



**Masan Consumer Corporation**  
Separate Financial Statements  
for the year ended 31 December 2016



**Masan Consumer Corporation  
Corporate Information**

**Business Registration Certificate No.** 0302017440

31 May 2000

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 4 August 2016. The Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

**Board of Directors**

Dr Nguyen Dang Quang	Chairman
Mr Ho Hung Anh	Member
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Quang	Member
Mr Seokhee Won	Member
Mr Lu Ming	Member (until 27 January 2016)
Mr David Tan Wei Ming	Member (until 27 January 2016)

**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 (from 31 May 2016)

**Registered Office**

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

**Auditor**

KPMG Limited  
Vietnam

## **Masan Consumer Corporation Statement of the Board of Management**

The Board of Management of Masan Consumer Corporation (“the Company”) presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2016.

The Company’s Board of Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Company’s Board of Management:

- (a) the separate financial statements set out on pages 5 to 40 give a true and fair view of the separate financial position of the Company as at 31 December 2016, and of its separate results of operations and its separate cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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



On behalf of the Board of Management

Seokhee Won  
*Chief Executive Officer*

Ho Chi Minh City, 15 March 2017



KPMG Limited Branch  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying separate financial statements of Masan Consumer Corporation (“the Company”), which comprise the separate balance sheet as at 31 December 2016, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 15 March 2017, as set out on pages 5 to 40.

### **Management’s Responsibility**

The Company’s Board of Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company’s Board of Management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





**Masan Consumer Corporation**  
**Separate balance sheet as at 31 December 2016**

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

	Code	Note	31/12/2016 VND	1/1/2016 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>10,349,274,001,384</b>	<b>3,490,098,962,467</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>4,696,551,755,028</b>	<b>1,448,427,905,127</b>
Cash	111		20,951,755,028	21,127,905,127
Cash equivalents	112		4,675,600,000,000	1,427,300,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>1,279,948,841,175</b>	-
Held-to-maturity investments	123	5(a)	1,279,948,841,175	-
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>4,283,852,563,033</b>	<b>1,959,248,299,418</b>
Accounts receivable from customers	131	6	333,636,196,490	235,284,660,618
Prepayments to suppliers	132		6,589,975,715	13,677,115,034
Short-term loans receivable	135	7	1,663,716,876,592	-
Other short-term receivables	136	8(a)	2,279,909,514,236	1,710,262,866,408
Shortage of assets awaiting resolution	139		-	23,657,358
<b>Inventories</b>	<b>140</b>	<b>9</b>	<b>79,445,760,231</b>	<b>74,417,177,160</b>
Inventories	141		79,725,053,827	74,417,177,160
Allowance for inventories	149		(279,293,596)	-
<b>Other current assets</b>	<b>150</b>		<b>9,475,081,917</b>	<b>8,005,580,762</b>
Short-term prepaid expenses	151		9,475,081,917	8,005,580,762

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

**Masan Consumer Corporation**  
**Separate balance sheet as at 31 December 2016 (continued)**

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

	Code	Note	31/12/2016 VND	1/1/2016 VND
<b>Long-term assets</b> <b>(200 = 210 + 220 + 240 + 250 + 260)</b>	<b>200</b>		<b>5,087,719,815,800</b>	<b>11,204,779,099,500</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>20,667,561,158</b>	<b>7,122,192,702,433</b>
Long-term loans receivable	215		-	6,729,614,068,000
Other long-term receivables	216	8(b)	20,667,561,158	392,578,634,433
<b>Fixed assets</b>	<b>220</b>		<b>277,006,087,390</b>	<b>247,958,046,201</b>
Tangible fixed assets	221	10	59,257,935,176	21,663,329,256
Cost	222		98,550,132,221	55,023,312,767
Accumulated depreciation	223		(39,292,197,045)	(33,359,983,511)
Intangible fixed assets	227	11	217,748,152,214	226,294,716,945
Cost	228		275,063,053,160	252,094,429,044
Accumulated amortisation	229		(57,314,900,946)	(25,799,712,099)
<b>Long-term work in progress</b>	<b>240</b>		<b>4,413,036,077</b>	<b>58,811,350,148</b>
Construction in progress	242	12	4,413,036,077	58,811,350,148
<b>Long-term financial investments</b>	<b>250</b>		<b>4,665,771,509,348</b>	<b>3,689,300,009,348</b>
Investments in subsidiaries	251	5(b)	4,665,771,509,348	3,689,300,009,348
<b>Other long-term assets</b>	<b>260</b>		<b>119,861,621,827</b>	<b>86,516,991,370</b>
Long-term prepaid expenses	261	13	12,445,534,013	2,754,250,001
Deferred tax assets	262	14	107,416,087,814	83,762,741,369
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>15,436,993,817,184</b>	<b>14,694,878,061,967</b>

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

**Masan Consumer Corporation**  
**Separate balance sheet as at 31 December 2016 (continued)**

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

	Code	Note	31/12/2016 VND	1/1/2016 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310)</b>	<b>300</b>		<b>4,246,769,360,739</b>	<b>3,236,974,822,672</b>
<b>Current liabilities</b>	<b>310</b>		<b>4,246,769,360,739</b>	<b>3,236,974,822,672</b>
Accounts payable to suppliers – short-term	311	15	1,671,575,048,391	1,668,709,011,239
Advances from customers	312		9,751,691,244	18,176,167,311
Taxes payable to State Treasury	313	16	107,811,056,859	120,793,427,371
Payables to employees	314		-	8,615,000
Accrued expenses	315	17	581,410,189,142	463,366,354,814
Other short-term payables	319	18	16,908,965,636	12,480,468,364
Short-term borrowings	320	19	1,859,312,409,467	953,440,778,573
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>11,190,224,456,445</b>	<b>11,457,903,239,295</b>
<b>Owners' equity</b>	<b>410</b>	<b>20</b>	<b>11,190,224,456,445</b>	<b>11,457,903,239,295</b>
Share capital	411	21	5,381,601,170,000	5,351,601,170,000
Share premium	412	21	5,088,056,394,992	5,088,056,394,992
Treasury shares	415	21	(1,640,252,631,255)	(1,640,252,631,255)
Undistributed profits after tax	421		2,360,819,522,708	2,658,498,305,558
<b>TOTAL RESOURCES</b> <b>(440 = 300 + 400)</b>	<b>440</b>		<b>15,436,993,817,184</b>	<b>14,694,878,061,967</b>

Prepared by:

  
 Huynh Viet Thang  
 Chief Accountant

15 March 2017

Approved by:

  
 Nguyen Hoang Tung  
 Interim Chief Financial Officer

  
 Seokhee Won  
 Chief Executive Officer



*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 2016**

**Form B 02 – DN**

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


	Code	Note	2016 VND	2015 VND
Revenue from sales of goods and provision of services	01	24	10,032,147,674,239	10,174,195,100,613
Revenue deductions	02	24	48,158,301,706	71,832,319,926
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>24</b>	<b>9,983,989,372,533</b>	<b>10,102,362,780,687</b>
Cost of sales	11	25	7,903,907,443,330	7,947,121,126,438
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>2,080,081,929,203</b>	<b>2,155,241,654,249</b>
Financial income	21	26	2,892,135,160,332	3,521,239,018,209
Financial expenses	22	27	62,410,130,203	297,519,766,440
<i>In which: Interest expense</i>	23		61,931,658,334	274,251,034,939
Selling expenses	25	28	1,915,086,900,586	1,900,021,436,192
General and administration expenses	26	29	371,593,863,165	321,988,979,295
<b>Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}</b>	<b>30</b>		<b>2,623,126,195,581</b>	<b>3,156,950,490,531</b>
Other income	31		494,671,696	1,176,582,166
Other expenses	32		1,756,466,149	38,017,495
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>(1,261,794,453)</b>	<b>1,138,564,671</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>2,621,864,401,128</b>	<b>3,158,089,055,202</b>
Income tax expense – current	51	31	47,099,875,223	207,173,460,636
Income tax benefit – deferred	52	31	(23,653,346,445)	(48,432,138,169)
<b>Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>2,598,417,872,350</b>	<b>2,999,347,732,735</b>

15 March 2017

Prepared by:

  
Huynh Viet Thang  
Chief Accountant

Approved by:

  
Nguyen Hoang Tung  
Interim Chief Financial Officer

  
Seokhee Won  
Chief Executive Officer

*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 2016 (Indirect method)****Form B 03 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	<b>Code</b>	<b>2016 VND</b>	<b>2015 VND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>2,621,864,401,128</b>	<b>3,158,089,055,202</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	45,464,450,213	21,052,381,892
Allowances and provisions	03	9,503,958,579	-
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	26,357,930	91,954,845
Losses/(gains) on disposals of fixed assets and construction in progress	05	1,726,020,769	(50,000,000)
Interest income, distributed profits and related income from investing activities	05	(2,891,333,787,157)	(3,520,829,569,983)
Interest expense	06	61,931,658,334	274,251,034,939
<b>Operating loss before changes in working capital</b>	<b>08</b>	<b>(150,816,940,204)</b>	<b>(67,395,143,105)</b>
Change in receivables	09	(89,575,534,425)	18,323,295,000
Change in inventories	10	(14,532,541,650)	(9,523,636,444)
Change in payables and other liabilities	11	120,547,947,949	(52,033,933,326)
Change in prepaid expenses	12	772,568,899	(3,512,557,038)
		<b>(133,604,499,431)</b>	<b>(114,141,974,913)</b>
Interest paid	14	(61,342,661,027)	(401,850,265,801)
Corporate income tax paid	15	(66,057,681,306)	(490,036,235,694)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(261,004,841,764)</b>	<b>(1,006,028,476,408)</b>

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

**Masan Consumer Corporation**  
**Separate statement of cash flows for the year ended 31 December 2016**  
**(Indirect method – continued)**

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

<b>Code</b>	<b>2016 VND</b>	<b>2015 VND</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(31,962,539,433)	(164,853,279,499)
Proceeds from disposals of fixed assets and construction in progress	22	2,994,089,006	16,404,545,454
Payments for granting loans	23	(3,559,078,712,592)	(8,285,000,000,000)
Receipt from collecting loans	24	6,735,714,068,000	11,225,158,802,265
Placement of term deposits to banks	23	(27,675,348,841,175)	(22,536,056,000,000)
Withdrawal of term deposits from banks	24	26,395,400,000,000	25,017,256,000,000
Payments for investments in subsidiaries	25	(976,471,500,000)	(1,979,496,220,000)
Proceeds from disposal of interest in a subsidiary	26	-	1,209,140,526,840
Receipts of interests and distributed profits	27	2,687,221,202,240	3,514,543,260,861
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>3,578,467,766,046</b>	<b>8,017,097,635,921</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share capital issued	31	30,000,000,000	38,337,950,000
Proceeds from borrowings from banks	33	5,453,343,599,258	6,322,196,322,786
Payments to settle loan principals to banks and a subsidiary	34	(4,547,471,968,364)	(10,490,579,224,018)
Payments of dividends	36	(1,005,186,769,200)	(3,080,229,986,000)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(69,315,138,306)</b>	<b>(7,210,274,937,232)</b>
<b>Net cash flows during the year</b> (50 = 20 + 30 + 40)	<b>50</b>	<b>3,248,147,785,976</b>	<b>(199,205,777,719)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>1,448,427,905,127</b>	<b>1,647,716,541,674</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>(23,936,075)</b>	<b>(82,858,828)</b>
<b>Cash and cash equivalents at the end of the year</b> (70 = 50 + 60 + 61) (Note 4)	<b>70</b>	<b>4,696,551,755,028</b>	<b>1,448,427,905,127</b>

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



**Masan Consumer Corporation**  
**Separate statement of cash flows for the year ended 31 December 2016**  
**(Indirect method – continued)**

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

**NON-CASH INVESTING AND FINANCING ACTIVITIES**

	<b>2016</b>	<b>2015</b>
	<b>VND</b>	<b>VND</b>
▪ Net-off dividend payable with loan receivables from related parties	1,889,261,836,000	-

*HVT*  
Prepared by:

  
 Huynh Viet Thang  
 Chief Accountant

15 March 2017

  
 Nguyen Hoang Tung  
 Interim Chief Financial Officer

Approved by:



Seokhee Won  
 Chief Executive Officer



**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2016**

**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 2016, the Company had 1,192 employees (1/1/2016: 1,134 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 Company’s consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate financial statements should be read in conjunction with the consolidated financial statements.

**(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 are prepared using the indirect method.

**(c) Annual accounting period**

The annual accounting period of the Company is from 1 January to 31 December.

**(d) Accounting and presentation currency**

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

**(e) Corresponding figures**

The corresponding figures as at 1 January 2016 were brought forward from the audited figures as at 31 December 2015.

**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 year 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 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.

**(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.



**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2016 (continued)**

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

**(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 investee 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 investee 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 selling expenses.

The Company applies the perpetual method of accounting for inventories.

**(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 and maintenance and overhaul cost, is charged to the separate statement of income in the year 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 - 6 years
▪ leasehold improvements	3 - 5 years
▪ office equipment	3 - 8 years
▪ machinery and equipment	3 - 7 years
▪ motor vehicles	3 - 7 years

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2016 (continued)**

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

**(g) Intangible fixed assets**

**(i) 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.

**(ii) 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.

**(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.

**(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.



**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2016 (continued)**

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**(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.

**(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 to equity, in which case it is recognised in equity.

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

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

**(i) Sale of goods**

Revenue from the 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 on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

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**Notes to the separate financial statements for the year ended 31 December 2016 (continued)**

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**(ii) Provision of services**

Revenue from provision of services is recognised in the separate 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.

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

**(i) Financial income**

Financial income mainly comprise interest income from deposits at banks, interest income from loans, dividend income 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.

Dividend income and profits distributed by subsidiaries are recognised when the right to receive dividend and profits distributed by subsidiaries is established. Share dividends are not recognised as income. Dividends received and distributed profits which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

**(ii) Financial expenses**

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

**(p) Operating lease payments**

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

**(q) Related parties**

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

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

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



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**4. Cash and cash equivalents**

	<b>31/12/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	70,049,263	215,099,554
Cash in banks	20,881,705,765	20,912,805,573
Cash equivalents	4,675,600,000,000	1,427,300,000,000
	4,696,551,755,028	1,448,427,905,127

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

**5. Investments**

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

	<b>31/12/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
<b>Held-to-maturity investments – short-term</b>		
▪ Term deposits at banks	1,279,948,841,175	-
	1,279,948,841,175	-

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

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	31/12/2016		1/1/2016	
	% of equity owned and voting rights	Cost VND	% of equity owned and voting rights	Cost VND
Investments in subsidiaries:				
▪ Masan Food Company Limited (*)	100%	1,856,000,009,348	100%	1,833,100,009,348
▪ Masan Beverage Company Limited (**)	100%	2,745,000,000,000	100%	1,856,200,000,000
▪ Masan Consumer (Thailand) Limited (***)	99.99%	64,771,500,000	-	-
		4,665,771,509,348		3,689,300,009,348

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

There were no allowance from diminution in value of these investments in subsidiaries in these separate financial statements for the years ended 31 December 2016 and 2015.

- (\*) Masan Food Company Limited has 8 subsidiaries, which include Masan Industrial One Member Company Limited (“MSI”), Viet Tien Food Technology One Member Company Limited (“VTF”), MaSan PQ Corporation (“MPQ”), Masan HD One Member Company Limited (“MHD”), Masan MB One Member Company Limited (“MMB”), Masan HG One Member Company Limited (“MHG”), Saigon Nutri Food Joint Stock Company (“SNF”), Nam Ngu Phu Quoc One Member Company Limited (“NPQ”). These subsidiaries, except for MHG, SNF and NPQ, are manufacturing companies and sell their products to the Company who then distributes them to the market. MHG and NPQ were established in 2015 and 2016, respectively, and as at the date of issuance of these separate financial statements, they have not yet started their operations. SNF is a manufacturing company and distributes most of its products directly to the market. Please see Note 32 for significant transactions between the Company and these subsidiaries.
- (\*\*) Masan Beverage Company Limited has 5 subsidiaries, which include VinaCafé Bien Hoa Joint Stock Company (“VCF”), CDN Production Trading Corporation (“CDN”), Vinh Hao Mineral Water Corporation (“VHC”), Kronfa., JSC and Quang Ninh Mineral Water Corporation (“QNW”). VCF, VHC and QNW are beverage manufacturing companies and distribute their products directly to the market. CDN is beverage manufacturing company and sell their products to VCF who then distributes them to the market. Please see Note 32 for significant transactions between the Company and these subsidiaries.
- (\*\*\*) Masan Consumer (Thailand) Limited (“MTH”) was established in 2016.

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



**Masan Consumer Corporation****Notes to the separate financial statements for the year ended 31 December 2016 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Masan DN One Member Company Limited (“MDN”) is a wholly owned subsidiary of the Company and was established on 12 September 2014 under the Business Registration Certificate No. 0401622417 issue by the Department of Planning and Investment of Da Nang City. As at 31 December 2016 and 1 January 2016, no capital contribution was made by the Company. The Board of Management Resolution No. 7/2016/NQ-HDQT-MSC on 28 March 2016 resolved and approved to liquidate MDN. As at the date of issuance of these consolidated financial statements, the liquidation process of MDN is still in progress.

**6. Accounts receivable from customers****Accounts receivable from customers who are related parties**

	31/12/2016 VND	1/1/2016 VND
<b>Related parties</b>		
▪ Vinh Hao Mineral Water Corporation	40,873,126,994	23,576,153,951
▪ VinaCafé Bien Hoa Joint Stock Company	111,638,116,313	62,664,306,725
▪ Ma San PQ Corporation	1,510,898,062	-
▪ Nam Ngu Phu Quoc One Member Company Limited	666,575,479	-
▪ CDN Production Trading Corporation	2,082,020	-
▪ Masan Brewery PY One Member Company Limited	5,644,586	218,586,661
▪ Masan Brewery Distribution One Member Company Limited	31,752,716,796	16,639,970,914
▪ Masan Brewery HG One Member Company Limited	3,833,035,010	6,957,627,234

The trade related amounts due from related parties were unsecured, interest free and are due within 30 – 180 days from invoice date.

**7. Short-term loans receivable**

	31/12/2016 VND	1/1/2016 VND
Loans receivable from a subsidiary	1,663,716,876,592	-

The loans receivable were unsecured and earned interest at 6% per annum during the year. These loans matures after 12 months from the drawdown dates. Interests are receivable on the maturity date of loan agreements.

**Masan Consumer Corporation****Notes to the separate financial statements for the year ended 31 December 2016 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***8. Other receivables****(a) Other short-term receivables**

	<b>31/12/2016</b> <b>VND</b>	<b>1/1/2016</b> <b>VND</b>
Non-trade amounts due from related parties:		
▪ Distributed profits receivable (*)	2,143,460,848,545	1,697,197,677,366
▪ Accrued interest receivables (**)	114,905,802,559	-
Accrued interests receivable from deposits at banks	19,461,623,060	3,022,707,778
Short-term deposits	468,100,000	7,904,389,272
Others	1,613,140,072	2,138,091,992
	<hr/>	<hr/>
	2,279,909,514,236	1,710,262,866,408
	<hr/>	<hr/>

(\*) The non-trade amounts due from related parties were unsecured, interest free and are receivable on demand.

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

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

	<b>31/12/2016</b> <b>VND</b>	<b>1/1/2016</b> <b>VND</b>
Accrued interests receivable	-	373,495,304,103
Long-term deposits	20,667,561,158	19,083,330,330
	<hr/>	<hr/>
	20,667,561,158	392,578,634,433
	<hr/>	<hr/>

## 9. Inventories

	31/12/2016		1/1/2016	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	3,237,879,500	-	5,608,827,868	-
Raw materials	9,974,429,552	-	18,443,145,481	-
Tools and supplies	55,000,000	-	55,000,000	-
Finished goods	24,604,198	-	-	-
Merchandise inventories	66,433,140,577	(279,293,596)	50,310,203,811	-
	<u>79,725,053,827</u>	<u>(279,293,596)</u>	<u>74,417,177,160</u>	<u>-</u>

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

	2016 VND	2015 VND
Opening balance	-	36,906,114
Increase in allowance during the year	9,503,958,579	-
Allowance utilised during the year	(9,224,664,983)	(36,906,114)
Closing balance	<u>279,293,596</u>	<u>-</u>

Included in inventories as at 31 December 2016 was VND279 million (1/1/2016: Nil) of slow-moving inventories.



**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2016 (continued)**

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**10. Tangible fixed assets**

<b>Cost</b>	<b>Buildings VND</b>	<b>Leasehold improvements VND</b>	<b>Office equipment VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Total VND</b>
Opening balance	1,874,006,264	10,622,457,648	22,524,526,753	3,630,219,980	16,372,102,122	55,023,312,767
Additions during the year	-	-	66,200,000	48,750,000	-	114,950,000
Transfer from construction in progress	-	52,258,545,361	-	-	-	52,258,545,361
Disposals	(362,325,521)	(7,192,578,331)	(1,215,950,855)	-	(75,821,200)	(8,846,675,907)
Closing balance	1,511,680,743	55,688,424,678	21,374,775,898	3,678,969,980	16,296,280,922	98,550,132,221
<b>Accumulated depreciation</b>						
Opening balance	1,579,470,516	9,215,700,908	8,255,543,741	2,105,676,722	12,203,591,624	33,359,983,511
Charge for the year	28,479,623	10,268,545,627	2,060,559,380	501,583,141	1,090,093,595	13,949,261,366
Disposals	(96,269,396)	(7,102,686,302)	(763,332,386)	-	(54,759,748)	(8,017,047,832)
Closing balance	1,511,680,743	12,381,560,233	9,552,770,735	2,607,259,863	13,238,925,471	39,292,197,045
<b>Net book value</b>						
Opening balance	294,535,748	1,406,756,740	14,268,983,012	1,524,543,258	4,168,510,498	21,663,329,256
Closing balance	-	43,306,864,445	11,822,005,163	1,071,710,117	3,057,355,451	59,257,935,176

Included in the cost of tangible fixed assets were assets costing VND18,599 million which were fully depreciated as of 31 December 2016 (1/1/2016: VND25,341 million), but which are still in active use.



**Masan Consumer Corporation****Notes to the separate financial statements for the year ended 31 December 2016 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***11. Intangible fixed assets**

	<b>Software VND</b>	<b>Brand name VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance	251,458,065,408	636,363,636	252,094,429,044
Transfer from construction in progress	22,968,624,116	-	22,968,624,116
Closing balance	274,426,689,524	636,363,636	275,063,053,160
<b>Accumulated amortisation</b>			
Opening balance	25,176,984,822	622,727,277	25,799,712,099
Charge for the year	31,501,552,488	13,636,359	31,515,188,847
Closing balance	56,678,537,310	636,363,636	57,314,900,946
<b>Net book value</b>			
Opening balance	226,281,080,586	13,636,359	226,294,716,945
Closing balance	217,748,152,214	-	217,748,152,214

Included in the cost of intangible fixed assets were assets costing VND10,447 million which were fully amortised as of 31 December 2016 (1/1/2016: VND9,811 million), but which are still in active use.

**12. Construction in progress**

	<b>2016 VND</b>	<b>2015 VND</b>
Opening balance	58,811,350,148	192,320,297,276
Additions during the year	36,652,691,172	140,175,488,290
Transfer to tangible fixed assets	(52,258,545,361)	(15,111,121,674)
Transfer to intangible fixed assets	(22,968,624,116)	(241,075,525,660)
Transfer to long-term prepaid expenses	(11,933,354,066)	(1,143,242,630)
Disposals	(3,890,481,700)	(16,354,545,454)
Closing balance	4,413,036,077	58,811,350,148

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Major construction in progress were as follows:

	<b>31/12/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Leasehold improvements	-	55,268,590,055
Machinery and equipment	4,413,036,077	-
Software	-	3,542,760,093
	<hr/>	<hr/>
	4,413,036,077	58,811,350,148
	<hr/>	<hr/>

During the year, no borrowing costs capitalised into construction in progress (2015: VND12,669 million).

**13. Long-term prepaid expenses**

	<b>Tools and supplies</b>	
	<b>2016</b>	<b>2015</b>
	<b>VND</b>	<b>VND</b>
Opening balance	2,754,250,001	3,381,423,440
Additions during the year	3,072,693,342	609,965,753
Transfer from construction in progress	11,933,354,066	1,143,242,630
Amortisation for the year	(5,314,763,396)	(2,380,381,822)
	<hr/>	<hr/>
Closing balance	12,445,534,013	2,754,250,001
	<hr/>	<hr/>

**14. Deferred tax assets****Recognised deferred tax assets**

	<b>31/12/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Accrued advertising and promotion expenses	78,654,098,879	63,434,596,467
Accrued logistic expenses	14,294,842,087	4,725,942,225
Accrued sales discounts	2,985,486,550	4,062,726,037
Other accruals	11,481,660,298	11,539,476,640
	<hr/>	<hr/>
	107,416,087,814	83,762,741,369
	<hr/>	<hr/>

**15. Accounts payable to suppliers – short-term**

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

	31/12/2016		1/1/2016	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Short-term	1,671,575,048,391	1,671,575,048,391	1,668,709,011,239	1,668,709,011,239

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

	31/12/2016 VND	1/1/2016 VND
<b>Related parties</b>		
▪ Viet Tien Food Technology One Member Company Limited	293,403,208,653	344,787,532,659
▪ Masan Industrial One Member Company Limited	268,490,649,315	508,010,104,440
▪ Masan HD One Member Company Limited	32,291,494,140	328,825,060,298
▪ Masan MB One Member Company Limited	978,486,498,095	273,111,051,583
▪ Saigon Nutri Food Joint Stock Company	4,014,833,237	3,675,717,232

The trade related amounts due to related parties were unsecured, interest free and are payable at call.



**Masan Consumer Corporation****Notes to the separate financial statements for the year ended 31 December 2016 (continued)**

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**16. Taxes payable to State Treasury**

	<b>1/1/2016</b>	<b>Incurred</b>	<b>Paid/refunded</b>	<b>Deducted</b>	<b>31/12/2016</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Value added tax	52,195,476,424	1,011,735,429,350	(56,772,433,961)	(949,993,769,902)	57,164,701,911
Corporate income tax	67,263,374,541	47,099,875,223	(66,057,681,306)	-	48,305,568,458
Personal income tax	1,334,576,406	43,130,053,563	(40,816,605,663)	(1,307,237,816)	2,340,786,490
	<b>120,793,427,371</b>	<b>1,101,965,358,136</b>	<b>(163,646,720,930)</b>	<b>(951,301,007,718)</b>	<b>107,811,056,859</b>

**Masan Consumer Corporation****Notes to the separate financial statements for the year ended 31 December 2016 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***17. Accrued expenses**

	<b>31/12/2016</b> <b>VND</b>	<b>1/1/2016</b> <b>VND</b>
Advertising and promotion expenses	393,270,494,395	317,172,981,836
Logistic expenses	71,474,210,434	23,629,710,924
Exhibition expense	18,186,085,801	19,157,714,814
Bonus and 13th month salary	40,714,735,246	36,145,814,889
Sales discounts	14,927,432,751	20,313,629,886
Market research expenses	11,150,495,547	18,248,507,362
Accrued interest expenses	1,433,606,998	844,609,691
Construction in progress	95,718,000	-
Purchases not yet received invoices	2,085,688,819	7,562,223,180
Others	28,071,721,151	20,291,162,232
	<hr/> <b>581,410,189,142</b>	<hr/> <b>463,366,354,814</b>

**18. Other short-term payables**

	<b>31/12/2016</b> <b>VND</b>	<b>1/1/2016</b> <b>VND</b>
Trade union fees, social, health and unemployment insurances	9,226,945,025	6,734,857,200
Short-term deposits	-	900,000,000
Others	7,682,020,611	4,845,611,164
	<hr/> <b>16,908,965,636</b>	<hr/> <b>12,480,468,364</b>

**Masan Consumer Corporation**  
**Notes to the separate financial statements for the year ended 31 December 2016 (continued)**

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**19. Short-term borrowings**

	1/1/2016		Movement during the year		31/12/2016	
	Carrying amount VND	Amount within repayment capacity VND	Addition VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	953,440,778,573	953,440,778,573	5,453,343,599,258	(4,547,471,968,364)	1,859,312,409,467	1,859,312,409,467

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

Short-term borrowings	Currency	Annual interest rate	31/12/2016		1/1/2016	
			Currency	interest rate	VND	VND
▪ Unsecured bank loans	VND	4.2% - 4.7%	1,859,312,409,467	953,440,778,573		



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20. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Undistributed profits after tax VND	Total VND
<b>Balance at 1 January 2015</b>	5,313,263,220,000	5,088,056,394,992	(1,640,252,631,255)	2,740,561,071,857	11,501,628,055,594
Share capital issued (Note 21)	38,337,950,000	-	-	-	38,337,950,000
Net profit for the year	-	-	-	2,999,347,732,735	2,999,347,732,735
Appropriation to bonus and welfare funds	-	-	-	(1,452,567,034)	(1,452,567,034)
Dividends (Note 22)	-	-	-	(3,079,957,932,000)	(3,079,957,932,000)
<b>Balance at 1 January 2016</b>	5,351,601,170,000	5,088,056,394,992	(1,640,252,631,255)	2,658,498,305,558	11,457,903,239,295
Share capital issued (Note 21)	30,000,000,000	-	-	-	30,000,000,000
Net profit for the year	-	-	-	2,598,417,872,350	2,598,417,872,350
Dividends (Note 22)	-	-	-	(2,896,096,655,200)	(2,896,096,655,200)
<b>Balance at 31 December 2016</b>	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

## 21. Share capital, share premium and treasury shares

The Company's authorised and issued share capital are:

	31/12/2016		1/1/2016	
	Number of shares	VND	Number of shares	VND
<b>Authorised and issued share capital</b>				
Ordinary shares	538,160,117	5,381,601,170,000	535,160,117	5,351,601,170,000
<b>Treasury shares</b>				
Ordinary shares	18,000,000	1,640,252,631,255	18,000,000	1,640,252,631,255
<b>Shares currently in circulation</b>				
Ordinary shares	520,160,117	5,201,601,170,000	517,160,117	5,171,601,170,000
<b>Share premium</b>	-	5,088,056,394,992	-	5,088,056,394,992

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

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

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

	2016		2015	
	Number of shares	Par value VND	Number of shares	Par value VND
Balance at the beginning of the year - currently in circulation	517,160,117	5,171,601,170,000	513,326,322	5,133,263,220,000
Shares issued during the year (*)	3,000,000	30,000,000,000	3,833,795	38,337,950,000
Balance at the end of the year - currently in circulation	520,160,117	5,201,601,170,000	517,160,117	5,171,601,170,000

- (\*) In June 2016, the Company issued 3 million shares at par value to certain employees under its employee share ownership plan after obtaining shareholders' approval at its Annual General Meeting in April 2016.

## 22. Dividends

The Annual General Meeting of Shareholders of the Company on 26 April 2016 resolved to distribute and advance dividends by cash amounting to VND2,896,097 million (2015: VND3,079,958 million).

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**Notes to the separate financial statements for the year ended 31 December 2016 (continued)**

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**23. Off balance sheet items**

**(a) Lease commitments**

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

	<b>31/12/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Within 1 year	96,092,770,180	61,898,765,097
Within 2 to 5 years	90,128,537,429	139,592,752,290
	<hr/>	<hr/>
	186,221,307,609	201,491,517,387
	<hr/>	<hr/>

**(b) Foreign currency**

	<b>31/12/2016</b>		<b>1/1/2016</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
USD	442,583	10,055,480,535	602,475	13,495,446,272
		<hr/>		<hr/>

**(c) Capital expenditure commitments**

As at 31 December 2016, the Company had the following outstanding capital commitments approved but not provided for in the separate balance sheet:

	<b>31/12/2016</b>	<b>1/1/2016</b>
	<b>VND</b>	<b>VND</b>
Approved and contracted	-	7,158,567,828
Approved but not contracted	-	61,520,900,233
		<hr/>
	-	68,679,468,061
		<hr/>



## 24. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	<b>2016 VND</b>	<b>2015 VND</b>
Total revenue		
▪ Sales of goods	10,031,841,281,835	10,158,556,676,665
▪ Services and other sales	306,392,404	15,638,423,948
	<hr/> 10,032,147,674,239	<hr/> 10,174,195,100,613
Less revenue deductions		
▪ Sales discounts	22,348,923,650	19,842,224,237
▪ Sales returns	25,809,378,056	51,990,095,689
	<hr/> 48,158,301,706	<hr/> 71,832,319,926
Net revenue	<hr/> 9,983,989,372,533	<hr/> 10,102,362,780,687

## 25. Cost of sales

	<b>2016 VND</b>	<b>2015 VND</b>
Total cost of sales		
▪ Goods sold	7,894,403,484,751	7,932,095,151,720
▪ Services provided and other cost of goods sold	-	15,025,974,718
▪ Allowance for inventories	9,503,958,579	-
	<hr/> 7,903,907,443,330	<hr/> 7,947,121,126,438

## 26. Financial income

	<b>2016 VND</b>	<b>2015 VND</b>
Interest income from deposits at banks	216,224,504,098	135,682,584,176
Interest income from loans provided to related parties	114,905,802,559	535,804,906,004
Interest income from other loan investing activities	55,311,896,449	374,481,605,473
Profits distributed by a subsidiary	2,504,891,584,051	2,474,860,474,330
Foreign exchange gains	790,433,623	409,448,226
Other financial income	10,939,552	-
	<hr/> 2,892,135,160,332	<hr/> 3,521,239,018,209

**Masan Consumer Corporation****Notes to the separate financial statements for the year ended 31 December 2016 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***27. Financial expenses**

	<b>2016 VND</b>	<b>2015 VND</b>
Interest expense on borrowings from banks	61,931,658,334	85,679,638,405
Interest expense on borrowings from related parties	-	188,571,396,534
Foreign exchange losses	447,926,819	23,268,731,501
Other financial expenses	30,545,050	-
	<hr/>	<hr/>
	62,410,130,203	297,519,766,440

**28. Selling expenses**

	<b>2016 VND</b>	<b>2015 VND</b>
Advertising and promotion expenses	1,330,092,726,996	1,235,720,255,737
Logistic expenses	371,328,331,254	421,648,931,758
Staff costs	137,611,488,460	173,683,955,433
Exhibition expenses	25,105,153,087	32,517,546,980
Marketing research expenses	15,941,574,048	26,136,089,242
Others	35,007,626,741	10,314,657,042
	<hr/>	<hr/>
	1,915,086,900,586	1,900,021,436,192

**29. General and administration expenses**

	<b>2016 VND</b>	<b>2015 VND</b>
Staff costs	158,468,646,397	156,277,572,939
Leased line system and information technology services	96,883,509,045	57,656,825,966
Office rental	49,438,971,016	39,086,234,699
Research and development expenses	14,477,799,758	11,783,414,645
Depreciation and amortisation of fixed assets	43,821,813,062	18,700,671,063
Others	8,503,123,887	38,484,259,983
	<hr/>	<hr/>
	371,593,863,165	321,988,979,295

**Masan Consumer Corporation****Notes to the separate financial statements for the year ended 31 December 2016 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***30. Trading and business costs by element**

	<b>2016 VND</b>	<b>2015 VND</b>
Cost of merchandise goods sold	7,894,403,484,751	7,932,095,151,720
Staff costs	296,080,134,857	329,961,528,372
Depreciation and amortisation	45,464,450,213	21,052,381,892
Outside services	1,903,268,065,204	1,824,549,299,027
Other expenses	51,372,072,056	61,473,180,914

**31. Income tax****(a) Recognised in the separate statement of income**

	<b>2016 VND</b>	<b>2015 VND</b>
<b>Current tax expense</b>		
Current year	47,099,875,223	207,173,460,636
<b>Deferred tax benefit</b>		
Origination and reversal of temporary differences	(23,653,346,445)	(56,808,412,306)
Effect of change in tax rate	-	8,376,274,137
	(23,653,346,445)	(48,432,138,169)
Income tax expense	23,446,528,778	158,741,322,467

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

	<b>2016 VND</b>	<b>2015 VND</b>
Accounting profit before tax (*)	2,621,864,401,128	3,158,089,055,202
Tax at the Company's income tax rate	524,372,880,226	694,779,592,144
Tax exempt income	(500,978,316,810)	(544,469,304,353)
Non-deductible expenses	51,965,362	54,760,539
Effect of change in tax rate	-	8,376,274,137
	23,446,528,778	158,741,322,467

(\*) The Company's profit before tax included VND2,504,891 million (2015: VND2,474,860 million) profits distributed by subsidiary which is not subject to tax.



**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2016 (continued)**

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**(c) Applicable tax rates**

The Company has an obligation to pay corporate income tax to the government at corporate income tax rate of 20% from 2016 onwards (2015: 22%).

**(d) Tax contingencies**

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

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**32. Significant transactions with related parties**

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

Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2016 VND	2015 VND	31/12/2016 VND	1/1/2016 VND
<b>Parent company</b>					
MasanConsumerHoldings Company Limited	Collection of loans	-	9,619,772,870,265	-	-
	Interest income receivable from loans	-	533,086,759,239	-	-
	Collection of interest income	-	552,062,749,559	-	-
	Dividends declared	2,799,261,836,000	2,413,111,542,000	-	-
<b>Subsidiaries</b>					
Masan Food Company Limited	Distributed profits (**)	2,504,891,584,051	2,474,860,474,330	10,925,756,293	152,518,462,649
Masan Industrial One Member Company Limited	Sales of goods	216,813,632,511	312,201,413,098	-	-
	Purchases of goods	3,806,669,294,926	4,947,712,183,820	(268,490,649,315)	(508,010,104,440)
	Interest expense from borrowings	-	201,240,670,579	-	-
	Collection of loans	6,100,000,000	-	-	-
	Payment of borrowings	-	2,874,312,071,533	-	-
	Loans provided	3,559,078,712,592	-	1,663,716,876,592	-
	Collection of loans through net-off with dividends receivable	1,889,261,836,000	-	-	-
	Interest income from loans receivable	114,905,802,559	-	114,905,802,559	-
	Distributed profits (**)	-	-	845,466,699,032	1,038,200,444,756
Viet Tien Food Technology One Member Company Limited	Purchases of goods	956,987,322,695	888,640,834,751	(293,403,208,653)	(344,787,532,659)
	Sales of goods	19,777,683,529	22,024,296,921	-	-
	Distributed profits (**)	-	-	209,362,343,040	254,925,839,485

**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2016 (continued)**

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Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2016 VND	2015 VND	31/12/2016 VND	1/1/2016 VND
Masan HD One Member Company Limited	Sales of goods	14,955,550,322	19,929,060,532	-	-
	Sales of fixed assets	41,221,616	-	-	-
	Purchases of goods	935,445,127,484	1,687,485,893,940	(32,291,494,140)	(328,825,060,298)
	Management service charge	1,718,204,378	-	-	-
	Distributed profits (**)	-	-	83,077,588,453	251,552,930,476
Ma San PQ Corporation	Sales of goods	3,734,305	6,426,000	1,510,898,062	-
	Sales of fixed assets	16,488,646	-	-	-
	Purchases of goods	7,799,600	-	-	-
Nam Ngu Phu Quoc One Member Company Limited	Sales of goods	605,977,708	-	666,575,479	-
	Sales of goods	52,836,007,262	42,030,992,563	6,078,604,247	5,244,745,846
VinaCafé Bien Hoa Joint Stock Company	Sales of fixed assets	9,743,291	-	-	-
	Purchases of goods	1,163,846,614	11,658,690,363	-	-
	Management service charge	151,605,481,211	138,890,025,830	105,559,512,066	57,419,560,879
	Sales of goods	3,609,821	-	2,082,020	-
CDN Production Trading Corporation	Purchases of goods	623,341,390	-	-	-
Masan MB One Member Company Limited	Sales of goods	97,569,181,152	15,675,820,932	-	-
	Sales of fixed assets	199,362,726	16,354,545,454	-	-
	Purchases of goods	2,394,555,820,788	493,197,354,693	(978,486,498,095)	(273,111,051,583)
	Distributed profits (**)	-	-	994,628,461,727	-
Saigon Nutri Food Joint Stock Company	Purchases of goods	14,042,928,191	15,164,085,164	(4,014,833,237)	(3,675,717,232)
	Sales of goods	743,079,942	1,112,328,972	-	-



**Masan Consumer Corporation**

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<b>Relationships</b>	<b>Nature of transactions</b>	<b>Transaction value</b>		<b>Receivables/(payables) as at</b>	
		<b>2016</b>	<b>2015</b>	<b>31/12/2016</b>	<b>1/1/2016</b>
		<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Vinh Hao Mineral Water Corporation	Purchases of goods	22,863,369	2,949,864,765	-	-
	Sales of goods	21,437,933,775	24,239,845,964	3,259,383,364	1,104,331,000
	Collection of loans	-	50,000,000,000	-	-
	Interest income from loans	-	2,718,146,765	-	-
	Management service charge	34,194,312,391	20,428,929,546	37,613,743,630	22,471,822,951
Quang Ninh Mineral Water Corporation	Sales of goods	47,844,291	-	-	-
<b>Other related parties</b>					
Masan Master Brewer Company Limited	Sales of goods	150,070	1,099,637	-	-
	Purchases of goods	-	117,436,404	-	-
Masan Brewery PY One Member Company Limited	Sales of goods	30,498,268	15,937,854	5,644,586	218,586,661
Masan Brewery Distribution One Member Company Limited	Purchases of goods	491,267,362	175,592,727	-	-
	Sales of goods	784,580	307,692,000	31,752,716,796	-
	Management service charge	28,990,613,560	15,185,119,012	-	16,639,970,914
Masan Brewery HG One Member Company Limited	Management service charge	3,479,025,230	6,325,115,667	3,826,927,753	6,957,627,234
	Sales of goods	27,771,151	-	6,107,257	-
<b>Key management personnel</b>					
	Remuneration to key management personnel (*)	29,984,910,463	25,265,348,225	-	-

(\*) No board fees were paid to members of the Board of Directors of the Company for the years ended 31 December 2016 and 2015.

**Masan Consumer Corporation**

**Notes to the separate financial statements for the year ended 31 December 2016 (continued)**

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- (\*\*) During the year, the chairmans of MSI, VTF, MHD, MMB resolved to distribute their profits amounting to VND2,493,966 million (2015: VND2,136,936 million) to Masan Food Company Limited (“MSF”). At the same time, the chairman of MSF resolved to distribute profits amounting to VND2,504,891 million to the Company, of which VND2,493,966 million are to be paid directly to the Company by these subsidiaries (2015: distributed profits of VND2,474,860 million of which VND1,986,936 million are to be paid directly to the Company by subsidiaries).

15 March 2017

Prepared by:



Huynh Viet Thang  
Chief Accountant

Approved by:



Nguyen Hoang Tung  
Interim Chief Financial Officer



Seokhee Won  
Chief Executive Officer

