

Masan Consumer Corporation
Separate Financial Statements
for the year ended 31 December 2018

Masan Consumer Corporation
Statement of the Board of Management

**Business Registration
Certificate No.**

0302017440

31 May 2000

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 14 September 2018. The Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

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

Board of Management

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

Registered Office

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

Masan Consumer Corporation
Separate balance sheet as at 31 December 2018

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

	Code	Note	31/12/2018 VND	1/1/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		3,896,749,996,990	3,339,470,305,579
Cash and cash equivalents	110	4	822,064,867,520	677,000,209,110
Cash	111		17,064,867,520	9,100,209,110
Cash equivalents	112		805,000,000,000	667,900,000,000
Short-term financial investments	120		-	4,175,720,000
Held-to-maturity investments	123	5(a)	-	4,175,720,000
Accounts receivable – short-term	130		2,651,176,310,050	2,499,118,637,158
Accounts receivable from customers	131		249,444,392,998	399,624,323,346
Prepayments to suppliers	132		11,320,207,090	49,900,293,622
Other short-term receivables	136	6(a)	2,390,411,709,962	2,049,594,020,190
Inventories	140	8	416,718,844,961	152,755,900,467
Inventories	141		420,741,003,312	152,868,576,847
Allowance for inventories	149		(4,022,158,351)	(112,676,380)
Other current assets	150		6,789,974,459	6,419,838,844
Short-term prepaid expenses	151		6,789,974,459	6,419,838,844

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

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

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

	Code	Note	31/12/2018 VND	1/1/2018 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		14,580,962,433,268	11,666,944,521,078
Accounts receivable – long-term	210		7,705,459,105,062	5,766,298,135,597
Loans receivable – long-term	215	7	6,967,716,876,592	5,430,716,876,592
Other long-term receivables	216	6(b)	737,742,228,470	335,581,259,005
Fixed assets	220		186,259,798,041	230,800,048,905
Tangible fixed assets	221	9	32,899,873,392	45,445,819,566
<i>Cost</i>	222		<i>88,341,031,474</i>	<i>97,363,398,884</i>
<i>Accumulated depreciation</i>	223		<i>(55,441,158,082)</i>	<i>(51,917,579,318)</i>
Intangible fixed assets	227	10	153,359,924,649	185,354,229,339
<i>Cost</i>	228		<i>277,295,650,978</i>	<i>276,228,537,827</i>
<i>Accumulated depreciation</i>	229		<i>(123,935,726,329)</i>	<i>(90,874,308,488)</i>
Long-term work in progress	240		2,839,037,507	3,246,249,258
Construction in progress	242	11	2,839,037,507	3,246,249,258
Long-term financial investments	250		6,510,771,509,348	5,551,271,509,348
Investments in subsidiaries	251	5(b)	6,510,771,509,348	5,551,271,509,348
Other long-term assets	260		175,632,983,310	115,328,577,970
Long-term prepaid expenses	261	12	4,786,567,807	9,035,644,733
Deferred tax assets	262		170,846,415,503	106,292,933,237
TOTAL ASSETS (270 = 100 + 200)	270		18,477,712,430,258	15,006,414,826,657


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

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

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

	Code	Note	31/12/2018 VND	1/1/2018 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		6,116,730,778,111	3,029,487,280,688
Current liabilities	310		6,097,072,673,399	3,029,487,280,688
Accounts payable to suppliers short-term	311	13	2,595,927,263,387	391,581,362,507
Advances from customers	312		41,014,853,528	15,924,045,598
Taxes payable to State Treasury	313	14	83,180,744,270	106,186,633,805
Accrued expenses	315	15	991,509,981,562	576,395,617,148
Other short-term payables	319	16(a)	11,333,832,223	19,867,595,264
Short-term borrowings	320	17	2,374,105,998,429	1,919,532,026,366
Long-term liabilities	330		19,658,104,712	-
Other long-term payables	337	16(b)	19,658,104,712	-
EQUITY (400 = 410)	400		12,360,981,652,147	11,976,927,545,969
Owners' equity	410	18	12,360,981,652,147	11,976,927,545,969
Share capital	411	19	6,279,291,230,000	5,431,327,770,000
- Ordinary shares with voting rights	411a		6,279,291,230,000	5,431,327,770,000
Share premium	412	19	4,292,501,204,992	5,088,056,394,992
Treasury shares	415	19	(1,640,252,631,255)	(1,640,252,631,255)
Undistributed profits after tax	421		3,429,441,848,410	3,097,796,012,232
- Undistributed profits after tax brought forward	421a		734,698,515,732	20,098,996,208
- Undistributed profit after tax for the current year	421b		2,694,743,332,678	3,077,697,016,024
TOTAL RESOURCES (440 = 300 + 400)	440		18,477,712,430,258	15,006,414,826,657

30 January 2019

Prepared by: 

Phan Thi Thuy Hoa
Chief Accountant

Approved by: 

Huynh Viet Thang
Acting Chief Financial Officer

 Trương Công Thang
Chairman of the Board of Directors

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

Masan Consumer Corporation
Separate statement of income for the year ended 31 December 2018

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

	Code	Note	Quarter IV		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
Revenue from sales of goods	01	21	5,544,480,576,413	3,159,995,107,458	17,300,118,182,975	9,521,084,183,896
Revenue deductions	02	21	122,678,326,857	7,874,181,864	259,520,203,314	68,677,135,504
Net revenue (10 = 01 - 02)	10	21	5,421,802,249,556	3,152,120,925,594	17,040,597,979,661	9,452,407,048,392
Cost of sales	11	22	4,310,178,392,235	2,313,846,111,539	13,410,697,726,027	7,062,076,162,048
Gross profit (20 = 10 - 11)	20		1,111,623,857,321	838,274,814,055	3,629,900,253,634	2,390,330,886,344
Financial income	21	23	2,507,834,743,909	2,671,572,685,943	2,821,765,422,611	3,170,470,210,374
Financial expenses	22	24	31,200,748,422	16,034,202,374	106,256,167,044	69,160,221,799
<i>In which: Interest expense</i>	23		30,564,911,145	15,952,126,499	105,243,716,316	68,888,085,335
Selling expenses	25		1,074,680,405,845	611,750,121,446	3,168,580,699,916	2,060,648,420,988
General and administration expenses	26		152,255,094,688	56,936,465,993	404,139,398,240	263,326,500,032
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		2,361,322,352,275	2,825,126,710,185	2,772,689,411,045	3,167,665,953,899
Other income	31		5,226,911	7,492,770	66,816,610	365,472,425
Other expenses	32		173,965	13,409	2,178,358,145	379,234,949
Results of other activities (40 = 31 - 32)	40		5,052,946	7,479,361	(2,111,541,535)	(13,762,524)
Accounting profit before tax (50 = 30 + 40)	50		2,361,327,405,221	2,825,134,189,546	2,770,577,869,510	3,167,652,191,375

(Carried forward to next page)

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Masan Consumer Corporation
Separate statement of income for the year ended 31 December 2018 (continued)

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

	Code	Note	Quarter IV		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
Accounting profit before tax (50 = 30 + 40) (brought forward from previous page)	50		2,361,327,405,221	2,825,134,189,546	2,770,577,869,510	3,167,652,191,375
Income tax expense - current	51		41,501,352,117	88,832,020,774	140,388,019,098	88,832,020,774
Income tax (benefit)/expense - deferred	52		(43,099,125,410)	(16,215,900,339)	(64,553,482,266)	1,123,154,577
Net profit after tax (60 = 50 - 51 - 52)	60		2,362,925,178,514	2,752,518,069,111	2,694,743,332,678	3,077,697,016,024

30 January 2019

Prepared by:



Phan Thi Thuy Hoa
Chief Accountant



Huynh Viet Thang
Acting Chief Financial Officer

Approved by:



Truong Cong Thang
Chairman of the Board of Directors

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

Masan Consumer Corporation
Separate statement of cash flows for the year ended 31 December 2018
(Indirect method)

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

	Code	2018 VND	2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	2,770,577,869,510	3,167,652,191,375
Adjustments for			
Depreciation and amortisation	02	46,640,039,138	47,596,534,352
Allowances and provisions	03	19,641,571,474	2,895,285,836
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04	(100,407,932)	45,502,462
Gains on disposals of fixed assets	05	(19,578,367)	(250,000,000)
Interest income, distributed profits and related income from investing activities	05	(2,820,750,314,796)	(3,170,037,390,868)
Interest expense	06	105,243,716,316	68,888,085,335
Operating profit before changes in working capital	08	121,232,895,343	116,790,208,492
Change in receivables and other current assets	09	182,294,045,294	(108,311,200,136)
Change in inventories	10	(283,604,515,968)	(76,205,426,072)
Change in payables and other liabilities	11	2,640,694,998,231	(1,285,205,081,531)
Change in prepaid expenses	12	4,707,245,312	10,782,450,430
		2,665,324,668,212	(1,342,149,048,817)
Interest paid	14	(101,426,439,339)	(66,223,562,694)
Corporate income tax paid	15	(153,440,048,334)	(83,221,652,715)
Net cash flows from operating activities	20	2,410,458,180,539	(1,491,594,264,226)

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

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

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

	Code	2018 VND	2017 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(3,153,024,907)	(4,866,048,925)
Proceeds from disposals of fixed assets	22	881,026,550	250,000,000
Loans provided	23	(4,337,000,000,000)	(4,954,405,000,000)
Collections of loans	24	2,800,000,000,000	-
Placement of term deposits to banks	23	(15,511,720,000)	(746,193,720,000)
Withdrawal of term deposits from banks	24	19,687,440,000	2,021,966,841,175
Payments for investments in subsidiaries	25	(959,500,000,000)	(885,500,000,000)
Receipts of interest and distributed profits	27	2,083,935,491,625	3,084,663,803,930
Net cash flows from investing activities	30	(410,660,786,732)	(1,484,084,123,820)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share capital issued	31	52,408,270,000	49,726,600,000
Proceeds from borrowings from banks	33	8,232,245,677,011	4,436,888,255,174
Payments to settle loan principals to banks	34	(7,777,671,704,948)	(4,376,668,638,275)
Payments of dividends	36	(2,361,806,673,200)	(1,153,819,442,500)
Net cash flows from financing activities	40	(1,854,824,431,137)	(1,043,873,225,601)
Net cash flows during the year (50 = 20 + 30 + 40)	50	144,972,962,670	(4,019,551,613,647)
Cash and cash equivalents at the beginning of the year	60	677,000,209,110	4,696,551,755,028
Effect of exchange rate fluctuations on cash and cash equivalents	61	91,695,740	67,729
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)	70	822,064,867,520	677,000,209,110

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

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

Form B 03 – DN
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NON-CASH INVESTING AND FINANCING ACTIVITIES

	2018	2017
	VND	VND
Net-off dividends payable with loan receivables from related parties	-	1,187,405,000,000

30 January 2019

Prepared by:



Phan Thi Thuy Hoa
Chief Accountant

Approved by:



Huynh Viet Thang
Acting Chief Financial Officer



Fruong Cong Thang
Chairman of the Board of Directors

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2018
(continued)

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

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

1. Reporting entity

(a) Ownership structure

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

(b) Principal activities

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

(c) Normal operating cycle

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

(d) Company structure

As at 31 December 2018, the Company has 3 subsidiaries as listed at Note 5(b).

As at 31 December 2018, the Company had 1,109 employees (1/1/2018: 1,080 employees).

2. Basis of preparation

(a) Statement of compliance

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

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2018
(continued)

Form B 09 – DN
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(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

(e) Corresponding figures

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

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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

(b) Cash and cash equivalents

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2018
(continued)

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

(i) Held-to-maturity investments

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

(ii) Investments in subsidiaries

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

(d) Accounts receivable from customers and other receivables

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

(e) Inventories

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

The Company applies the perpetual method of accounting for inventories.

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2018
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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(f) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

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

(g) Intangible fixed assets

(i) Software

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

(ii) Brand name

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

(h) Construction in progress

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2018
(continued)

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

Tools and supplies

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

(j) Accounts payable to suppliers and other payables

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

(k) Provisions

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

(l) Equity

(i) *Share capital and share premium*

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

(ii) *Treasury shares*

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2018
(continued)

Form B 09 – DN
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(m) Taxation

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

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

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

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

(n) Revenue

Sale of goods

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

(o) Financial income and financial expenses

(i) *Financial income*

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

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

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2018
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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(ii) Financial expenses

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

(p) Operating lease payments

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

(q) Related parties

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

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

4. Cash and cash equivalents

	31/12/2018	1/1/2018
	VND	VND
Cash on hand	246,849,385	77,070,074
Cash in banks	16,818,018,135	9,023,139,036
Cash equivalents	805,000,000,000	667,900,000,000
Cash and cash equivalents in the separate statement of cash flows	822,064,867,520	677,000,209,110

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

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5. Investments

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

	31/12/2018 VND	1/1/2018 VND
Held-to-maturity investments - short-term		
▪ Term deposits at banks	-	4,175,720,000

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

(b) Investments in subsidiaries

	31/12/2018		1/1/2018	
	% of equity owned and % voting rights	Cost VND	% of equity owned and % voting rights	Cost VND
Investments in subsidiaries:				
♦ Masan Food Company Limited (*)	100%	2,131,000,009,348	100%	2,103,500,009,348
♦ Masan Beverage Company Limited (**)	100%	4,315,000,000,000	100%	3,383,000,000,000
♦ Masan Consumer (Thailand) Limited (***)	99.99%	64,771,500,000	99.99%	64,771,500,000
		6,510,771,509,348		5,551,271,509,348

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

There was no allowance from diminution in value of these investments in subsidiaries in these separate financial statements for the years ended in 31 December 2018 and 2017.

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

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

6. Other receivables

(a) Other short-term receivables

	31/12/2018	1/1/2018
	VND	VND
Distributed profits receivable	2,385,522,870,411	2,027,777,099,313
Accrued interests receivable from deposits at banks	1,941,873,973	1,879,747,645
Short-term deposits	1,118,143,860	17,736,998,330
Others	1,828,821,718	2,200,174,902
	<u>2,390,411,709,962</u>	<u>2,049,594,020,190</u>

(b) Other long-term receivables

	31/12/2018	1/1/2018
	VND	VND
Accrued interests receivable	712,551,939,889	333,545,014,144
Long-term deposits	25,190,288,581	2,036,244,861
	<u>737,742,228,470</u>	<u>335,581,259,005</u>

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7. Loans receivable – long-term

	31/12/2018	1/1/2018
	VND	VND
Long-term loans receivable from subsidiaries	6,967,716,876,592	5,430,716,876,592

8. Inventories

	31/12/2018		1/1/2018	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	14,966,089,695	-	5,542,163,766	-
Raw materials	26,875,640,923	(254,857,625)	22,587,397,115	-
Tools and supplies	433,000	-	-	-
Finished goods	9,599,966,052	(45,749,097)	1,124,900,926	-
Merchandise inventories	369,298,873,642	(3,721,551,629)	123,614,115,040	(112,676,380)
	<u>420,741,003,312</u>	<u>(4,022,158,351)</u>	<u>152,868,576,847</u>	<u>(112,676,380)</u>

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

	2018	2017
	VND	VND
Opening balance	112,676,380	279,293,596
Increase in allowance during the year	19,641,571,474	3,174,579,430
Allowance utilised during the year	(15,732,089,503)	(3,061,903,052)
Written back	-	(279,293,594)
Closing balance	<u>4,022,158,351</u>	<u>112,676,380</u>

Included in inventories of the Company as at 31 December 2018 was VND4,022 million (1/1/2018: VND113 million) of slow-moving inventories.

Masan Consumer Corporation

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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	1,511,680,743	55,688,424,678	21,192,153,171	3,791,659,980	15,179,480,312	97,363,398,884
Additions during the year	-	-	-	-	87,652,000	87,652,000
Transfer from construction in progress	-	-	1,564,882,640	-	-	1,564,882,640
Disposals	-	-	-	-	(3,230,430,673)	(3,230,430,673)
Written off	(948,494,202)	-	(441,619,725)	(287,358,239)	(5,766,999,211)	(7,444,471,377)
Closing balance	563,186,541	55,688,424,678	22,315,416,086	3,504,301,741	6,269,702,428	88,341,031,474
Accumulated depreciation						
Opening balance	1,511,680,743	22,833,269,300	11,292,323,337	3,087,042,785	13,193,263,153	51,917,579,318
Charge for the year	-	10,451,709,067	1,899,833,025	379,461,688	606,028,851	13,337,032,631
Disposals	-	-	-	-	(2,368,982,490)	(2,368,982,490)
Written off	(948,494,202)	-	(441,619,725)	(287,358,239)	(5,766,999,211)	(7,444,471,377)
Closing balance	563,186,541	33,284,978,367	12,750,536,637	3,179,146,234	5,663,310,303	55,441,158,082
Net book value						
Opening balance	-	32,855,155,378	9,899,829,834	704,617,195	1,986,217,159	45,445,819,566
Closing balance	-	22,403,446,311	9,564,879,449	325,155,507	606,392,125	32,899,873,392

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10. Intangible fixed assets

	Software VND	Brand name VND	Total VND
Cost			
Opening balance	275,592,174,191	636,363,636	276,228,537,827
Transfer from construction in progress	2,137,005,818	-	2,137,005,818
Transfer to long-term prepayment	(1,069,892,667)	-	(1,069,892,667)
Closing balance	276,659,287,342	636,363,636	277,295,650,978
Accumulated amortisation			
Opening balance	90,237,944,852	636,363,636	90,874,308,488
Charge for the year	33,303,006,507	-	33,303,006,507
Transfer to long-term prepayment	(241,588,666)	-	(241,588,666)
Closing balance	123,299,362,693	636,363,636	123,935,726,329
Net book value			
Opening balance	185,354,229,339	-	185,354,229,339
Closing balance	153,359,924,649	-	153,359,924,649

11. Construction in progress

	2018 VND
Opening balance	3,246,249,258
Additions during the year	3,294,676,707
Transfer to tangible fixed assets	(1,564,882,640)
Transfer to intangible fixed assets	(2,137,005,818)
Closing balance	2,839,037,507

12. Long-term prepaid expenses

	2018 Tools and supplies VND
Opening balance	9,035,644,733
Additions	2,275,539,256
Transfer from intangible fixed assets	828,304,001
Amortisation for the year	(7,352,920,183)
Closing balance	4,786,567,807

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13. Accounts payable to suppliers – short-term

	31/12/2018		1/1/2018	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Short-term	2,595,927,263,387	2,595,927,263,387	391,581,362,507	391,581,362,507

14. Taxes payable to State Treasury

	31/12/2018 VND	1/1/2018 VND
Corporate income tax	40,863,907,281	53,915,936,517
Value added tax	39,341,196,264	50,503,782,781
Personal income tax	2,975,640,725	1,766,914,507
	<u>83,180,744,270</u>	<u>106,186,633,805</u>

15. Accrued expenses

	31/12/2018 VND	1/1/2018 VND
Advertising and promotion expenses	571,934,592,307	424,409,525,794
Logistic expenses	113,070,879,061	49,763,823,968
Exhibition expense	41,161,828,771	11,203,662,963
Bonus and 13th month salary	113,062,923,050	39,862,208,085
Sales discounts	78,328,583,580	8,011,083,372
Market research expenses	13,900,411,147	15,279,254,584
Accrued interest expenses	7,915,406,616	4,098,129,639
Accrued information and technology expenses	24,222,864,545	14,910,270,008
Purchases not yet received invoices	16,299,574,374	970,613,231
Others	11,612,918,111	7,887,045,504
	<u>991,509,981,562</u>	<u>576,395,617,148</u>

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16. Other payables

(a) Other short-term payables

	31/12/2018	1/1/2018
	VND	VND
Dividends payable	3,861,369,300	2,570,546,000
Obligation to issue shares	187,440,000	4,705,416,500
Trade union fees, social insurance, health insurance and unemployment insurance	7,236,973,993	12,555,998,725
Others	48,048,930	35,634,039
	<u>11,333,832,223</u>	<u>19,867,595,264</u>

(b) Other long-term payables

	31/12/2018	1/1/2018
	VND	VND
Long-term deposits	19,658,104,712	-
	<u>19,658,104,712</u>	<u>-</u>

17. Short-term borrowings

	31/12/2018		1/1/2018	
	Carrying amount	Amount within	Carrying amount	Amount within
	VND	repayment capacity	VND	repayment capacity
		VND		VND
Short-term borrowings	2,374,105,998,429	2,374,105,998,429	1,919,532,026,366	1,919,532,026,366
	<u>2,374,105,998,429</u>	<u>2,374,105,998,429</u>	<u>1,919,532,026,366</u>	<u>1,919,532,026,366</u>

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18. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Undistributed profit after tax VND	Total VND
Balance as at 1 January 2017	5,381,601,170,000	5,088,056,394,992	(1,640,252,631,255)	2,360,819,522,708	11,190,224,456,445
Share capital issued	49,726,600,000	-	-	-	49,726,600,000
Net profit for the year	-	-	-	3,077,697,016,024	3,077,697,016,024
Dividends	-	-	-	(2,340,720,526,500)	(2,340,720,526,500)
Balance as at 31 December 2017	<u>5,431,327,770,000</u>	<u>5,088,056,394,992</u>	<u>(1,640,252,631,255)</u>	<u>3,097,796,012,232</u>	<u>11,976,927,545,969</u>
Balance as at 1 January 2018	5,431,327,770,000	5,088,056,394,992	(1,640,252,631,255)	3,097,796,012,232	11,976,927,545,969
Share capital issued	52,408,270,000	-	-	-	52,408,270,000
Bonus share issued	795,555,190,000	(795,555,190,000)	-	-	-
Net profit for the year	-	-	-	2,694,743,332,678	2,694,743,332,678
Dividends	-	-	-	(2,363,097,496,500)	(2,363,097,496,500)
Balance as at 31 December 2018	<u>6,279,291,230,000</u>	<u>4,292,501,204,992</u>	<u>(1,640,252,631,255)</u>	<u>3,429,441,848,410</u>	<u>12,360,981,652,147</u>

Masan Consumer Corporation**Notes to the separate financial statements for the year period ended 31 December 2018
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The Company's authorised and issued share capital are as follows:

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

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

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

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

	2018		2017	
	Number of shares	Par value VND	Number of shares	Par value VND
Opening balance - currently in circulation	525,132,777	5,251,327,770,000	520,160,117	5,201,601,170,000
Shares issued during the year	5,240,827	52,408,270,000	4,972,660	49,726,600,000
Bonus share issued	79,555,519	795,555,190,000	-	-
Closing balance - currently in circulation	609,929,123	6,099,291,230,000	525,132,777	5,251,327,770,000

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20. Off balance sheet items

Foreign currency

	31/12/2018		1/1/2018	
	Original currency	Equivalent VND	Original currency	Equivalent VND
USD	328,965	7,612,240,613	3,971	89,980,821
		7,612,240,613		89,980,821
		7,612,240,613		89,980,821

21. Revenue from sale of goods

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

Net revenue comprised of:

	2018 VND	2017 VND
Total revenue	17,300,118,182,975	9,521,084,183,896
Less revenue deductions		
▪ Sales discounts	233,643,571,391	19,096,167,283
▪ Sales returns	25,876,631,923	49,580,968,221
	259,520,203,314	68,677,135,504
Net revenue	17,040,597,979,661	9,452,407,048,392

22. Cost of sales

	2018 VND	2017 VND
Total cost of sales		
▪ Goods sold	13,391,056,154,553	7,059,180,876,212
▪ Allowance for inventories	19,641,571,474	2,895,285,836
	13,410,697,726,027	7,062,076,162,048
	13,410,697,726,027	7,062,076,162,048

Masan Consumer Corporation**Notes to the separate financial statements for the year ended 31 December 2018**

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	2018	2017
	VND	VND
Interest income from deposits to banks	56,220,518,640	116,733,910,032
Interest income from financial activities	379,006,925,745	218,639,211,585
Distributed profits income from subsidiaries	2,385,522,870,411	2,834,664,269,251
Foreign exchange gains	1,015,107,815	432,819,506
	<hr/>	<hr/>
	2,821,765,422,611	3,170,470,210,374
	<hr/> <hr/>	<hr/> <hr/>

24. Financial expenses

	2018	2017
	VND	VND
Interest expense on borrowings from banks	105,243,716,316	68,888,085,335
Foreign exchange losses	947,986,535	272,136,464
Other financial expenses	64,464,193	-
	<hr/>	<hr/>
	106,256,167,044	69,160,221,799
	<hr/> <hr/>	<hr/> <hr/>

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25. Significant transactions with related parties

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

Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2018 VND	2017 VND	31/12/2018 VND	1/1/2018 VND
Parent of parent company					
Masan Group Corporation	Sales of merchandise inventories	22,526,304	11,187,458	-	-
	Management fee	4,996,948,188	-	5,496,643,007	-
Parent company					
MasanConsumerHoldings Company limited	Dividends declared	2,270,686,203,000	2,270,686,203,000	-	-
	Net-off dividends payable with loan receivables from related parties	-	1,187,405,000,000	-	-
	Dividends paid by cash	2,270,686,203,000	1,083,281,203,000	-	-
Subsidiaries					
Masan Food Company Limited	Distributed profits	2,385,522,870,411	1,633,743,185,251	2,385,522,870,411	826,856,015,313
	Capital contribution	27,500,000,000	197,500,000,000	-	-
Masan Industrial One Member Company Limited	Sales of merchandise inventories	275,839,973,515	188,296,228,292	-	78,686,317,617
	Purchases of goods and services	4,434,152,834,178	3,300,260,145,310	(326,381,897,838)	-
	Prepayments for purchases of goods	-	14,639,880,515	-	14,639,880,515
	Loans provided	506,000,000,000	4,954,405,000,000	3,136,716,876,592	5,430,716,876,592
	Collection of loans by cash	2,800,000,000,000	-	-	-
	Collection of loans through net-off with dividends payable	-	1,187,405,000,000	-	-
	Interest income receivable	341,306,747,664	218,639,211,585	674,851,761,808	333,545,014,144

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2018 VND	2017 VND	31/12/2018 VND	1/1/2018 VND
Subsidiaries					
Viet Tien Food Technology One Member Company Limited	Sales of merchandise inventories	5,763,370,389	8,034,292,370	-	-
	Purchases of goods	475,191,703,131	542,711,441,650	(165,496,473,117)	(178,743,996,256)
Masan HD One Member Company Limited	Sales of merchandise inventories	33,585,469,336	14,658,176,371	-	-
	Purchases of goods	941,822,705,564	725,417,798,671	(107,369,612,484)	(103,660,354,580)
Masan MB One Member Company Limited	Sales of merchandise inventories	184,621,456,439	88,143,951,789	-	-
	Purchases of goods	3,440,460,919,308	2,021,112,842,168	(586,546,385,981)	(19,950,867,204)
	Loans provided	3,831,000,000,000	-	3,831,000,000,000	-
	Interest income receivable	37,700,178,081	-	37,700,178,081	-
Ma San PQ Corporation	Sales of merchandise inventories	3,940,239	2,509,472	-	-
	Purchases of goods	-	1,748,200	-	-
Nam Ngu Phu Quoc One Member Company Limited	Sales of merchandise inventories	1,143,730,783	350,910,756	599,031,555	208,000,020
	Prepayments for purchases of goods	8,294,187,749	18,531,591,916	8,294,187,749	18,531,591,916
	Purchases of goods	119,477,561,384	73,413,427,890	-	-
Masan Beverage Member Company Limited	Distributed profits	-	1,200,921,084,000	-	1,200,921,084,000
	Capital contribution	932,000,000,000	688,000,000,000	-	-

Masan Consumer Corporation

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2018 VND	2017 VND	31/12/2018 VND	1/1/2018 VND
Subsidiaries					
Vinacafé Bien Hoa Joint Stock Company	Sales of merchandise inventories	74,467,360,692	50,224,165,565	-	3,870,083,455
	Purchases of goods	2,959,106,972,554	411,007,822	(1,070,218,150,205)	-
	Management fee	-	159,438,082,170	-	87,828,531,406
Café De Nam Joint Stock Company (formerly known as CDN Production Trading Corporation)	Sales of merchandise inventories	1,948,184	2,458,106	-	-
	Purchases of goods	4,656,146,056	25,800,000	(847,937,204)	-
Masan JinJu Joint Stock Company (formerly known as Saigon Nutri Food Joint Stock Company)	Sales of merchandise inventories	2,818,093,340	1,806,328,808	-	-
	Purchases of goods	173,245,372,007	151,166,693,876	(29,770,357,611)	(9,636,224,394)
	Purchases of fix assets	81,818,182	-	-	-
Vinh Hao Mineral Water Corporation	Sales of merchandise inventories	442,606,137	17,244,889,254	-	-
	Purchases of goods and services	352,331,601,600	754,531,022	(50,454,047,341)	-
	Management fee	-	41,389,312,688	-	19,654,007,992
Quang Ninh Mineral Water Corporation	Sales of merchandise inventories	1,648,678,333	64,232,422	-	-
	Purchases of goods and services	221,850,358,615	-	(61,055,590,715)	-
Masan Consumer (Thailand) Limited	Sales of merchandise inventories	41,242,658,023	18,163,278,771	8,394,279,127	18,163,278,771

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2018 VND	2017 VND	31/12/2018 VND	1/1/2018 VND
Other related parties					
Masan Brewery PY One Member Company Limited	Sales of merchandise inventories	26,774,927	15,451,254	-	-
Masan Brewery Distribution One Member Company Limited	Sales of merchandise inventories	2,299,473,074	39,831,648	2,527,369,828	10,614,490
	Purchases of goods	44,794,061,290	395,205,600	(20,804,520,370)	-
	Management fee	25,966,703,930	42,212,820,014	60,624,394,654	46,467,302,338
Masan Brewery HG One Member Company Limited	Sales of merchandise inventories	15,548,538	35,465,044	-	-
	Purchases of goods	55,827,750	-	-	-
	Management fee	2,552,138,546	1,733,359,174	2,745,941,875	1,906,695,091
Agro Nutrition International Joint Stock Company	Sales of merchandise inventories	52,760,545	42,990,627	-	-
	Management fee	5,401,497,275	8,635,272,987	2,821,114,056	8,970,161,887
MNS Feed Tien Giang Company Limited (formerly known as Agro Nutrition International Tien Giang One Member Limited Company)	Sales of merchandise inventories	-	6,844,745	-	-
	Management fee	1,413,647,105	1,248,902,868	617,822,920	1,373,793,155
MNS Feed Thai Nguyen Company Limited (formerly known as Agro Nutrition International Thai Nguyen Company Limited)	Sales of merchandise inventories	29,696,909	6,516,573	-	-
	Management fee	1,317,783,118	1,260,197,437	498,242,808	1,386,217,181

Masan Consumer Corporation

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2018 VND	2017 VND	31/12/2018 VND	1/1/2018 VND
Other related parties					
MNS Feed Vinh Long Company Limited (formerly known as Aqua Nutrition International Joint Venture Co., Ltd)	Sales of merchandise inventories Management fee	- 1,510,709,543	16,924,336 1,397,436,985	- 637,208,299	- 1,537,180,683
MNS Feed Hau Giang Company Limited (formerly known as Agro Nutrition International Hau Giang One Member Limited Liability Company)	Sales of merchandise inventories Management fee	- 1,074,951,181	1,875,273 903,161,912	- 507,005,940	- 993,478,103
MNS Feed Nghe An Company Limited (formerly known as Agro Nutrition International Nghe An Company Limited)	Sales of merchandise inventories Management fee	41,116,909 1,606,391,239	5,953,991 1,287,824,042	- 804,869,783	- 1,416,606,447
MNS Farm Nghe An Company Limited (formerly known as Masan Nutri - Farm (N.A) Limited Liability Company)	Sales of merchandise inventories Management fee	9,563,891 3,096,357,943	421,936 7,652,397,325	- 986,100,091	- 6,898,790,674
MNS Meat Ha Nam Company Limited	Sales of merchandise inventories Management fee	18,476,019 1,327,010,547	- -	7,912,200 1,459,711,602	- -

Masan Consumer Corporation

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2018 VND	2017 VND	31/12/2018 VND	1/1/2018 VND
Other related parties					
Vietnamese – French Cattle Feed Joint Stock Company	Sales of merchandise inventories	71,593,600	132,675,545	-	-
	Management fee	10,571,231,250	14,829,590,245	5,131,224,940	15,432,135,658
Proconco Can Tho One Member Company Limited	Sales of merchandise inventories	-	17,861,973	-	-
	Management fee	2,483,411,874	1,781,402,913	1,411,327,932	1,959,543,205
Conco Binh Dinh Co.,Ltd	Sales of merchandise inventories	-	6,469,691	-	-
	Management fee	1,671,915,669	1,472,308,326	736,957,268	1,619,539,159
Proconco Hung Yen Manufacturing and Trading Company Limited	Sales of merchandise inventories	5,238,000	6,985,391	-	-
	Management fee	761,002,325	1,079,114,287	34,718,341	1,187,025,716
Masan Nutri-Science Corporation	Management fee	6,247,128,302	-	6,871,841,133	-
Nui Phao Mining Company Limited	Sales of merchandise inventories	1,072,107,209	-	86,225,766	-
	Management fee	3,261,776,530	-	3,587,954,183	-

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2018 VND	2017 VND	31/12/2018 VND	1/1/2018 VND
Other related parties					
Key management personnel	Remuneration to key management personnel (*)	22,519,251,698	22,505,992,606	-	-

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

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2018
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26. Explanation of profit

Net profit after tax (“NPAT”) for quarter 4 of 2018 decreased by VND389.6 billion, equivalent to 14% as compared to the same previous year. This is mainly due to:

- Net revenue increased by 72% as compared to the same previous year as the result of the centralisation of sale and distribution of the Company's subsidiaries to sell through the Company in the beverage segment;
- Total selling and administrative expenses during the period increased by 83.5% but the total selling and administrative expenses over net revenue only increased 1.4% as compared to the same prior year. The keys in quarter 4 of 2018 driven by the Company heavily invested in advertising activities in order to build and premiumise its power brands, increased its promotion activities to boost the demand of the market and its operating costs to ready serve Tet season;
- Decreased net financial activities by 7% compare to same period in previous year due to lower than profits distribution from subsidiaries in current year.

27. Subsequent event after the balance sheet date

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

30 January 2019

Prepared by: 
Phan Thi Thuy Hoa
Chief Accountant


Huynh Viet Thang
Acting Chief Financial Officer

Approved by: 

Trương Công Thang
Chairman of the Board of Directors