

Masan Consumer Corporation and its subsidiaries
Consolidated Financial Statement
for the nine-month period ended 30 September 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 2 August 2017. The Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Mr Truong Cong Thang	Chairman (from 23 June 2017)
Mr Nguyen Dang Quang	Member (from 23 June 2017)
	Chairman (until 23 June 2017)
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

12th Floor, MPlaza 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 30 September 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	30/9/2017 VND	1/1/2017 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		4,956,314,656,746	11,519,694,860,637
Cash and cash equivalents	110	4	2,316,433,603,134	6,914,244,921,330
Cash	111		38,720,603,134	113,124,921,330
Cash equivalents	112		2,277,713,000,000	6,801,120,000,000
Short-term financial investments	120		1,061,358,000,000	1,732,948,841,175
Held-to-maturity investments	123	5(a)	1,061,358,000,000	1,732,948,841,175
Accounts receivable – short-term	130		422,482,819,587	2,121,205,426,935
Accounts receivable from customers	131		223,859,648,585	232,759,444,755
Prepayments to suppliers	132		98,055,048,640	61,482,083,206
Short-term loans receivable	135	7	-	1,663,716,876,592
Other short-term receivables	136	6(a)	100,645,021,275	164,464,049,739
Allowance for doubtful debts	137		(76,898,913)	(1,217,027,357)
Inventories	140	8	1,094,518,048,203	715,921,028,319
Inventories	141		1,096,804,860,454	729,024,288,790
Allowance for inventories	149		(2,286,812,251)	(13,103,260,471)
Other current assets	150		61,522,185,822	35,374,642,878
Short-term prepaid expenses	151		37,578,314,995	19,718,137,599
Deductible value added tax	152		23,943,870,827	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 30 September 2017 (continued)

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

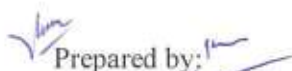
	Code	Note	30/9/2017 VND	1/1/2017 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		10,737,270,754,036	5,858,131,385,763
Accounts receivable – long-term	210		5,077,324,295,271	24,757,902,339
Long-term loans receivable	215	7	4,823,216,876,592	-
Other long-term receivables	216	6(b)	254,107,418,679	24,757,902,339
Fixed assets	220		4,418,208,110,448	4,444,692,083,576
Tangible fixed assets	221	9	3,211,143,116,163	3,132,110,361,000
<i>Cost</i>	222		5,085,763,625,923	4,694,881,086,995
<i>Accumulated depreciation</i>	223		(1,874,620,509,760)	(1,562,770,725,995)
Intangible fixed assets	227	10	1,207,064,994,285	1,312,581,722,576
<i>Cost</i>	228		2,102,906,020,207	2,102,498,034,268
<i>Accumulated depreciation</i>	229		(895,841,025,922)	(789,916,311,692)
Long-term work in progress	240		290,943,041,539	371,351,502,339
Construction in progress	242	11	290,943,041,539	371,351,502,339
Long-term financial investments	250		249,391,858,906	249,391,858,906
Investment in an associate	252	5(b)	249,391,858,906	249,391,858,906
Other long-term assets	260		701,403,447,872	767,938,038,603
Long-term prepaid expenses	261	12	185,562,569,854	193,229,086,523
Deferred tax assets	262		142,905,183,789	150,172,693,140
Goodwill	269	13	372,935,694,229	424,536,258,940
TOTAL ASSETS (270 = 100 + 200)	270		15,693,585,410,782	17,377,826,246,400

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

Masan Consumer Corporation and its subsidiaries
Consolidated balance sheet as at 30 September 2017 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
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	Code	Note	30/9/2017 VND	1/1/2017 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		4,738,550,320,727	5,449,387,898,339
Current liabilities	310		4,357,299,900,833	4,942,371,387,944
Accounts payable to suppliers – short-term	311	14	641,045,514,387	708,987,463,602
Advances from customers	312		44,742,514,868	18,887,115,066
Taxes payable to State Treasury	313	15	191,729,851,029	312,750,964,401
Payables to employees	314		49,598,173,681	4,383,144,705
Accrued expenses	315	16	792,514,752,323	958,703,296,344
Other short-term payables	319	17(a)	33,348,025,529	27,461,089,550
Short-term borrowings	320	18(a)	2,581,199,142,277	2,887,958,787,537
Bonus and welfare funds	322		23,121,926,739	23,239,526,739
Long-term liabilities	330		381,250,419,894	507,016,510,395
Accounts payable to suppliers – long-term	331	14	78,525,018,000	88,334,503,000
Other long-term payables	337	17(b)	21,956,126,719	22,360,630,839
Long-term borrowings	338	18(b)	109,712,364,751	209,856,177,246
Deferred tax liabilities	341		162,458,924,674	177,354,781,060
Provisions – long-term	342		8,597,985,750	9,110,418,250
EQUITY (400 = 410)	400		10,955,035,090,055	11,928,438,348,061
Owners' equity	410	19	10,955,035,090,055	11,928,438,348,061
Share capital	411	20	5,431,327,770,000	5,381,601,170,000
- Ordinary shares with voting rights	411a		5,431,327,770,000	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		2,425,163,060	(2,253,725,216)
Investment and development fund	418		22,731,972,844	22,731,972,844
Undistributed profit after tax	421		1,361,395,510,713	2,434,650,312,379
- Undistributed profit after tax brought forward	421a		93,929,785,879	326,210,121,712
- Undistributed profit after tax for the current period	421b		1,267,465,724,834	2,108,440,190,667
Non-controlling interests	429		955,126,566,707	909,680,511,323
TOTAL RESOURCES	440		15,693,585,410,782	17,377,826,246,400
(440 = 300 + 400)				

Prepared by: 


 Huynh Viet Thang
 Chief Accountant

30 October 2017


 Pham Dinh Toai
 Acting 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 nine-month period ended 30 September 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	Quarter III		Year to date	
			2017 VND	2016 VND	2017 VND	2016 VND
Revenue from sales of goods and provision of services	01	22	3,367,621,795,639	3,335,165,859,567	8,954,093,303,770	9,242,448,206,403
Revenue deductions	02	22	39,253,011,884	38,205,259,894	163,360,256,861	141,946,532,112
Net revenue (10 = 01 - 02)	10	22	3,328,368,783,755	3,296,960,599,673	8,790,733,046,909	9,100,501,674,291
Cost of sales	11	23	1,774,020,247,875	1,749,003,275,967	4,813,141,719,231	5,062,775,956,090
Gross profit (20 = 10 - 11)	20		1,554,348,535,880	1,547,957,323,706	3,977,591,327,678	4,037,725,718,201
Financial income	21	24	114,363,968,509	101,102,113,613	323,608,639,158	374,055,710,084
Financial expenses	22	25	40,206,676,338	31,357,730,454	96,544,337,483	85,985,835,078
<i>In which: Interest expense</i>	23		40,310,261,247	31,461,095,279	94,474,065,220	85,160,149,939
Share of profit in an associate	24		-	3,191,141,463	5,318,434,000	6,648,042,500
Selling expenses	25		662,056,850,786	596,297,618,607	2,154,323,280,309	1,798,775,944,081
General and administration expenses	26		173,364,042,348	219,493,432,446	551,482,634,466	629,651,265,023
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		793,084,934,917	805,101,797,275	1,504,168,148,578	1,904,016,426,603
Other income	31		250,768,366	462,927,445	1,148,043,215	3,086,426,005
Other expenses	32		1,614,431,375	(178,509,038)	2,857,360,089	3,343,916,517
Results of other activities (40 = 31 - 32)	40		(1,363,663,009)	641,436,483	(1,709,316,874)	(257,490,512)
Accounting profit before tax (50 = 30 + 40) (carried forward to next page)	50		791,721,271,908	805,743,233,758	1,502,458,831,704	1,903,758,936,091

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Masan Consumer Corporation and its subsidiaries

Consolidated statement of income for the nine-month period ended 30 September 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	Quarter III		Year to date	
			2017 VND	2016 VND	2017 VND	2016 VND
Accounting profit before tax (50 = 30 + 40) (brought forward from previous page)	50		791,721,271,908	805,743,233,758	1,502,458,831,704	1,903,758,936,091
Income tax expense - current	51		86,198,079,891	86,237,627,989	193,657,848,091	246,397,257,545
Income tax (benefit)/expense - deferred	52		15,608,613,224	508,348,164	(7,628,347,035)	(26,554,017,940)
Net profit after tax (60 = 50 - 51 - 52)	60		689,914,578,793	718,997,257,605	1,316,429,330,648	1,683,915,696,486
Attributable to:						
Equity holders of the Company	61		649,040,213,521	683,865,663,529	1,267,093,713,438	1,646,426,278,890
Non-controlling interests	62		40,874,365,272	35,131,594,076	49,335,617,210	37,489,417,596
Earnings per share						
Basic earnings per share	70	26	1,244	1,320	2,429	3,177

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Masan Consumer Corporation and its subsidiaries

Consolidated statement of income for the nine-month period ended 30 September 2017 (continued)

Form B 02a – DN/HN

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

Proforma (*)

	Code	Quarter III		Year to date	
		2017 VND	2016 VND	2017 VND	2016 VND
Revenue from sales of goods and provision of services	01	3,367,621,795,639	3,335,165,859,567	8,954,093,303,770	9,242,448,206,403
Revenue deductions	02	39,253,011,884	38,205,259,894	163,360,256,861	141,946,532,112
Net revenue (10 = 01 - 02)	10	3,328,368,783,755	3,296,960,599,673	8,790,733,046,909	9,100,501,674,291
Cost of sales	11	1,774,020,247,875	1,749,003,275,967	4,813,141,719,231	5,062,775,956,090
Gross profit (20 = 10 - 11)	20	1,554,348,535,880	1,547,957,323,706	3,977,591,327,678	4,037,725,718,201
Financial income	21	114,363,968,509	101,102,113,613	323,608,639,158	374,055,710,084
Financial expenses	22	40,206,676,338	31,357,730,454	96,544,337,483	85,985,835,078
Share of profit in an associate	24	-	3,191,141,463	5,318,434,000	6,648,042,500
Selling expenses	25	662,056,850,786	596,297,618,607	2,154,323,280,309	1,798,775,944,081
General and administration expenses	26	125,816,708,148	160,021,077,438	408,840,631,866	452,366,537,794
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30	840,632,269,117	864,574,152,283	1,646,810,151,178	2,081,301,153,832
Other income	31	250,768,366	462,927,445	1,148,043,215	3,086,426,005
Other expenses	32	1,614,431,375	(178,509,038)	2,857,360,089	3,343,916,517
Results of other activities (40 = 31 - 32)	40	(1,363,663,009)	641,436,483	(1,709,316,874)	(257,490,512)
Accounting profit before tax (50 = 30 + 40) (carried forward to next page)	50	839,268,606,108	865,215,588,766	1,645,100,834,304	2,081,043,663,320

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Masan Consumer Corporation and its subsidiaries
Consolidated statement of income for the nine-month period ended 30 September 2017 (continued)

Form B 02a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
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	Code	<u>Proforma (*)</u>			
		Quarter III		Year to date	
		2017 VND	2016 VND	2017 VND	2016 VND
Accounting profit before tax (50 = 30 + 40) (brought forward from previous page)	50	839,268,606,108	865,215,588,766	1,645,100,834,304	2,081,043,663,320
Income tax expense - current	51	86,198,079,891	86,237,627,989	193,657,848,091	246,397,257,545
Income tax (benefit)/expense - deferred	52	20,573,898,686	7,057,019,100	7,267,509,351	(6,908,005,132)
Net profit after tax (60 = 50 - 51 - 52)	60	732,496,627,531	771,920,941,677	1,444,175,476,862	1,841,554,410,907
Attributable to:					
Equity holders of the Company	61	685,143,822,844	723,862,303,348	1,375,398,777,090	1,765,567,159,057
Non-controlling interests	62	47,352,804,687	48,058,638,329	68,776,699,772	75,987,251,850
Earnings per share					
Basic earnings per share	70	1,313	1,397	2,637	3,407

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

30 October 2017

Prepared by: 


Huynh Viet Thang
Chief Accountant


Pham Dinh Toai
Acting 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 cash flows for the nine-month period ended 30 September 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	For the nine-month period ended	
		30/9/2017	30/9/2016
		VND	VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	1,502,458,831,704	1,903,758,936,091
Adjustments for			
Depreciation and amortisation	02	496,614,457,399	501,799,559,715
Allowances and provisions	03	15,843,109,009	32,819,295,348
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	346,990,424	(864,069,407)
Losses on disposals of fixed assets and construction in progress	05	1,789,156,278	1,883,458,698
Interest income from investing activities	05	(322,113,528,944)	(369,987,370,772)
Share of profit in an associate	05	(5,318,434,000)	(6,648,042,500)
Interest expense	06	94,474,065,220	85,160,149,939
Operating profit before changes in working capital	08	1,784,094,647,090	2,147,921,917,112
Change in receivables and other current assets	09	(76,153,189,443)	37,489,971,852
Change in inventories	10	(394,976,061,393)	(371,440,110,441)
Change in payables and other liabilities	11	(243,631,187,001)	(359,964,470,309)
Change in prepaid expenses	12	7,310,324,326	23,475,236,900
		1,076,644,533,579	1,477,482,545,114
Interest paid	14	(95,985,932,399)	(83,123,684,138)
Corporate income tax paid	15	(229,298,531,195)	(288,735,440,202)
Other payments for operating activities	17	(117,600,000)	(13,340,423,736)
Net cash flows from operating activities	20	751,242,469,985	1,092,282,997,038

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 nine-month period ended 30 September 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	For the nine-month period ended	
		30/9/2017	30/9/2016
		VND	VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(372,219,831,249)	(420,525,743,772)
Proceeds from disposals of fixed assets and other long-term assets	22	1,237,914,676	2,942,451,184
Loans provided and other investments	23	(5,246,905,000,000)	(3,559,078,712,592)
Collections of loans	24	-	6,729,614,068,000
Placement of term deposits to banks	23	(2,107,876,000,000)	(29,116,601,000,000)
Withdrawal of term deposits from banks	24	3,679,466,841,175	27,570,900,000,000
Acquisition of a subsidiary, net of cash acquired	25	-	(11,555,624,763)
Payments for acquisition of non-controlling interests in subsidiaries	25	-	(392,281,424,762)
Proceeds from pre-acquisition dividends received from an associate	26	-	5,320,434,000
Receipts of interest and dividend	27	203,966,703,564	638,308,139,548
Net cash flows from investing activities	30	(3,842,329,371,834)	1,447,042,586,843
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share capital issued	31	49,726,600,000	30,000,000,000
Proceeds from capital contribution in a subsidiary by non-controlling interest	31	-	134,010
Payments for shares repurchased in a subsidiary	32	(247,200,000)	-
Proceeds from bank borrowings	33	5,138,071,549,656	5,890,624,244,577
Payments to settle loan principals to banks	34	(5,544,975,007,411)	(5,493,433,349,826)
Payments of dividends	36	(1,153,987,434,100)	(1,001,042,646,800)
Net cash flows from financing activities	40	(1,511,411,491,855)	(573,851,618,039)
Net cash flows during the period (50 = 20 + 30 + 40)	50	(4,602,498,393,704)	1,965,473,965,842
Cash and cash equivalents at the beginning of the period	60	6,914,244,921,330	3,366,663,621,920
Effect of exchange rate fluctuations	61	4,687,075,508	(739,852,608)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	2,316,433,603,134	5,331,397,735,154

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Masan Consumer Corporation and its subsidiaries
Consolidated statement of cash flows for the nine-month period ended 30 September 2017
(Indirect method – continued)

Form B 03a – DN/HN
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NON-CASH INVESTING AND FINANCING TRANSACTION

	For the nine-month period ended	
	30/9/2017	30/9/2016
	VND	VND
♦ Net-off dividend payable with loan receivable from the parent company	1,187,405,000,000	1,889,261,836,000

Prepared by: 

Huynh Viet Thang
Chief Accountant

30 October 2017

Approved by: 

Pham Dinh Toai
Acting Chief Financial Officer


Seokhee Won
Chief Executive Officer

Masan Consumer Corporation and its subsidiaries
Notes to the consolidated financial statements for the nine-month period ended 30
September 2017

Form B 09a – DN/HN
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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 nine-month period ended 30 September 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 nine-month period ended 30 September 2017 (continued)

Form B 09a – DN/HN

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(d) Group structure

As at 30 September 2017, the Group has 3 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	
			30/9/2017	1/1/2017	30/9/2017	1/1/2017
<i>Direct subsidiaries</i>						
Masan Food Company Limited ("MSF")	Trading and distribution	12th Floor, MPlaza 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, MPlaza Saigon – 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%	100%	100%
Masan ĐN 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%
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%

Masan Consumer Corporation and its subsidiaries

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Name		Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
				30/9/2017	1/1/2017	30/9/2017	1/1/2017
Indirect subsidiaries							
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	
				30/9/2017	1/1/2017	30/9/2017	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	65.85%	65.68%	65.85%	65.68%
CDN Production Trading Corporation (“CDN”)	(iv)	Beverage manufacturing and trading	Lot C I.III-3+5+7, Long Thanh Industrial Park, Tam An Commune, Long Thanh District, Dong Nai Province, Vietnam	58.19%	58.19%	85%	85%
Associate							
Cholimex Food Joint Stock Company	(i)	Seasonings manufacturing and trading	Lot C40 – 43/I, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam	32.83%	32.83%	32.83%	32.83%

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- (i) These subsidiaries and an associate are indirectly owned by the Company through Masan Food Company Limited (“MSF”).
- (ii) These subsidiaries are indirectly owned by the Company through Masan Beverage Company Limited (“MSB”).
- (iii) KronFa., JSC is indirectly owned by the Company through Vinh Hao Mineral Water Corporation.
- (iv) CDN Production Trading Corporation is indirectly owned by the Company through VinaCafé Bien Hoa Joint Stock Company.
- (v) Masan ĐN 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 Director Resolution No.7/2017/NQ-HDQT on 28 April 2017 resolved and approved to dissolve MDN. As at the date of issuance of these consolidated financial statements, the dissolution of MDN has been completed.

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

As at 30 September 2017, the Group had 4,431 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 nine-month period ended 30 September 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 30 September 2017 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, foreign exchange gains and other financial investments.

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

	30/9/2017	1/1/2017
	VND	VND
Cash on hand	501,696,370	2,064,520,061
Cash in banks	38,218,906,764	111,060,401,269
Cash equivalents	2,277,713,000,000	6,801,120,000,000
	<hr/>	<hr/>
	2,316,433,603,134	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

	30/9/2017	1/1/2017
	VND	VND
Held-to-maturity investments - short-term	1,061,358,000,000	1,732,948,841,175
	<hr/>	<hr/>
	1,061,358,000,000	1,732,948,841,175
	<hr/>	<hr/>

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

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(b) Investment in an associate

	30/9/2017			1/1/2017		
	Number of shares	% of equity owned and % of voting rights	Book value under the equity method VND	Number of shares	% of equity owned and % of voting rights	Book value under the equity method VND
Cholimex Food Joint Stock Company	2,659,217	32.83%	249,391,858,906	2,659,217	32.83%	249,391,858,906

Movement in carrying amount of investment in an associate of the Group during the period were as follows:

	Cholimex Food Joint Stock Company VND
Carrying amount of investment in an associate at the beginning of the period	249,391,858,906
Share of post-acquisition profit in an associate during the period	5,318,434,000
Dividends shared from an associate during the period	(5,318,434,000)
Carrying amount of investment in an associate at the end of the period	249,391,858,906

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6. Other receivables

(a) Other short-term receivables

	30/9/2017	1/1/2017
	VND	VND
Non-trade amounts due from related parties		
▪ Accrual interest receivables	-	114,905,802,559
▪ Other receivables	54,064,554,043	11,546,396,400
Accrued interests receivable	15,548,017,543	26,870,375,441
Short-term deposits	23,772,990,440	3,932,192,910
Other receivables	7,259,459,249	7,209,282,429
	<hr/>	<hr/>
	100,645,021,275	164,464,049,739
	<hr/>	<hr/>

(b) Other long-term receivables

	30/9/2017	1/1/2017
	VND	VND
Accrued interest receivable from a related party	249,693,419,837	-
Long-term deposits	4,413,998,842	24,757,902,339
	<hr/>	<hr/>
	254,107,418,679	24,757,902,339
	<hr/>	<hr/>

7. Short-term loans receivable

Loans receivable from a related party

	30/9/2017	1/1/2017
	VND	VND
Short-term	-	1,663,716,876,592
Long-term	4,823,216,876,592	-
	<hr/>	<hr/>

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	30/9/2017		1/1/2017	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	33,668,406,440	-	23,020,158,807	-
Raw materials	580,029,324,088	(265,010,501)	350,142,495,576	(9,590,373,377)
Tools and supplies	78,206,593,351	-	71,745,888,578	-
Work in progress	77,925,775,823	-	67,061,968,283	-
Finished goods	319,526,616,827	(2,021,469,542)	212,346,462,681	(3,512,887,094)
Merchandise inventories	7,448,143,925	(332,208)	4,707,314,865	-
	<u>1,096,804,860,454</u>	<u>(2,286,812,251)</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:

	For the nine-month period ended	
	30/9/2017 VND	30/9/2016 VND
Opening balance	13,103,260,471	16,622,900,983
Increase in allowance during the period	18,125,112,112	36,808,321,230
Allowance utilised during the period	(27,195,489,729)	(34,087,402,010)
Written back	(1,746,070,603)	(4,321,426,904)
Closing balance	<u>2,286,812,251</u>	<u>15,022,393,299</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
Cost						
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	139,774,241	-	147,915,454	1,706,515,674	75,821,200	2,070,026,569
Transfer from construction in progress	104,658,908,457	-	4,606,833,734	308,820,965,035	185,000,000	418,271,707,226
Disposals	(2,980,919,633)	-	(335,304,545)	(17,220,376,205)	(3,730,082,616)	(24,266,682,999)
Written off	(2,357,977,674)	-	(2,635,915,146)	(198,619,048)	-	(5,192,511,868)
Closing balance	1,424,413,820,758	62,791,110,984	65,192,447,007	3,504,673,019,631	28,693,227,543	5,085,763,625,923
Accumulated depreciation						
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	57,978,522,097	7,838,781,808	5,788,165,346	263,692,249,281	3,025,682,911	338,323,401,443
Disposals	(2,209,743,466)	-	(335,304,545)	(15,341,866,073)	(3,438,124,286)	(21,325,038,370)
Written off	(2,357,977,674)	-	(2,617,170,086)	(173,431,548)	-	(5,148,579,308)
Closing balance	288,196,156,835	27,323,028,343	35,629,936,558	1,506,200,863,669	17,270,524,355	1,874,620,509,760
Net book value						
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	1,136,217,663,923	35,468,082,641	29,562,510,449	1,998,472,155,962	11,422,703,188	3,211,143,116,163

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10. Intangible fixed assets

	Land use rights VND	Software VND	Exploitation rights VND	Brand name VND	Customer relationships VND	Mineral water resources VND	Total VND
Cost							
Opening balance	119,085,818,402	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	-	1,069,892,667	-	-	-	-	1,069,892,667
Transfer from construction in progress	-	-	145,364,052	-	-	-	145,364,052
Written off	-	(807,270,780)	-	-	-	-	(807,270,780)
Closing balances	119,085,818,402	290,707,132,674	117,945,577,348	758,354,816,571	404,114,911,701	412,697,763,511	2,102,906,020,207
Accumulated amortisation							
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	2,855,003,157	26,557,762,413	4,552,942,157	50,169,651,381	6,104,130,930	16,451,001,207	106,690,491,245
Written off	-	(765,777,015)	-	-	-	-	(765,777,015)
Closing balance	28,923,495,699	89,172,689,072	12,370,630,051	368,505,525,306	350,889,234,031	45,979,451,763	895,841,025,922
Net book value							
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	90,162,322,703	201,534,443,602	105,574,947,297	389,849,291,265	53,225,677,670	366,718,311,748	1,207,064,994,285

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11. Construction in progress

For the nine-month period ended	30/9/2017
	VND
Opening balance	371,351,502,339
Additions during the period	356,075,552,560
Transfer to tangible fixed assets	(418,271,707,226)
Transfer to intangible fixed assets	(145,364,052)
Transfer to long-term prepaid expenses	(18,066,942,082)
	<hr/>
Closing balance	290,943,041,539
	<hr/>

12. Long-term prepaid expenses

	Prepaid land costs VND	Tools and supplies VND	Goodwill from equitization VND	Total VND
Opening balance	85,372,636,895	79,647,109,247	28,209,340,381	193,229,086,523
Additions during the period	-	5,717,923,800	-	5,717,923,800
Transfer from construction in progress	2,432,979,833	15,633,962,249	-	18,066,942,082
Amortisation for the period	(1,607,340,603)	(27,504,589,856)	(2,350,778,364)	(31,462,708,823)
Reclassification	(4,856,782)	4,856,782	-	-
Disposals	-	(34,133,535)	-	(34,133,535)
Translation differences	-	45,459,807	-	45,459,807
	<hr/>	<hr/>	<hr/>	<hr/>
Closing balance	86,193,419,343	73,510,588,494	25,858,562,017	185,562,569,854
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13. Goodwill

For the nine-month period ended	30/9/2017
	VND
Cost	
Opening balance	693,961,414,227
Closing balance	<u>693,961,414,227</u>
Accumulated amortisation	
Opening balance	269,425,155,287
Charge for the period	51,600,564,711
Closing balance	<u>321,025,719,998</u>
Net book value	
Opening balance	424,536,258,940
Closing balance	<u>372,935,694,229</u>

14. Accounts payable to suppliers

Accounts payable to suppliers classified by payment term

	30/9/2017		1/1/2017	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Short-term	641,045,514,387	641,045,514,387	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
	<u>719,570,532,387</u>	<u>719,570,532,387</u>	<u>797,321,966,602</u>	<u>797,321,966,602</u>

15. Taxes payable to State Treasury

	30/9/2017	1/1/2017
	VND	VND
Value added tax	56,975,469,234	142,285,775,265
Corporate income tax	130,281,705,157	165,922,388,261
Personal income tax	2,818,534,938	3,257,586,774
Other taxes	1,654,141,700	1,285,214,101
	<u>191,729,851,029</u>	<u>312,750,964,401</u>

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16. Accrued expenses

	30/9/2017	1/1/2017
	VND	VND
Advertising and promotion expenses	381,661,819,431	572,533,158,360
Logistic expenses	85,982,762,040	92,335,239,793
Exhibition expense	21,775,669,516	19,595,353,810
Bonus and 13th month salary	64,609,742,717	88,970,497,961
Sales discounts	25,652,017,052	29,710,794,483
Market research expenses	27,052,045,717	16,534,099,796
Accrued interest expenses	4,275,118,709	5,786,985,888
Construction in progress	25,704,254,603	26,528,811,619
Purchases not yet received invoices	81,789,329,336	29,565,152,100
Others	74,011,993,202	77,143,202,534
	<hr/>	<hr/>
	792,514,752,323	958,703,296,344
	<hr/>	<hr/>

17. Other payables

(a) Other short-term payables

	30/9/2017	1/1/2017
	VND	VND
Trade union fees, social insurance, health insurance and unemployment insurance	20,239,441,645	12,599,617,645
Short-term deposits	2,488,695,177	5,108,373,944
Others	10,619,888,707	9,753,097,961
	<hr/>	<hr/>
	33,348,025,529	27,461,089,550
	<hr/>	<hr/>

(b) Other long-term payables

	30/9/2017	1/1/2017
	VND	VND
Long-term deposits	21,956,126,719	22,360,630,839
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18. Borrowings

(a) Short-term borrowings

	30/9/2017		1/1/2017	
	Carrying amount VND	Amount within repayment capacity VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	2,526,342,959,897	2,526,342,959,897	2,804,302,605,157	2,804,302,605,157
Current portion of long-term borrowings	54,856,182,380	54,856,182,380	83,656,182,380	83,656,182,380
	<u>2,581,199,142,277</u>	<u>2,581,199,142,277</u>	<u>2,887,958,787,537</u>	<u>2,887,958,787,537</u>

(b) Long-term borrowings

	30/9/2017 VND	1/1/2017 VND
Long-term borrowings	164,568,547,131	293,512,359,626
Repayable within twelve months	(54,856,182,380)	(83,656,182,380)
Repayable after twelve months	<u>109,712,364,751</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 ("NCI") 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
Share capital issued	30,000,000,000	-	-	-	-	-	-	-	30,000,000,000
Net profit for the period	-	-	-	-	-	-	1,646,426,278,890	37,489,417,596	1,683,915,696,486
Dividends	-	-	-	-	-	-	(2,896,096,655,200)	-	(2,896,096,655,200)
Acquisition of NCI	-	-	-	-	-	-	(147,403,906,967)	(281,011,181,521)	(428,415,088,488)
NCI at acquisition date	-	-	-	-	-	-	-	1,380,686,995	1,380,686,995
Capital contribution in a subsidiary by NCI	-	-	-	-	-	-	-	134,010	134,010
Payment for Board of Directors fees of a subsidiary	-	-	-	-	-	-	(967,126,912)	(616,625,077)	(1,583,751,989)
Foreign exchange differences	-	-	-	-	(1,708,862,903)	-	-	(3,536)	(1,708,866,439)
Balance at 30 September 2016	5,381,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	(1,708,862,903)	22,731,972,844	1,586,667,017,081	1,031,619,755,052	11,202,939,158,805

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	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 2017	5,381,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	(2,253,725,216)	22,731,972,844	2,434,650,312,379	909,680,511,323	11,928,438,348,061
Share capital issued	49,726,600,000	-	-	-	-	-	-	-	49,726,600,000
Net profit for the period	-	-	-	-	-	-	1,267,093,713,438	49,335,617,210	1,316,429,330,648
Dividends	-	-	-	-	-	-	(2,340,720,526,500)	(3,270,360,000)	(2,343,990,886,500)
Acquisition of stocks of NCI in a subsidiary	-	-	-	-	-	-	372,011,396	(619,211,396)	(247,200,000)
Foreign exchange differences	-	-	-	-	4,678,888,276	-	-	9,570	4,678,897,846
Balance at 30 September 2017	5,431,327,770,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	2,425,163,060	22,731,972,844	1,361,395,510,713	955,126,566,707	10,955,035,090,055

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20. Share capital, share premium and treasury shares

The Company's authorised and issued share capital are:

	30/9/2017		1/1/2017	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	543,132,777	5,431,327,770,000	538,160,117	5,381,601,170,000
Treasury shares				
Ordinary shares	18,000,000	1,640,252,631,255	18,000,000	1,640,252,631,255
Shares currently in circulation				
Ordinary shares	525,132,777	5,251,327,770,000	520,160,117	5,201,601,170,000
Share premium	-	5,088,056,394,992	-	5,088,056,394,992

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

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

Movements in shares currently in circulation during the period were as follows:

	For the nine-month period ended			
	30/9/2017		30/9/2016	
	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
Shares issued during the period	4,972,660	49,726,600,000	3,000,000	30,000,000,000
Closing balance - currently in circulation	525,132,777	5,251,327,770,000	520,160,117	5,201,601,170,000

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21. Off balance sheet items

Foreign currencies

	30/9/2017		1/1/2017	
	Original currency	Equivalent VND	Original currency	Equivalent VND
USD	373,886	8,479,793,555	616,066	13,997,015,659
THB	89,400,536	59,451,356,719	97,959,692	60,637,049,233
		67,931,150,274		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:

	For the nine-month period ended	
	30/9/2017 VND	30/9/2016 VND
Total revenue	8,954,093,303,770	9,242,448,206,403
Less revenue deductions		
▪ Sales discounts	75,222,844,363	101,498,150,634
▪ Sales returns	88,137,412,498	40,448,381,478
	163,360,256,861	141,946,532,112
Net revenue	8,790,733,046,909	9,100,501,674,291

23. Cost of sales

	For the nine-month period ended	
	30/9/2017 VND	30/9/2016 VND
Total cost of sales		
▪ Goods sold	4,796,762,677,722	5,030,289,061,764
▪ Allowance for inventories	16,379,041,509	32,486,894,326
	4,813,141,719,231	5,062,775,956,090

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24. Financial income

	For the nine-month period ended	
	30/9/2017	30/9/2016
	VND	VND
Interest income from deposits to banks	178,930,078,333	225,004,743,431
Interest income from financial activities	143,183,450,611	144,982,627,341
Foreign exchange gains	1,495,110,214	1,547,978,870
Realised gains from derivative financial instruments	-	2,509,420,890
Other financial income	-	10,939,552
	323,608,639,158	374,055,710,084

25. Financial expenses

	For the nine-month period ended	
	30/9/2017	30/9/2016
	VND	VND
Interest expense on borrowings from banks	94,474,065,220	85,160,149,939
Foreign exchange losses	2,070,272,263	825,685,139
	96,544,337,483	85,985,835,078

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26. Basic earnings per share

The calculation of basic earnings per share for the nine-month period ended 30 September 2017 was based on the profit after tax attributable to ordinary shareholders of the Company and a weighted average number of ordinary shares outstanding calculated as follows:

(i) Net profit attributable to ordinary shareholders

	For the nine-month period ended	
	30/9/2017	30/9/2016
	VND	VND
Net profit attributable to ordinary shareholders	1,267,093,713,438	1,646,426,278,890

(ii) Weighted average number of ordinary shares

	For the nine-month period ended	
	30/9/2017	30/9/2016
	Issued ordinary shares at the beginning of the period - currently in circulation	520,160,117
Effect of shares issued during the period	1,493,619	1,105,839
Weighted average number of ordinary shares at the end of the period - currently in circulation	521,653,736	518,265,956

(iii) Basic earnings per share

	For the nine-month period ended	
	30/9/2017	30/9/2016
	VND	VND
Basic earnings per share	2,429	3,177

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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)	
		For the nine-month period ended 30/9/2017	30/9/2016	as at 30/9/2017	1/1/2017
		VND	VND	VND	VND
Parent company					
Masan Consumer Holdings Company limited	Interest income from loans	134,787,617,278	89,670,730,892	249,693,419,837	114,905,802,559
	Loan provided	4,346,905,000,000	3,131,978,712,592	4,823,216,876,592	1,663,716,876,592
	Dividends declared	2,270,686,203,000	2,799,261,836,000	-	-
	Collection of loan through net-off with dividends payable	1,187,405,000,000	1,889,261,836,000	-	-
	Dividends paid by cash	1,083,281,203,000	910,000,000,000	-	-
Other related parties					
Cholimex Food Joint Stock Company	Pre-acquired dividends received	-	5,320,434,000	-	-
	Post-acquisition dividends receivable	5,318,434,000	6,648,042,500	-	-
Masan Brewery PY One Member Company limited	Sales of merchandise inventories	30,145,786	30,310,214	22,926,020	5,644,586
Masan Brewery Distribution One Member Company limited	Sales of merchandise inventories	807,753,498	648,628	-	-
	Purchases of goods	1,620,813,794	1,853,641,726	(505,208,500)	-
	Management support charge	30,690,805,024	18,543,037,581	62,041,995,981	31,752,716,796

Masan Consumer Corporation and its subsidiaries

Notes to the consolidated financial statements for the nine-month period ended 30 September 2017 (continued)

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Relationships	Nature of transactions	Transaction value		Receivables/(payables)	
		For the nine-month period ended		as at	
		30/9/2017	30/9/2016	30/9/2017	1/1/2017
		VND	VND	VND	VND
Other related parties					
Masan Brewery HG One	Sales of merchandise inventories	177,621,475	28,870,490	-	6,107,257
Member Company limited	Purchases of goods	40,000,000	-	(33,000,000)	-
	Management support charge	1,989,084,519	2,610,559,544	5,136,133,536	3,826,927,753
	Payment on behalf of land rental fee	-	-	11,546,396,400	11,546,396,400
Agro Nutrition International Joint Stock Company	Sales of merchandise inventories	81,527,481	-	-	-
	Management support charge	14,993,632,069	-	13,837,887,493	-
Vietnamese - French Cattle Feed Joint Stock Company	Sales of merchandise inventories	163,992,600	-	-	-
	Management support charge	12,897,447,156	-	12,930,574,451	-
Key management personnel	Remuneration to key management personnel (*)	17,755,797,909	19,813,680,463	-	-

(*) No board fees were paid to members of the Board of Directors of the Company for the periods ended 30 September 2017 and 30 September 2016.

Masan Consumer Corporation and its subsidiaries
Notes to the consolidated financial statements for the nine-month period ended 30
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28. Explanation of profit

Net Profit After Tax (“NPAT”) for the quarter 3 2017 decreased by VND29 billion, 4% drop compared to similar period last year. The key drivers for this movement were:

- ♦ Net revenue increased by 1% as compared to the same previous year;
- ♦ Total selling, general and administrative expense were 2% higher compared to the same previous year, due to the Group efforts to build and develop the power brands as well as to rebalance stock levels at its distributors. This will enable the Group to deliver the strong result and ensure sustainable growth;
- ♦ Net financial result increased by 6% as compared to the quarter 3 of previous year driven by the higher finance activities.

30 October 2017

✓ Prepared by: 


Huynh Viet Thang
Chief Accountant

Approved by:


Pham Dinh Toai
Acting Chief Financial Officer


Seokhee Won
Chief Executive Officer