back	(249,389,599)	(741,851,404)
Closing balance	<u>4,053,555,249</u>	<u>5,509,132,805</u>

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**9. Tangible fixed assets**

	Buildings VND	Leasehold improvements VND	Office equipment VND	Machinery and equipment VND	Motor vehicles VND	Total VND
<b>Cost</b>						
Opening balance	1,324,954,035,367	62,791,110,984	63,408,917,510	3,211,564,534,175	32,162,488,959	4,694,881,086,995
Additions	122,662,991	-	-	534,328,000	75,821,200	732,812,191
Transfer from construction in progress	1,138,816,152	-	-	15,844,937,634	185,000,000	17,168,753,786
Disposals	(2,388,767,724)	-	(481,321,779)	(570,831,698)	(666,403,556)	(4,107,324,757)
Closing balance	1,323,826,746,786	62,791,110,984	62,927,595,731	3,227,372,968,111	31,756,906,603	4,708,675,328,215
<b>Accumulated depreciation</b>						
Opening balance	234,785,355,878	19,484,246,535	32,794,245,843	1,258,023,912,009	17,682,965,730	1,562,770,725,995
Charge for the period	18,339,095,929	2,612,927,272	2,008,475,189	85,738,287,251	1,082,165,422	109,780,951,063
Disposals	(2,376,938,195)	-	(474,788,437)	(522,978,850)	(666,403,556)	(4,041,109,038)
Closing balance	250,747,513,612	22,097,173,807	34,327,932,595	1,343,239,220,410	18,098,727,596	1,668,510,568,020
<b>Net book value</b>						
Opening balance	1,090,168,679,489	43,306,864,449	30,614,671,667	1,953,540,622,166	14,479,523,229	3,132,110,361,000
Closing balance	1,073,079,233,174	40,693,937,177	28,599,663,136	1,884,133,747,701	13,658,179,007	3,040,164,760,195

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**10. Intangible fixed assets**

	Land use rights		Software		Exploitation rights		Brand name		Customer relationships		Mineral water resources		Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
<b>Cost</b>														
Opening balance	119,085,818,402	290,444,510,787	117,800,213,296	758,354,816,571	404,114,911,701	412,697,763,511	2,102,498,034,268							
Additions	-	-	40,000,000	-	-	-	40,000,000							40,000,000
Written off	-	(558,116,240)	-	-	-	-	-							(558,116,240)
Closing balances	119,085,818,402	289,886,394,547	117,840,213,296	758,354,816,571	404,114,911,701	412,697,763,511	2,101,979,918,028							
<b>Accumulated amortisation</b>														
Opening balance	26,068,492,542	63,380,703,674	7,817,687,894	318,335,873,925	344,785,103,101	29,528,450,556	789,916,311,692							
Charge for the period	951,667,719	8,868,192,772	1,514,968,135	16,723,217,127	2,034,710,310	5,483,667,069	35,576,423,132							
Written off	-	(531,102,740)	-	-	-	-	(531,102,740)							
Closing balance	27,020,160,261	71,717,793,706	9,332,656,029	335,059,091,052	346,819,813,411	35,012,117,625	824,961,632,084							
<b>Net book value</b>														
Opening balance	93,017,325,860	227,063,807,113	109,982,525,402	440,018,942,646	59,329,808,600	383,169,312,955	1,312,581,722,576							
Closing balance	92,065,658,141	218,168,600,841	108,507,557,267	423,295,725,519	57,295,098,290	377,685,645,886	1,277,018,285,944							

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**11. Construction in progress**

	<b>From 1/1/2017 to 31/3/2017 VND</b>
Opening balance	371,351,502,339
Additions during the period	106,337,304,825
Transfer to tangible fixed assets	(17,168,753,786)
Net transfer to long-term prepaid expenses	(5,799,518,592)
	<hr/>
Closing balance	454,720,534,786
	<hr/>

**12. Long-term prepaid expenses**

	<b>Prepaid land costs VND</b>	<b>Tools and supplies VND</b>	<b>Goodwill from equitization VND</b>	<b>Total VND</b>
Opening balance	85,372,636,895	79,647,109,247	28,209,340,381	193,229,086,523
Additions	-	1,953,814,553	-	1,953,814,553
Net transfer from construction in progress	-	5,799,518,592	-	5,799,518,592
Amortisation for the period	(512,034,699)	(9,559,976,309)	(783,592,788)	(10,855,603,796)
Disposals	-	(15,750,000)	-	(15,750,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Closing balance	84,860,602,196	77,824,716,083	27,425,747,593	190,111,065,872
	<hr/>	<hr/>	<hr/>	<hr/>



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**13. Goodwill**

	<b>From 1/1/2017 to 31/3/2017 VND</b>
<b>Cost</b>	
Opening balance	693,961,414,227
Closing balance	693,961,414,227
<b>Accumulated amortisation</b>	
Opening balance	269,425,155,287
Charge for the period	17,200,188,237
Closing balance	286,625,343,524
<b>Net book value</b>	
Opening balance	424,536,258,940
Closing balance	407,336,070,703

**14. Accounts payable to suppliers**

**Accounts payable to suppliers classified by payment term**

	31/3/2017		1/1/2017	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Short-term	488,050,848,963	488,050,848,963	708,987,463,602	708,987,463,602
Long-term	78,525,018,000	78,525,018,000	88,334,503,000	88,334,503,000
	566,575,866,963	566,575,866,963	797,321,966,602	797,321,966,602

**15. Taxes payable to State Treasury**

	31/3/2017 VND	1/1/2017 VND
Value added tax	30,441,120,802	142,285,775,265
Corporate income tax	76,175,057,103	165,922,388,261
Personal income tax	3,542,188,779	3,257,586,774
Other taxes	1,777,707,033	1,285,214,101
	111,936,073,717	312,750,964,401

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**16. Accrued expenses**

	<b>31/3/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Advertising and promotion expenses	283,729,182,915	572,533,158,360
Logistic expenses	74,554,888,124	92,335,239,793
Exhibition expense	10,090,808,431	19,595,353,810
Bonus and 13th month salary	30,086,449,768	88,970,497,961
Sales discounts	16,694,240,426	29,710,794,483
Market research expenses	14,058,090,793	16,534,099,796
Accrued interest expenses	2,285,115,509	5,786,985,888
Construction in progress	5,750,643,576	26,528,811,619
Purchases not yet received invoices	64,664,218,521	29,565,152,100
Others	73,799,426,809	77,143,202,534
	<hr/>	<hr/>
	575,713,064,872	958,703,296,344
	<hr/>	<hr/>

**17. Other payables**

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

	<b>31/3/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Trade union fees, social insurance, health insurance and unemployment insurance	18,191,982,502	12,599,617,645
Short-term deposits	5,068,220,737	5,108,373,944
Others	31,516,701,205	9,753,097,961
	<hr/>	<hr/>
	54,776,904,444	27,461,089,550
	<hr/>	<hr/>

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

	<b>31/3/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits	<hr/> 20,579,521,718	<hr/> 22,360,630,839
	<hr/>	<hr/>

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**18. Borrowings**

**(a) Short-term borrowings**

	31/3/2017		1/1/2017	
	Carrying amount VND	Amount within repayment capacity VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	1,096,930,961,985	1,096,930,961,985	2,804,302,605,157	2,804,302,605,157
Current portion of long-term borrowings	83,656,182,380	83,656,182,380	83,656,182,380	83,656,182,380
	<u>1,180,587,144,365</u>	<u>1,180,587,144,365</u>	<u>2,887,958,787,537</u>	<u>2,887,958,787,537</u>

**(b) Long-term borrowings**

	31/3/2017 VND	1/1/2017 VND
Long-term borrowings	272,598,314,031	293,512,359,626
Repayable within twelve months	(83,656,182,380)	(83,656,182,380)
Repayable after twelve months	<u>188,942,131,651</u>	<u>209,856,177,246</u>

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**19. Changes in owners' equity**

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment-development fund VND	Undistributed profit after tax VND	Non-controlling interests VND	Total VND
Balance at 1 January 2016	5,351,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	-	22,731,972,844	2,984,708,427,270	1,274,377,326,585	12,815,447,003,430
Net profit for the period	-	-	-	-	-	-	328,585,936,822	(14,708,352,702)	313,877,584,120
Acquisition of NCI	-	-	-	-	-	-	(162,661,840,291)	(241,855,949,077)	(404,517,789,368)
Payment for Board of Directors fees of a subsidiary	-	-	-	-	-	-	(551,013,461)	(336,772,589)	(887,786,050)
Balance at 31 March 2016	5,351,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	-	22,731,972,844	3,150,081,510,340	1,017,476,252,217	12,723,919,012,132
Balance at 1 January 2017	5,381,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	(2,253,725,216)	22,731,972,844	2,434,650,312,379	909,680,511,323	11,928,438,348,061
Net profit for the period	-	-	-	-	-	-	119,567,764,165	(15,240,687,062)	104,327,077,103
Foreign exchange differences	-	-	-	-	81,742,069	-	-	168	81,742,237
Balance at 31 March 2017	5,381,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	(2,171,983,147)	22,731,972,844	2,554,218,076,544	894,439,824,429	12,032,847,167,401

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**20. Share capital, share premium and treasury shares**

The Company's authorised and issued share capital are:

	31/3/2017		1/1/2017	
	Number of shares	VND	Number of shares	VND
<b>Authorised and issued share capital</b>				
Ordinary shares	538,160,117	5,381,601,170,000	538,160,117	5,381,601,170,000
<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	520,160,117	5,201,601,170,000	520,160,117	5,201,601,170,000
<b>Share premium</b>	-	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 in shares currently in circulation during the period were as follows:

	From 1/1/2017 to 31/3/2017		From 1/1/2016 to 31/3/2016	
	Number of shares	Par value VND	Number of shares	Par value VND
Opening balance - currently in circulation	520,160,117	5,201,601,170,000	517,160,117	5,171,601,170,000
Closing balance - currently in circulation	520,160,117	5,201,601,170,000	517,160,117	5,171,601,170,000

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**21. Off balance sheet items**

**Foreign currencies**

	31/3/2017		1/1/2017	
	Original currency	Equivalent VND	Original currency	Equivalent VND
USD	167,072	3,793,746,163	616,066	13,997,015,659
THB	91,371,695	58,843,371,683	97,959,692	60,637,049,233
		62,637,117,846		74,634,064,892

**22. Revenue from sales of goods and provision of services**

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

Net revenue comprised:

	<b>From 1/1/2017 to 31/3/2017 VND</b>	<b>From 1/1/2016 to 31/3/2016 VND</b>
Total revenue	2,024,622,023,675	2,451,699,811,646
Less revenue deductions		
▪ Sales discounts	16,494,876,137	32,172,264,775
▪ Sales returns	9,292,205,257	19,975,159,811
Net revenue	1,998,834,942,281	2,399,552,387,060

**23. Cost of sales**

	<b>From 1/1/2017 to 31/3/2017 VND</b>	<b>From 1/1/2016 to 31/3/2016 VND</b>
Total cost of sales		
▪ Goods sold	1,150,326,659,212	1,401,382,377,135
▪ Allowance for inventories	753,419,259	297,643,966
	1,151,080,078,471	1,401,680,021,101

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**24. Financial income**

	<b>From 1/1/2017 to 31/3/2017 VND</b>	<b>From 1/1/2016 to 31/3/2016 VND</b>
Interest income from deposits to banks	73,399,417,438	66,758,552,277
Interest income from financial activities	24,613,893,517	89,291,720,290
Foreign exchange gains	674,334,267	452,123,993
	98,687,645,222	156,502,396,560
	98,687,645,222	156,502,396,560

**25. Financial expenses**

	<b>From 1/1/2017 to 31/3/2017 VND</b>	<b>From 1/1/2016 to 31/3/2016 VND</b>
Interest expense on borrowings from banks	20,835,189,811	26,782,697,652
Foreign exchange losses	653,407,829	2,016,655,707
	21,488,597,640	28,799,353,359
	21,488,597,640	28,799,353,359

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**26. Basic earnings per share**

*(i) Net profit attributable to ordinary shareholders*

	<b>From 1/1/2017 to 31/3/2017 VND</b>	<b>From 1/1/2016 to 31/3/2016 VND</b>
Net profit attributable to ordinary shareholders	119,567,764,165	328,585,936,822

*(ii) Weighted average number of ordinary shares*

	<b>From 1/1/2017 to 31/3/2017</b>	<b>From 1/1/2016 to 31/3/2016</b>
Issued ordinary shares at the beginning of the period - currently in circulation	520,160,117	517,160,117
Weighted average number of ordinary shares at the end of the period - currently in circulation	520,160,117	517,160,117

*(iii) Basic earnings per share*

	<b>From 1/1/2017 to 31/3/2017 VND</b>	<b>From 1/1/2016 to 31/3/2016 VND</b>
Basic earnings per share	230	635



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**27. Significant transactions with related parties**

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

Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		From 1/1/2017 to 31/3/2017	From 1/1/2016 to 31/3/2016	31/3/2017	1/1/2017
		VND	VND	VND	VND
<b>Parent company</b>					
MasanConsumerHoldings Company limited	Interest income from loans	24,613,893,517	33,979,823,841	139,519,696,076	114,905,802,559
	Loan provided	-	-	1,663,716,876,592	1,663,716,876,592
<b>Other related parties</b>					
Cholimex Food Joint Stock Company	Pre-acquired Dividends received	-	5,320,434,000	-	-
Masan Brewery PY One Member Company limited	Sales of merchandise inventories	4,311,230	-	-	5,644,586
Masan Brewery Distribution One Member Company limited	Sales of merchandise inventories	777,165,114	-	-	-
	Purchases of goods	980,531,275	-	(11,350,601)	-
	Management support charge	12,418,915,801	11,569,062,913	44,701,570,523	31,752,716,796
Masan Brewery HG One Member Company limited	Sales of merchandise inventories	4,703,160	-	-	6,107,257
	Management support charge	648,342,519	668,722,160	4,475,270,272	3,826,927,753
	Payment on behalf of land rental fee	-	-	11,546,396,400	11,546,396,400

**Masan Consumer Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the three-month period ended 31 March 2017 (continued)**

**Form B 09a – DN/HN**

*(Issued under Circulars No. 202/2014/TT-BTC*

*dated 22 December 2014 of the Ministry of Finance)*

Relationships	Transaction value		Receivables/(payables) as at	
	From 1/1/2017 to 31/3/2017	From 1/1/2016 to 31/3/2016	31/3/2017	1/1/2017
	VND	VND	VND	VND
<b>Key management personnel</b>				
Nature of transactions				
Remuneration to key management personnel (*)	8,472,203,617	8,552,363,380	-	-

(\*) No board fees were paid to Board of Directors members of the Company for the periods ended 31 March 2017 and 31 March 2016.

## 28. Explanation of profit

Net Profit After Tax (“NPAT”) of the quarter 1 2017 decreased by 210 billion VND compared to similar period last year, equivalent to 66.8% decrease. The key drivers for this movement were:



- Net revenue decreased by 16.7%; and
- Net financial activities decreased by 39.5% as compared to quarter 1 2016 driven by lower finance income.

## 29. Subsequent event after the balance sheet date

The Annual General Meeting of Shareholders of the Company on 20 April 2017 resolved to distribute dividends by cash 45% (corresponding to 4,500 VND/share).


Except for the above events, there has been no other significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.

25 April 2017

  
Prepared by: 

Huynh Viet Thang  
Chief Accountant

Approved by:

  
Nguyen Hoang Tung  
Interim Chief Financial Officer



  
Seokhee Won  
Chief Executive Officer