

CELEBRATING



YEARS OF DRIVING CHANGE
FOR TOMORROW'S VALUE

ANNUAL REPORT 2015



WITH
A CLEAR VISION
FOR 2020

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20 YEARS OF DRIVING CHANGE FOR TOMORROW'S VALUE

FIVE-YEAR VISION FOR 2020

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DEAR SHAREHOLDERS,

There is a famous quote that goes, "A ship in a harbor is safe, but that is not what ships are built for."

20 years ago, on 1 April 1996, Masan left the "harbor" to begin its journey as a food company with sales in Eastern Europe. At one point in time, we actually had a shipping business. However, the most important ship was not of the kind that physically transported our chili sauce and instant noodles to markets overseas, but the metaphorical vessel that carried the shared vision and values which has made our journey possible. For years, we have internally referred to this concept as "Masanship," a play on both the word "entrepreneurship" and on our initial exporting nature.

Masanship embodies the passion, attitude and vision of our people. During the early days of Masan, the people who came together to establish the company were young Vietnamese graduates who had won scholarships to study abroad in Eastern Europe. We had the privilege to witness a fast changing world. What made us different was that we did not want to remain witnesses or simply ride the wave of economic liberalization occurring around us. We wanted to be the driver of change for tomorrow's value, to become entrepreneurs.

Since the beginning, what defined our version of entrepreneurship, or Masanship, was a passion to imagine and fulfil big unmet needs as we believed value comes from scale and leadership in large, underserved opportunities. For example, when we first

established our business, we could have simply targeted the Vietnamese overseas community who were already familiar with the Asian food products we wanted to sell. This approach would have been safer. Instead, we decided to serve the larger market of 290 million Eastern Europeans, who would soon learn to love our Vietnamese products.

While achieving scale and success abroad, we were never able to forget about the big unmet needs of the people of Vietnam, our homeland. Masan's accomplishments at the time only provided us a certain level of pride and satisfaction but nothing profound – something was missing. In 2002, Masan launched our Chin-su sauce brand in the domestic market, the first small step in our long journey to better serve Vietnam's 90 million consumers and a larger purpose. Since then, we have led the transformation in many opportunities, ranging from Vietnam's domestic branded food and beverage sector and animal protein value chain, to the world's tungsten market.

As a result, after 20 years, Masan Group is one of Vietnam's largest business groups, primarily focused on consumption-related opportunities with market leadership in many of the categories in which we operate.

Looking ahead, we are pleased to share our 2020 objective: **to be and be recognized worldwide as the pride of Vietnam by creating a winning, unique business model in Asia.** However, an objective is incomplete without a quantifiable way to measure success. For Masan, success means **achieving a market capitalization equal to 10% of GDP**, or approximately US\$20



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billion by our estimates, by the year 2020. This target may sound unrealistic, but so did our goal of US\$1 billion 10 years ago (which we achieved in 2011) and our goal of US\$5 billion five years ago (which we achieved in 2015 based on our deal with Singha). Steve Jobs, who founded Apple on 1 April, the same day as Masan's (but 20 years earlier), once said, "Stay hungry. Stay foolish."

Yet we do not believe our objective is overly foolish. Perhaps we simply see things differently. While many see Vietnam as a poor country, we see Vietnam as an extremely wealthy country as measured by its resources, comprising not only of natural resources but also its human resources. In our view, Vietnam's human resources are not a 90 - million population that is a source of cheap labor, but a source of potential ready to be unlocked. Vietnamese people have a proud heritage as an underdog who have made the impossible possible with very little. Our people represent several generations of resourceful and creative strivers who wake up every day to improve the lives of their families because there is so much room for improvement. Vietnamese people make one tenth of the income of an American yet pay nearly twice the price for meat. Our people have one of the world's highest rates of gold ownership per capita, but the vast majority does not even have a bank account. We are one of the world's largest exporters of coffee, but we grow the lower value variety and drink the worst. Fish sauce is our national flavor, but overseas, you can only find brands from other countries.

At Masan, we want to be part of this improvement, part of this daily change, by accelerating it and unlocking our people's greater potential. Together, our natural resources (which is limited), and our people (as defined by our view, unlimited), represents Vietnam's hidden "national treasure." If we can unlock this national treasure, tremendous value can be created not just for Masan, but for our people.

As with any ship at sea, there will be risks and rough weather. During our 20-year history, we have encountered many challenges and uncertain periods. Emerging markets are volatile and Vietnam is no exception. Although our platform is much stronger today compared to when we first started and our experience has taught us many lessons, our vision and dream are also much larger than before. In order to turn challenges into opportunities and risk into reward, Masan must continue practicing the beliefs that

have delivered us to where we are today. We must continue to be passionate about imagining and fulfilling consumers' big unmet needs. We must continue to be focused, doing fewer but bigger. We must continue transforming the markets in which we operate by combining breakthrough innovations with superior execution. Our people, who are Masan's key asset and "treasure," must continue to share the DNA that underpinned our success over the past 20 years, which is a commitment to **driving change for tomorrow's value**. We must do all of this in the right way with the highest standards for professionalism and a sense of responsibility – because only by doing good can we become the pride of Vietnam.

The start of our journey to meet our 2020 objectives gives us reason for optimism, with many of our key initiatives from the past few years starting to pay off substantially. 2015 was our most financially successful year in recent history. Net sales grew by 90.0% to VND30,628 billion and pro forma earnings grew by 56.3%. For 2016, we expect net revenues to grow by approximately 50% to reach nearly US\$2 billion and earnings to grow by 25 to 35%. Such strong momentum does not even take into account our US\$1.1 billion strategic partnership with Singha, who will help us go out and serve the 250 million consumers of Inland ASEAN, which comprises Vietnam, Thailand, Myanmar, Cambodia and Laos. The Masanship is leaving the harbor once again.

Lastly, I would like to express my gratitude to our valued customers, employees, partners and other stakeholders for their tremendous support over the past 20 years. It has been an amazing journey. To all of the people working at Masan, from those who recently joined to those who were there when we had nothing but a vision, you are the captains of the Masanship. I leave you with these words: **keep going**.

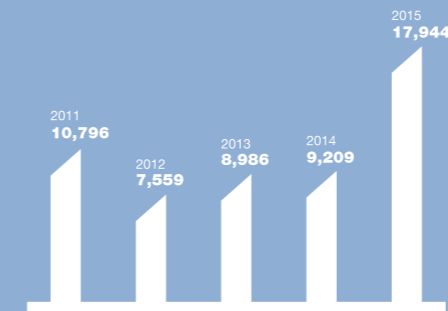
Yours sincerely,



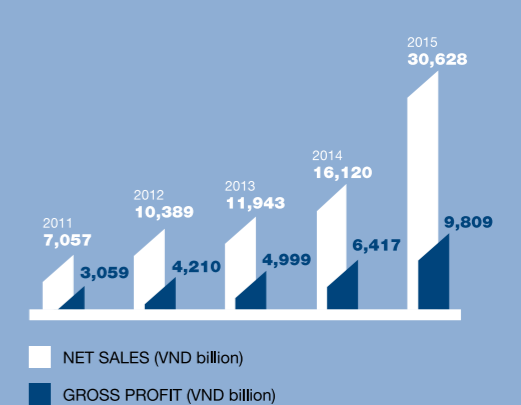
Dr. Nguyen Dang Quang
Chairman of the Board

2015 SCORECARD

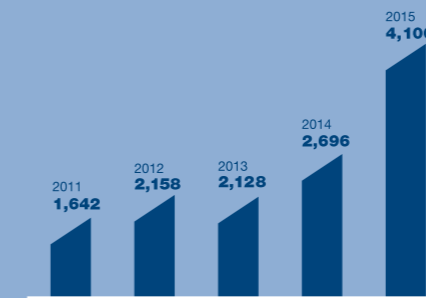
CASH BALANCE¹ (VND BILLION)



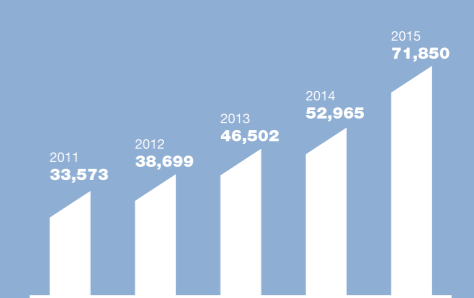
NET SALES AND GROSS PROFIT



EBIT (VND BILLION)



TOTAL ASSETS (VND BILLION)



1. For 2015, includes short-term investments and other investments in interest bearing assets. As at 31 January 2016, this cash balance was VND14,349 billion as a result of the first closing of the transaction with Singha and cash proceeds being used to increase the Company's interest in Masan Consumer.

Within 20 years we have built a

**PRIVATE
SECTOR
SUCCESS
STORY**

**PRIDE OF
VIETNAM**

Masan Group 2020: To be and be recognized
worldwide as the pride of Vietnam by creating a
winning, unique business model in Asia





Today, there is at least one Masan product in 98% of households in

VIETNAM INLAND ASEAN¹

Masan Consumer Holdings 2020:
Every Masan product in every Vietnamese household + one Masan product in every “Inland ASEAN” household

1. Including Vietnam, Thailand, Myanmar, Cambodia and Laos.

Vietnam's largest local company in

ANIMAL FEED

**BRANDED
ANIMAL
PROTEIN FOR
CONSUMERS**

Masan Nutri-Science 2020: To be and to be recognized as the leader in driving productivity of the animal protein industry in Vietnam (global benchmark)



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Today we operate the world's largest

TUNGSTEN MINE

GLOBAL SUPPLIER OF CHOICE

Masan Resources 2020: To show the world that a Vietnamese company can lead the transformation of the global tungsten market

Today we are serving a mainly

CASH
economy

VALUE

Techcombank 2020: To be and be recognized as the leader driving the transformation of the banking sector to improve the financial life of each person and business in Vietnam, each and everyday



WHO WE ARE

DRIVING CHANGE FOR TOMORROW'S VALUE

Masan Group is one of Vietnam's largest private sector companies. We are focused on the domestic consumption opportunity and have built leading businesses in the branded food and beverage sector and in the animal protein value chain.

We have a track-record of actively building, acquiring and managing large-scale operating platforms. Our businesses include Masan Consumer Holdings, the producer of some of Vietnam's most trusted and loved brands across many food and beverage categories (such as Chin-su, Nam Ngu, Tam Thai Tu, Omachi, Kokomi, Vinacafe, Wake-Up, Vinh Hao and Su Tu Trang), and Masan Nutri-Science, Vietnam's largest local animal feed company (with brands such as Proconco and ANCO). The Company's other businesses include Masan Resources, one of the world's largest producers of tungsten and strategic industrial minerals, and our associate, Techcombank, a leading joint stock commercial bank in Vietnam.

Our corporate motto is **"Driving change for tomorrow's value,"** reflecting our belief that value comes not from following trends, but by being the game changer in sectors where we compete. In a market that requires focus and scale for sustainable growth, we also believe that **value comes from imagining and fulfilling big unmet needs.**

Our objective is to be and be recognized worldwide as the pride of Vietnam by creating a winning, unique business model in Asia.

DOING FEWER AND BIGGER

In a dynamic market with many opportunities, we believe in being disciplined and have recognized several important criteria of a successful and sustainable business in Vietnam. These include:

A passion to imagine and fulfill big unmet needs

Masan believes that value comes from scale and leadership in large opportunities that are underserved. We also believe that imagination and creativity are critical to not only envision such unmet needs, but to envision ways to fulfill them with innovation or new insights. We do not simply want to do what others do or slightly better - we want to change the rules of the game.

Throughout our history, we have focused on large consumer categories, and have constantly redefined them to expand our addressable market, which today reaches a combined US\$9 billion in Vietnam alone. This does not include our recent entry into Vietnam's animal-based protein market, where Vietnam spends approximately US\$18 billion on meat products per year, or our recently announced ambition to better serve the 250 million consumers of Inland ASEAN. Altogether, with food, non-alcoholic beverages, beer, and animal protein, the opportunity is tremendous. Consumers of Inland ASEAN will continue to demand better quality, brands, access, and value for money.

An example of an "unmet need" is the inefficient animal protein value chain in Vietnam. We believe it is wrong that Vietnamese consumers, who make on average one tenth the income of

Americans, pay nearly double the price for meat products of questionable quality. Starting with the commercial animal feed business, we believe we can transform the productivity of the animal protein value chain to better serve consumers with branded meat products that are more affordable, of higher quality, and safer.

In our non-consumption related businesses, we are also addressing large markets with opportunities for transformation. Globally, the industrial minerals we mine and process represent a total size of approximately US\$4 to 5 billion per annum, excluding copper. The unmet need in our resources business is evidenced by a desire from customers to buy large volumes from a single supplier, conflict-free minerals, and from an alternative source to China. Our associate Techcombank is competing in a financial sector that is undergoing restructuring, where the penetration rate for banking services and products is extremely low, but is expected to rise.

Building scale and leadership

To win, we need to be big. Being a market leader of size allows us to compete successfully in an economy with a fragmented local private sector, and where competition from multinational companies and state-owned enterprises is intense. As one of Vietnam's largest private sector companies, Masan has greater access to capital and professional talent, and the scale to invest in operating platforms. We build scale through focus and consolidation, growing our existing businesses organically and accelerating growth with acquisitions that fit within our sector focus. This enables us to harness economies of scale, be cost-competitive and earn market-leading margins.

As a result, today, we have dominant positions in most of the markets and/or categories where we compete. We are Vietnam's number one player in seasoning (where we are leaders in fish sauce, soya sauce and chili sauce) and instant coffee. In convenience food, we expect to become the number one instant noodles producer by the end of 2016.

With the establishment of Masan Nutri-Science and the integration of two leading animal feed brands, Proconco and ANCO, today we are the largest local Vietnamese animal protein company with leadership in external pig feed sales and overall net revenues of nearly US\$1 billion in 2015.

After the successful commissioning of the Nui Phao project, we are now a globally significant player across several key industrial minerals, namely tungsten, fluorspar and bismuth. The European Union has stated that tungsten and fluorspar are among the four "critical raw materials" for Europe (Critical Raw Materials for the E.U., July 2010) due to concentration of supply sources and importance to European industry.

Our associate Techcombank is one of the largest joint stock commercial banks in Vietnam. As a result of its prudent approach to managing the banking sector downturn over the past few years, it is now on a path to market leadership as sector fundamentals improve.

Cash flow generating businesses

Masan believes that sustainable growth in a developing market like Vietnam requires building cash flow generating businesses. We do not engage in asset trading, such as purchasing land banks or participating in short-term

In 2015, we were recognized as the **20th** most innovative growth company in the world by Forbes

speculation. We compete only in sectors with strong growth fundamentals, a proven private sector regional business model and the potential to build a business of scale. Therefore, we have chosen to focus on the consumption-related sectors.

In 2015, we reported pro forma EBITDA of VND6,687 billion and a consolidated cash balance of VND17,944 billion, which includes short-term investments in the form of term deposits and other interest earning investments. This figure is expected to grow strongly in 2016 as a result of our US\$1.1 billion partnership with Singha and record EBITDA generation in 2016.

Stringent capital allocation and capital structure

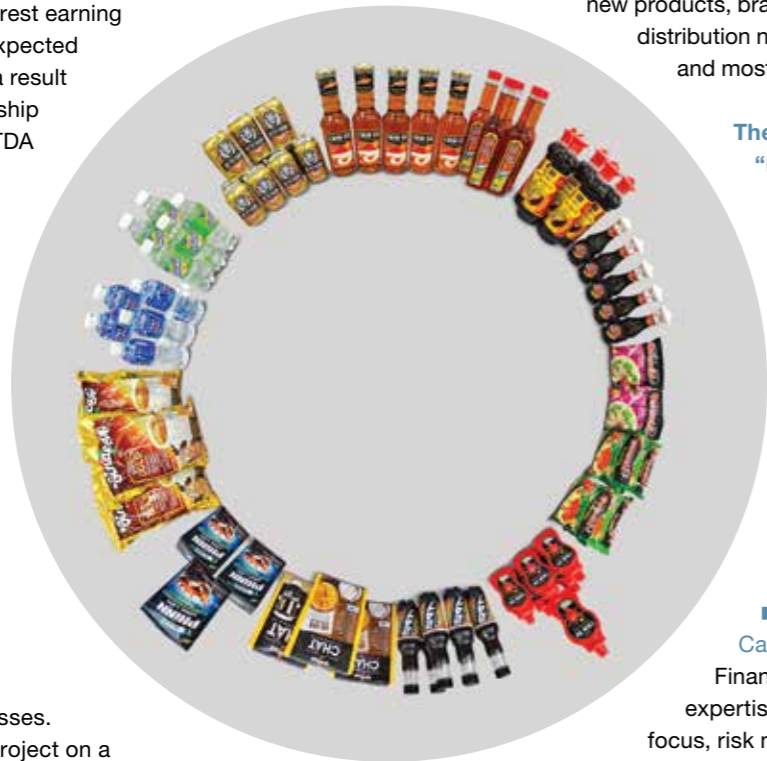
Over the last few years we have raised almost US\$3 billion in long-term capital, which allows for more strategic business building and investing in Vietnam. We have demonstrated stringent capital allocation by using most of the proceeds to increase our ownership and invest in our existing businesses.

We acquired the Nui Phao project on a primarily cashless basis, and less than 20% of the capital we have raised has been deployed to acquire new businesses – namely, Vinacafe Bien Hoa, Vinh Hao, a brewery, Saigon Nutri Food, Masan Nutri-Science and Quang Ninh Mineral Water. We believe these companies and their iconic brands provide us avenues to go deeper into other consumption-related categories.

PLATFORM FOR TRANSFORMATION

Sustainable growth can be achieved only through building best-in-class systems and operating platforms. When we enter into a sector, we develop a bespoke strategy and repeatable models to drive market leadership in each business line. This enables us to invest continually in best-in-class operating platforms.

Over the past several years, we have invested in new products, brands, production facilities, distribution networks, information systems and most importantly, talent.



The right team and the “MASAN WAY”

We operate according to the “Masan Way,” a unique partnership model where different stakeholders within Masan Group collaborate as equals and play to their strengths to execute on scalable business building. Our various stakeholders contribute the following expertise:

- **Risk Management and Capital Allocation**
Financial and investment expertise with an appreciation for focus, risk management and optimized capital allocation;
- **Local Access and Execution**
Capabilities that allow us to source and execute on opportunities while effectively managing local risks; and
- **Professional Management**
Seasoned local and expatriate professionals who are best-in-class operators, augmented with reputable strategic partners.

We have invested heavily to ensure that we have strong professional management at all levels of our organization. We believe in hiring professionals who have a mix of international experience and a track record of business execution in local markets. At Masan Group, our team members bring breadth and depth of experience garnered from global investment banks and other financial firms. At our operating companies, our professionals have previously worked with leading multinational companies such as Unilever, Nestle, P&G, Pepsi, Cargill, OZ Minerals, Placer Dome and MMG.

Most importantly, we believe in hiring professionals who demonstrate our entrepreneurial values and are project managers of transformative initiatives within a fast-growing organization. Our team is comprised of young, global, proven and flexible professionals who can execute on diverse projects to create maximum shareholder value. Our talents are also the Company’s shareholders.

Together, we have created a unique execution platform and have established a continual record of success in a frontier market. Our management team has been instrumental in transforming Masan Group from a closely held private office with a wide portfolio of businesses and investments into one of Vietnam’s largest private sector companies focusing on the consumption opportunities.

Brands that consumers admire and trust

We have built an unrivaled portfolio of brands that Vietnamese consumers admire and trust. In a largely price-driven market,

we take pride in being able to transform products that were once seen as commodities into distinct brands that can command customer loyalty across different price points and meet the diverse needs of Vietnamese consumers.

Our key brands include: Chin-su, Nam Ngu and Tam Thai Tu for seasoning; Omachi, Kokomi, Komi and Cao Boi for convenience foods (which include instant noodles, congee and sausage); and Vinacafé, Wake-Up, Phinn, Kachi, Vinh Hao and Quang Hanh for non-alcoholic beverages.

Our beer brand Su Tu Trang is Vietnam’s fastest growing beer brand and its message of “True beer, true friends” has resonated well with consumers in the mainstream segment. Our associate, Cholimex Food Joint Stock Company, in which we acquired a significant stake at the end of 2014, also has well-known sauces and condiments brands with a strong presence in on-premise channels. Overall, many of our brands are best sellers in their respective categories.

An example of our ability to build brands to not only win market share but transform the market itself is Bio-zeem. Bio-zeem is our proprietary enzyme brand that strengthens a pig’s immune system and improves the feed conversion ratio. Masan has marketed Bio-zeem as a value-added feature that can be found inside Proconco and ANCO’s range of products, giving them an edge in a market full of other options for farmers. Another differentiator has been our full scale television commercial campaign, a first in Vietnam. Most importantly, Bio-zeem works. At Masan, our brands must be underpinned by real innovation that serves our customers.

We believe in moving Vietnam up the value chain with **innovation and brand building**

Outside of our consumption-related businesses, we have our associate Techcombank, one of Vietnam's largest private sector joint stock commercial banks. Techcombank is recognized as a trusted provider of financial services and products, especially by retail and SME clients.

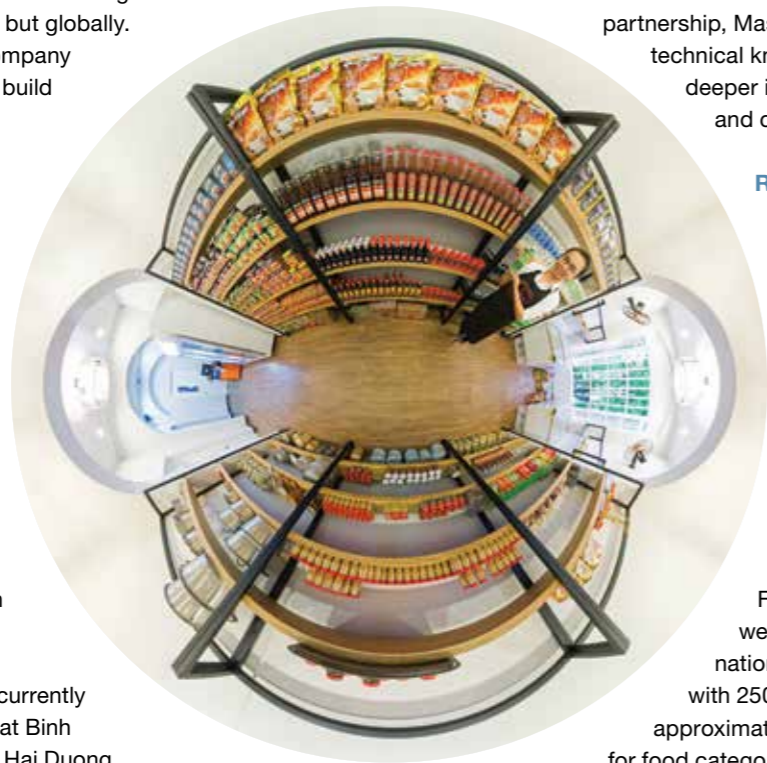
Best-in-class facilities

We have built state-of-the-art production and processing facilities that can be recognized as being best-in-class not only in Vietnam, but globally. Notably, we were the first company in the world to engineer and build a fully automated fish sauce manufacturing line. In our resources business, we have built Vietnam's first international standard processing plant of scale, capable of producing four different minerals and metals from a single ore body. We believe the plant has the most modern and advanced tungsten processing line in the world, as it is the first new tungsten project of scale to be commissioned in over a decade.

For consumer products, we currently operate production facilities at Binh Duong, Tan Binh, Phu Quoc, Hai Duong, Bien Hoa, Long Thanh, Binh Thuan, Phu Yen and Quang Ninh. We have a network of world-class facilities that allow us to manufacture products at high standards for hygiene, safety and efficiency, all without compromising on taste for our consumers. In 2015, we commissioned new manufacturing hubs in Nghe An and Hau Giang, increasing our capacity, allowing us to benefit from the latest production technologies, and getting us closer to our customers.

By the end of 2016, Masan will have up to 13 animal feed manufacturing facilities all over Vietnam. As a result of our focus on operational efficiencies, scale, and procurement practices, we have one of the highest gross margins in the animal feed industry, globally.

In 2015, we commissioned a tungsten chemical processing business with our joint venture partner, H.C. Starck, a global manufacturer of technology metals. Through this partnership, Masan has brought proprietary technical know-how to Vietnam, to go deeper in the tungsten value chain and compete globally.



Reaching consumers

We have the largest and deepest distribution network in Vietnam to deliver our products and services to customers. This is critical as 70% of Vietnam's population is still rural. Today, 98% of all Vietnamese households have a Masan product in their homes.

For our consumer products, we have developed a nationwide distribution network with 250 distributors, covering approximately 190,000 points of sale for food category and 100 points of sale for beverage category. This network is one of the largest and deepest in Vietnam's FMCG sector. We enhanced our distribution capabilities over the past few years with the addition of more distributors for beverages and on-premise points of sale. This achievement makes our business one of the few in Vietnam with both a strong on and off-premise presence for food and beverage. We have also successfully implemented a state-of-the-art Distributor Management

System ("DMS") across all of our distributors, which gives us access to real-time data across our distribution network.

At Masan Nutri-Science, we have over 2,000 distributors to sell our products nationally.

Techcombank maintains a strong customer base and branch network. In 2015, the bank served over 4 million retail and 102,000 corporate and SME customers through its network of 312 branches and transaction offices, 1,231 ATMs, and 1,600 points of sale, altogether one of the largest networks for a private joint stock commercial bank in Vietnam.

Having the right partners and access to capital

We have selectively collaborated with globally reputable firms and strategic partners who can provide a sounding board and validation on strategy, information on opportunities and access to long-term capital. We have a track record of being Vietnam's partner of choice.

Over the years, we have raised over US\$3 billion of capital from branded partners, including major private equity firms such as BankInvest/ PENM Partners, TPG Growth, Goldman Sachs, KKR, Mount Kellett, the IFC, Dragon Capital and the Chandler Corporation. We have also been one of the few Vietnamese companies to have successfully tapped the international, U.S. Dollar loan market, having drawn down facilities arranged by J.P. Morgan and Standard Chartered. In 2014, we became the first Vietnamese company to issue a local VND bond guaranteed by the Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank. The guarantee allowed us to achieve the longest tenure and lowest coupon deal in Vietnam's private sector history.

In 2015, we again demonstrated our ability to attract capital. Masan Consumer Holdings issued a five-year VND9,000 billion bond arranged by Vietcombank and subscribed by nine local banks. The issuance was the largest bond deal ever in Vietnam and was part of our efforts to simplify our balance sheet, pay down more expensive debt, extend our debt maturity profile, reduce U.S. Dollar liabilities to near zero,

and increase our cash balance for further investments in the consumer sector. Masan also successfully refinanced debt at the holding company level and Masan Resources in 2015. Most notably, in 2015, we signed the largest M&A deal in Vietnam's history with the US\$1.1 billion partnership with Singha, Thailand's first and largest brewer. Overnight, we gained access to Thailand's 65 million consumers, a first step in our goal to reach and better serve Inland ASEAN's 250 million consumers.

In addition, in order to be the "pride of Vietnam," Masan will continue building our corporate communications platform, which will better support our aim of being a listed blue chip and increase the liquidity of our shares. In doing so, we will further reduce our cost of capital with improved access to the equity capital markets.

Partnering with our communities

Masan believes in building and nurturing the communities where we conduct our businesses. As well as being one of the largest tax contributors and employers in the provinces where we have operations, Masan has proactively and directly worked to improve the lives of the people in the community. A good example of this commitment is our work in Thai Nguyen province, where the Nui Phao mine is located.

Our economic restoration program at the Nui Phao project continues to build momentum and return viable results for participants. In 2015, we continued to scale up successful initiatives such as the micro-finance fund, recruiting project affected people, outsourcing work to local contractors, and making payments for economic restoration. In 2015, 50% of our new employees were project affected people. Currently, 714 project affected people work as full-time employees at the Nui Phao project, accounting for more than 50% of the company's labor force. Furthermore, in 2013 and 2014, we supported the establishment of four local enterprises (in fields ranging from mushroom farming to sewing) to create more jobs for project affected people. In 2015, these enterprises grew significantly. We replicated this successful model by supporting the establishment of two new enterprises.

In 2015 we enjoyed greater participation of our host communities in identifying impacts and finding solutions to them. We implemented new schedules of weekly and monthly meetings with various project affected communities, providing an opportunity for issues to be raised and discussed by all stakeholders. We conducted 56 meetings which involved 845 participants. We also improved our efficacy in resolving community complaints, mainly relating to resettlement and compensation, and environmental matters (noise, dust and water), and resolved most of them.

We were delighted to be publically recognized for our efforts in 2015 by receiving a number of prestigious awards. We were the only company from Thai Nguyen province to receive a “Vietnam Gold Star” Award from the Youth Enterprise association of Viet Nam. This award was given in recognition of our contributions to the national socio-economic development of Vietnam. We were awarded the “Green Brand” Award by Ministry of Natural Resources and Environment for our efforts in applying green technology and practices to protect Vietnam’s environment. We also got the certificate (medal) of enterprise for good implementation of CSR activities by Ministry of Planning and Investment in 2013 and 2015.

VIETNAM’S GROWTH STORY

Masan Group’s strategy is driven by our view of the business opportunities in Vietnam, forecasted to be Southeast Asia’s fastest growing economy for the near future. Real GDP has grown at a compound annual growth rate of 6.8% between 2005 and 2014. In 2015, GDP growth exceeded initial estimates at 6.7% and is forecasted to grow even higher in 2016. Vietnam’s growth has been supported by low labor costs and productivity gains as a result of the Doi Moi (“renovation”) reforms, which opened up the markets and proactive participation in free trade agreements, such as the ongoing TPP discussions. However, we believe Vietnam’s true value lies in its domestic consumption potential.

Domestic consumption potential

Vietnam’s demographics and rising income levels support strong continued growth in domestic consumption. The country has just entered an anticipated 30-year era of “demographic dividend” with nearly 70% of its 90 million residents in the working age population and 56% of its residents under the age of 30. Over the next 10 years, the working age population is expected to grow by at least one million per year.

Vietnam’s expanding workforce is expected to drive consumer spending. In addition, the combined effects of continuous economic growth, rapid urbanization, “demographic dividend,” emergence of middle income earners, and an expanding modern retail network, will fuel the growth of overall food consumption in the medium- and long-term. Vietnam’s food and beverage sector is expected to maintain double-digit growth rates for the near future, primarily due to increased domestic consumer demand fueled by a rise in disposable incomes. In addition, not only will consumers enjoy more branded food and beverage products, their diet will also shift from grains to more animal protein, a US\$18 billion market. As Vietnam’s largest local feed producer, Masan stands to benefit immensely.

Vietnam’s constraints drive our business model

In the recent past, Vietnam experienced many macroeconomic challenges, including high non-performing loans and a reduction in credit activities, which hampered GDP growth. In 2015, Vietnam has experienced greater economic stability, a contrast to the previous years of high inflation and currency devaluation, although many challenges remain, particularly in the banking sector. Additionally, the private sector, while growing strongly, remains fragmented as demonstrated by low revenues and market share. Private sector companies are further challenged by constrained availability of long-term capital, lack of professional expertise and competition from larger multinationals. Masan Group manages these risks and addresses Vietnam’s private sector constraints by building scale and creating leading operating platforms to weather financial cycles, and by consolidating and growing market share.

20 YEARS OF TRANSFORMATION

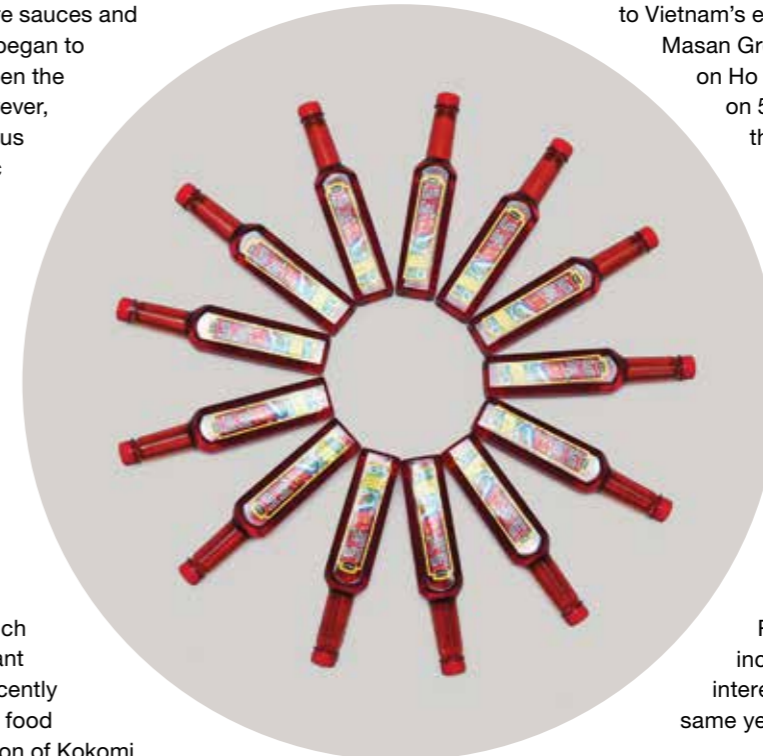
Masan Group’s first predecessor company was established in 1996 with sales of Asian foodstuff and other consumer goods in Eastern Europe. In our early days, we primarily focused on the Eastern European markets and some of our more popular products were sauces and instant noodles, which we began to manufacture in Vietnam when the export business grew. However, by 2000, we shifted our focus more towards the domestic market and launched our premium sauce brand, Chin-su in 2002. Chin-su’s success was followed by more successful brand launches such as Nam Ngu (Vietnam’s most popular fish sauce) and Tam Thai Tu (Vietnam’s most popular soya sauce).

In 2007, Masan entered the domestic convenience food category with the launch of Omachi, a premium instant noodles brand. We have recently expanded our convenience food portfolio with the introduction of Kokomi (mass market instant noodles), Komi (instant congee), and today we are Vietnam’s number two player in the category.

In 2008 the company was restructured and formally named Masan Group Corporation, comprising a fast growing food business and a 20% stake in Techcombank, which provided the company with greater scale and exposure to Vietnam’s emerging middle class story. Masan Group was subsequently listed on Ho Chi Minh Stock Exchange on 5 November 2009 under the symbol “MSN,” and immediately became the sixth largest listed company in Vietnam based on market capitalization. During 2009, several prominent global investors such as TPG became shareholders.

In 2010, the Group acquired a controlling stake in the Nui Phao mine, one of the world largest tungsten mines and established Masan Resources. Masan Group also increased its effective economic interests in Techcombank the same year.

In 2011, Masan Group entered the beverage segment by acquiring control of Vinacafe Bien Hoa, Vietnam’s largest instant coffee producer. The company has since grown its beverage business where today it is not only



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Vietnam's largest instant coffee producer with the Vinacafe and Wake-up brands, but also the largest local mineral water company with brands such as Vinh Hao and Quang Hanh. In April 2011, KKR invested US\$159 million into Masan Group's branded food and beverage business. KKR subsequently increased its investment with an additional US\$200 million investment 2 years later.

2014 marked the first year of operations for Masan Resources with the commissioning of the Nui Phao mine. In achieving this operational milestone, Masan Group became the first company in the world to commission a new tungsten project in over a decade. Masan Resources was listed on the Hanoi Stock Exchange in 2015.

In September 2014, Masan Group launched Su Tu Trang, a mainstream beer brand which became the fastest growing beer brand in Vietnam during 2015. Due to the strong growth in its beer business, Masan Group quadrupled its brewery capacity in December 2015 to 200 million liters per annum with a new facility in Hau Giang.

In the first half of 2015, Masan Group established Masan Nutri-Science to enter into and transform Vietnam's animal protein value chain and ultimately better serve consumers with branded meat products. Masan Nutri-Science is currently Vietnam's largest local animal nutrition business whose brands include Proconco and ANCO. In 2015, sales of both brands achieved nearly US\$1 billion in animal feed combined sales.

In December 2015, Singha, Thailand's first and largest brewery, announced the signing of a partnership agreement with Masan Group to invest US\$1.1 billion in order to become a 25% shareholder in Masan Group's branded food and beverage business and also a 33.3% direct shareholder in Masan Group's beer business. The deal is the largest M&A transaction ever in Vietnam and allows both partners to better serve 250 million consumers in the Inland ASEAN region (Vietnam, Thailand, Myanmar, Cambodia, and Laos) with their combined branded food and beverage portfolio and distribution reach.

Over the 20-year period summarized in this section, Masan has continuously delivered on transformational growth. While the summary in this section covers our key milestones, it does not completely illustrate Masan's disciplined but innovative approach to building businesses for long-term value creation or fully capture the unique entrepreneurial culture (the "Masanship") that has made our success possible. We hope that the other sections of the annual report give our readers greater insight into Masan and what we may achieve by 2020.

For further details on our 20-year history, please see the "General Corporate Information" section of this annual report.

A passion to
imagine and fulfill

big unmet
needs

The image features a white rectangular background centered on a light gray field. This white area is framed by a pattern of dark blue diagonal stripes. Two thick, dark blue diagonal lines cross the white space: one from the bottom-left to the top-right, and another from the top-left to the bottom-right. The text 'MANAGEMENT REPORT' is centered in the white area, with 'MANAGEMENT' on the top line and 'REPORT' on the bottom line, both in a dark blue, sans-serif, all-caps font.

MANAGEMENT
REPORT

2015 OVERVIEW

The Vietnamese economy showed healthy structural signs of growth in 2015, following a 2-year period of macro stabilization. According to the GSO, 2015 GDP growth exceeded initial estimates at 6.7%, capping two consecutive annual increases above 6% and underscoring the strength of the economic recovery. Inflation, a major concern for Vietnam during the last global financial crisis, appears to be a thing of the past with the country's inflation figure achieving a 15-year low of 0.6%. While the Vietnamese Dong weakened against the U.S. Dollar in 2015, compared to neighboring countries and other emerging markets, Vietnam's currency had a relatively stable year. Other concerns of previous years seem to be sorting themselves out. The real estate market continues to exhibit signs of a strong recovery, lifting the banking sector where credit grew 18% and NPLs fell below 3% for the overall banking system (SBV).

Most importantly, since it relates to our core businesses and strategic focus, consumers are again starting to believe in a brighter future. Vietnam's consumer confidence was the highest ever in Asia in December 2015, reaching 144.8 points according to the ANZ-Roy Morgan Index. Vietnam's entry into several free trade agreements, especially the Trans Pacific Partnership ("TPP"), may provide further support for growth in consumer demand due to rising GDP and higher disposable incomes.

Nevertheless, uncertainties and challenges still remain. 2016 began with a period of volatility across the global capital markets, attributable to a slowing Chinese economy, falling energy prices and depressed commodities markets. Within Vietnam specifically, a rising trade deficit and widening budget deficit pose downside risks to economic growth in 2016 and beyond. With regards to the banking sector, while much

progress has been made in addressing the sector's bad debt, further restructuring still lies ahead.

However, despite these headwinds, Vietnam seems to be emerging as a solid pocket of growth amidst an unpredictable global economy threatened by slow growth concerns and geo-political tensions. Consumer confidence in Vietnam continues to improve and sustainable growth is supported by real structural drivers such as urbanization, trade agreements, and higher participation/contribution from rural areas.

Masan is well positioned to benefit from these macro and structural developments. We are prouder still to be a driver of some of these changes, delivering innovation and transforming categories once seen as commoditized staples into brand-driven areas of growth. Only by being a driver of change can we achieve our objective of being the pride of Vietnam by creating a unique, winning business model in Asia.

Over the past several years, Masan Group has invested in and strengthened its operating platforms (brands, distribution, production facilities and people) to lay the foundation for the next phase of transformation. We have simplified our balance sheet, transitioning from structured growth capital to standard bank loans and bonds, which are less expensive and are denominated in local currency. We have made it easier to understand our ownership structure and what we own, reducing the amount of equity-linked instruments outstanding, removing intermediary holding companies, and increasing the ownership in our subsidiaries. Most importantly, we have restructured the corporate organization to refocus more on Masan's original passion, which is to imagine and fulfil the big unmet needs of consumers.

Since the start of the decade, after venturing into opportunities in other sectors, Masan has only invested in or acquired platforms within the consumption-related space. We have established Masan Consumer Holdings ("MCH"), which has consolidated our interests in branded food and beverage businesses. In 2015, Masan acquired and renamed Masan Nutri-Science ("MNS"), Vietnam's largest local animal feed player with famous brands such as Proconco and ANCO. While the fast growing US\$7 billion animal feed sector is attractive, our goal is to transform the country's animal protein value chain and ultimately reach consumers with branded meat products. Together, MCH and MNS will underpin our efforts to better serve the region's consumers.

For MCH specifically, we have strengthened our branded food and beverage platform with strategic investments in 2015 and early 2016. We increased our ownership in subsidiaries such as Masan Consumer, Vinacafe Bien Hoa, and Vinh Hao. We acquired Quang Ninh Mineral Water which, together with Vinh Hao, made us the largest local mineral water company in Vietnam and strengthened our bottled beverage business. In 2015, we also commissioned two new manufacturing facilities, one in Nghe An province in Northern Vietnam, and another in Hau Giang province in the Mekong Delta. These new facilities are part of Masan's larger effort to establish a deeper manufacturing footprint across Vietnam to be closer to consumers (lowering logistics costs), be able to manufacture products that cater to regional taste preferences, generate economies of scale, and benefit from the latest world-class equipment and practices.

In 2015, MCH delivered modest revenue growth as we continued to redefine our key categories to enlarge our

addressable market and lay the foundation for future growth. We have expanded our sauce business into the broader seasonings category and have redefined instant noodles as convenience foods, which includes other ready-to-eat products. While we witnessed growth across most of our key categories, the highlight for 2015 at MCH was our beer business, which saw net revenues reaching VND706 billion, driven by strong volume demand for our Su Tu Trang brand in the Mekong Delta. The beer business is now focused on scaling up to consolidate market share in the Mekong Delta and expanding into other provinces, supported by the new Hau Giang brewery (100-150 million liters of additional capacity), which came online in December 2015.

Serving Inland
ASEAN's
250 million
consumers
is Masan's first step in
bringing Vietnam's culinary
heritage to the world

The last quarter of 2015 demonstrated that our efforts at MCH are starting to pay off. In 4Q2015, MCH delivered 12% growth as compared to the same period last year. Most notably, Vinacafe Bien Hoa, which started the year subdued, saw 4Q2015 net revenues growing 20.5% after the launch of Vinacafe Chat and Wake-Up Café Saigon Sua Dac. On the back of this momentum, we feel confident that sales for 2016 will show strong double digit growth, underpinned by growth across all categories and our beer business nearly doubling.

Our efforts to refocus on consumers were validated by the partnership deal between MCH and Singha, signed on Christmas day 2015. At US\$1.1 billion, the deal marks the largest M&A deal ever signed in Vietnam's corporate history and immediately gives us access to Thailand's 65 million consumers, the first step in our larger goal of winning "Inland ASEAN," comprising Vietnam, Thailand, Laos, Myanmar and Cambodia, all neighboring countries which share very similar taste preferences (such as fondness for fish sauce and a rice

based diet) and are culturally alike (Buddhism). The region's 250-million consumer base immediately more than doubles Masan's branded food and beverage addressable market from US\$9 billion to US\$24 billion (excluding non-coffee beverages).

MNS, our animal protein platform, is the second pillar that will help us benefit from Vietnam's rising consumer confidence and disposable incomes. Today, MNS is predominantly an animal feed company but we see it as a strong steppingstone into the larger US\$18 billion meat market in Vietnam. MNS' position as the number one external pig feed and second overall animal feed player in Vietnam is supported by key brands such as Proconco and ANCO. MNS' brand building and innovation-driven business model delivered impressive financial results within its first year as a subsidiary of Masan, achieving net revenues of VND20,461 billion (combined full-year sales of Proconco and ANCO), and an improvement of 564 and 221 basis points in gross and net margins, respectively. With gross margins nearing 20%, MNS is already a major contributor to Masan's profits and cash flows. In 2016, production capacity is expected to increase 30%, supporting MNS' target of 25% to 30% topline growth year over year.

Our non-consumption businesses also passed critical inflection points in 2015.

In the resources business, Masan has successfully transformed an attractive asset, the Nui Phao mine, into a globally significant tungsten business. Nui Phao is the largest operating tungsten mine and one of the lowest cost producers of tungsten globally. During a depressed commodity environment in 2015, when tungsten prices fell nearly 38%, Masan Resources delivered a profitable year and completed

commissioning of its high value-added tungsten chemical processing plant. With the chemical plant commissioned and a program in place to further improve operational efficiency and scale, Masan's tungsten business is on a path to becoming a global leader. On the back of this momentum, Masan Resources was able to list its shares on the UPCoM board, part of the Hanoi Stock Exchange, becoming one of the largest listed companies on the northern bourse.

Our associate Techcombank has been proactive in addressing its NPLs during the banking sector's downturn while making the necessary investments to strengthen its operating platform. During 2015, Techcombank reduced its NPL ratio to less than 1.7% and focused on asset quality metrics while reducing operational costs. As a result, profit before tax grew 43.8%, while Moody's upgraded Techcombank's deposit and issuer ratings to B2 from B3, respectively, which reflects the improvements in the standalone credit profile of the bank. Overall, Techcombank's asset quality metrics have improved in 2015, driven by write-offs, recoveries, and prudent lending practices. Techcombank is on track to become one of Vietnam's first banks to finish its provisioning cycle after the global financial crisis, strongly positioning the bank for further market share gains in a consolidating and recovering banking sector.

Altogether, Masan's initiatives over the past several years, including its greater focus on consumption-driven opportunities, have started to pay off substantially. For the full year 2015, Masan's net sales grew to VND30,628 billion from VND16,120 billion in 2014, representing a 90.0% increase. Driven by economies of scale and enhanced productivity, coupled with contribution from the animal protein business,

gross profits grew by 52.9% from VND6,417 billion in 2014 to VND9,809 billion in 2015. Reported net profits increased from VND2,037 billion in 2014 to VND2,527 billion in 2015, representing a 24.1% increase. Adjusting for non-recurring events and adding back amortization of goodwill and purchase price allocation, our pro forma profits grew by 56.3% to VND2,992 billion in 2015.

With Vietnam's macroeconomic outlook improving and the investments in our business platforms starting to show results, Masan is now very well-positioned to benefit from Vietnam's growing consumer potential and the larger Inland ASEAN opportunity. However, the way forward is not guaranteed and there will be plenty of challenges. Vietnam, as a frontier market, is expected to experience its fair share of economic volatility. While we are excited about TPP and other free trade agreements that will boost Vietnam's GDP, we also anticipate more competition, especially from foreign companies. As such, we will have to stay committed to the values and beliefs that have guided us throughout our 20-year history. We must continue our disciplined approach to building businesses. We must stay focused, doing fewer but bigger, to develop scale and leadership. We must continue nurturing a culture where talent is inspired to drive change for tomorrow's value through innovation and a sense of purpose. If we are passionate about imagining and fulfilling big and unmet needs, then we have a strong chance to achieve our 2020 objective: to be and be recognized worldwide as the pride of Vietnam by creating a winning, unique business model in Asia.

By commissioning one of the industry's largest and lowest-cost tungsten projects, Masan has shown the world that a Vietnamese company can make a global impact

BUSINESS ENVIRONMENT

Our existing operations are focused primarily on Vietnam and our performance and the quality of our assets depend substantially on the Vietnamese economy. Going forward, growth may also derive from our expansion into “Inland ASEAN,” comprising Vietnam, Thailand, Myanmar, Cambodia, and Laos. The economic environment in Vietnam and Inland ASEAN overall may be significantly impacted by a variety of external factors, including economic developments throughout Asia and the rest of the world.

Macroeconomic factors that may have an impact on performance include personal expenditure and consumption, demand for products and services, inflation levels, interest rates, commodity price levels, debt service burden of consumers or businesses and general availability of credit, as well as factors such as the spread of disease, large-scale acts of war, terrorism or any other adverse social, geographic or political incidents.

In 2016, Vietnam’s economy is expected to continue expanding, supported by domestic consumption which is expected to improve on the back of higher disposable incomes and a banking system with stronger asset metrics and reduced NPL’s.

Internationally, there is a risk that the global economic recovery will be weaker than is currently expected, especially in the context of weak signals from global commodity markets and volatility across capital markets. Not only could this damage exports, but it would also have a follow-on effect on consumer

and business spending in Vietnam, inhibiting economic growth. Vietnam will continue to be vulnerable to movements in international commodity prices. Though global fuel prices have dropped considerably in 2015, unforeseen volatility could impact consumer demand going forward. Strong demand-side pressure and any unexpected depreciation of the Vietnamese Dong against the U.S. Dollar would make it more expensive to import goods, pushing up overall prices for goods and services.

VIETNAM’S FOOD AND BEVERAGE SECTOR

Vietnam’s food and beverage sector is a fast evolving, highly attractive segment, underpinned by a rising middle class which is driving lifestyle changes. Food consumption growth forecasts over the next 5 years are the highest in ASEAN, fueled by low inflation, improved infrastructure and a fast growing retail sector.

One-third of the population will be defined as middle-class by 2020, as rapidly rising incomes, growing at nearly 8.8%, will push per capita incomes beyond US\$3,400 by the end of the current decade. Domestic consumer demand will be further supported by favorable demographics, greater urbanization and a rise in disposable incomes. Infrastructure which plays a key role in facilitating consumption has been significantly improved in the past few years, while the retail market seems highly attractive to international players.

Vietnam has the third largest population in Southeast Asia, with nearly 70% of the population belonging to the working

age group (15-64 years). While Vietnam’s demographic profile presents an excellent opportunity for the rise in domestic consumer demand, there are other trends allied to these demographic realities that could result in structural changes in the consumer market. These include greater demand for convenience foods, greater focus on quality and health aspects of products, market consolidation, greater preference for branded products, and demand for new products and variants.

The food and beverage sector in Vietnam has strong growth prospects as it is underpinned by the rising living standards of Vietnamese families. On a per capita basis, spending on packaged foods and beverages in Vietnam is still relatively low compared to its emerging market peers, demonstrating the significant growth potential of the market. We expect future growth to be driven by the continuing change in urban consumer lifestyles as consumers place a higher importance on convenience, safety and health. In addition, rising consumption of branded FMCG products in rural Vietnam will drive market growth as access of rural consumers to products improves, backed by higher levels of disposable income.

VIETNAM’S BEER SECTOR

Vietnam’s beer market by volume is the third largest in Asia, after China and Japan. Beer holds 98% volume share of the total official alcoholic drinks industry in Vietnam, with an estimated market size in excess of US\$4.5 billion. The drivers for domestic consumption in Vietnam, which include rising income levels, a young population and greater urbanization, imply good prospects for the beer market as well. Masan Brewery’s successful entry into this fast growing market with the “Su Tu Trang” brand, is a testament to Masan’s consumer insight and belief in Vietnam’s consumption potential.

VIETNAM’S ANIMAL-BASED PROTEIN SECTOR

Masan has taken the first steps to enter the animal-based protein sector through the establishment of Masan Nutri-Science (“MNS”). MNS is the largest external pig feed, and the second largest overall animal feed, player in the fast growing US\$7 billion animal feed industry. Since animal feed represents the majority of the profit pool in the animal-based protein value chain, MNS would serve as an ideal entry point, supporting Masan’s long - term view of building a feed-farm-fork model, delivering branded and processed quality meat products to Vietnamese consumers.

Only 60% of livestock feed comes from domestic industrial production, while the rest comes from self-made and imported feed. Moreover, meat production in Vietnam has been lower than consumption historically, providing great opportunities for strong players like MNS, to improve operating efficiency within the animal protein value chain and drive market share gains. Total meat consumption in Vietnam is estimated at US\$18 billion. Processed meat represents less than 1% of meat consumption, which is significantly lower than other Asian countries, such as China, where the proportion is 13%.

As income levels rise, protein consumption in Vietnam should increase, and with greater focus on safety, health and branding, we expect to see a move towards packaged meat. The processed meat sector in Vietnam is fragmented, providing an opportunity for a leader to establish trends in this category. Masan Group’s acquisition of Saigon Nutri Food Joint Stock Company and establishment of Masan Nutri-Science are the first in many steps in building a platform for the animal-based protein sector and exploring ways to participate further in the larger value chain, where there are big unmet needs, in terms of productivity, scale, and options for Vietnamese customers.

VIETNAM'S BANKING SECTOR

Masan is currently a financial investor in Techcombank with an effective economic interest of 30.4%. Masan believes in the long-term growth prospects for the banking sector in Vietnam considering that the penetration level of financial products, such as bank accounts, credit cards, and mortgages is very low. For instance, it is estimated that only 25% of the population has a bank account. Over the last two years, the banking sector in Vietnam has been facing serious headwinds from asset quality problems. Concerns over Non-Performing Loans ("NPLs") have impacted balance sheets and profit margins. The government has taken steps to address this issue, with significant improvements visible in 2015. Banking sector NPL's were brought under control, as credit growth touched nearly 18%, which was the fastest since 2011. Techcombank has used this downturn to emerge stronger and more competitive, with less than 1.7% NPLs, Capital Adequacy Ratio of nearly 15%. It is further poised for market leadership as sector fundamentals improve.

GLOBAL TUNGSTEN SECTOR

Masan is a globally significant player in the tungsten market. Therefore, the price of tungsten and its outlook will have

an impact on our business. While the overall commodity environment has softened in response to the recent slower economic growth in China and Europe, the medium-and long term structural stories for tungsten and our other industrial minerals remain compelling.



Demand growth for finished products in which tungsten is a key raw material was weak during 2015.

Demand for tungsten related products from the mining and energy sector continued to be slow as end users maintained short manufacturing cycles. This slow demand was partially offset from a continued increase in the need for tungsten from the automotive and aerospace industries. However, as tungsten prices continue to remain weak, supply side rebalancing continues to take place with global mine shutdowns and production cutbacks. The Chinese government increased its stockpiling activities towards the end of the year, and have introduced environmental policy initiatives to better regulate the sector.

The impact of these supply side events was reflected in tungsten prices towards the end of 2015, with prices recovering from 52-week lows. Furthermore, there has been no new supply side pressure for our minerals, as evidenced by the fact that Nui Phao is the first new tungsten producer in over a decade, and the overall cost structure is supportive as other existing mines become more difficult to exploit.

FACTORS AFFECTING OUR BUSINESS AND RESULTS OF OPERATIONS

We are a holding company whose material assets are the shares of the companies that we hold, primarily i) Masan Consumer Holdings ("MCH"), which currently holds our interests in branded food and beverage businesses such as Masan Consumer ("MSC") and Masan Brewery ("MB"); ii) Masan Nutri-Science ("MNS"), which holds interests in animal protein companies, Proconco and ANCO; iii) Masan Resources ("MSR"); and iv) our associate company Techcombank ("TCB"). Thus, risks that affect the businesses of these companies could also affect our business, financial condition, results of operations and prospects.

Through our wholly owned subsidiary, MCH, we had a 77.8% economic interest in MSC as at 31 December 2015 and consolidated the company as a subsidiary on our financial statement. In January 2016, after the first funding of our deal with Singha, our ownership in MCH declined from 100% to 85.7% (this percentage will decline further to 75% upon full closing of the transaction). Some of the proceeds from the first funding were used to increase MCH's stake in MSC from 77.8% to 96.7% around the same period. Events that affect MSC's business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

MCH further owned a 100.0% economic interest in Masan Brewery as at 31 December 2015. The entire stake is held through shares and we consolidate this percentage of

the company as a subsidiary on our financial statement. As a subsequent event, in January 2016 and as part of our deal with Singha, MCH's ownership in MB declined from 100% to 66.7%. Events that affect MB's business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We have a 99.99% economic interest in Masan Nutri-Science as at 31 December 2015. The entire stake is held through shares and we consolidate this percentage of the company as a subsidiary on our financial statement. Events that affect MNS' business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We have a 72.7% economic interest in Masan Resources as at 31 December 2015. The entire stake of 72.7% is held through shares and we consolidate this percentage of the company as a subsidiary on our financial statement. Events that affect MSR' business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We have a 30.4% economic interest in Techcombank as at 31 December 2015 which includes convertible bonds that are mandatorily convertible. As we do not own a controlling stake in Techcombank, we account for our investment using the

equity accounting method. Events that affect Techcombank's business and financial condition will in turn affect our net profit, impacting our business and financial condition.

Risk factors that may affect our businesses and financial results include regulatory, business, competition and operational risks as well as other factors that may be beyond our control.

Masan Group's subsidiaries and associates operate in industries that face significant competition and our market-leading positions may be challenged if our competitors make significant strides to capture market share.

Masan Consumer Holdings competes mainly on the basis of brand image, pricing, distribution network and product mix. The entrance of established foreign brands and companies has heightened the competitiveness of the basic food market in Vietnam. Competition may cause competitors to significantly increase their advertising expenditures and promotional activities or to engage in irrational or predatory pricing behavior. MCH may be required to make substantially greater investments in research and development, as well as promotions and marketing. Such expenditures may lower our profit margins and thereby adversely affect our results of operations.

Specifically, and within MCH, Masan Brewery's current or potential competitors may offer products comparable or superior to those we provide or adapt more quickly than we do to evolving industry trends or changing market requirements. Our competitors may have greater financial resources, better purchasing economics, or lower cost bases than we do, which could provide a competitive advantage to them. There can

be no assurance that we will be able to compete effectively against current or potential competitors. If we are unable to compete effectively, our business, financial condition, results of operations and prospects could be adversely affected.

Masan Nutri-Science currently operates in the animal feed industry, where feed prices are a critical component for profitability. Since Vietnam imports substantial quantities of animal feed raw material like soya, corn, wheat and others, global volatility in these commodity markets may erode our margins going forward. Furthermore, since the current industry is quite fragmented, there can be no assurance that we will be able to compete effectively against current or potential competitors, especially in the wake of Vietnam's entry into various free trade agreements. If we are unable to compete effectively, our business, financial condition, results of operations and prospects could be adversely affected.

Masan Resources has commenced operations of Nui Phao project; hence, a substantial portion of our revenues and cash flows will now be derived from exports. The company will compete with global producers of tungsten, fluorspar, bismuth and copper, including producers from China, in the world mineral markets, primarily on the basis of quality, price, transportation cost and reliability of supply. There can be no assurance that Nui Phao's competitors will not seek to sell higher-grade minerals, significantly reduce their prices to gain market share, discover more readily accessible mine sites or have a more reliable supply.

Techcombank may face tougher competition from both local and foreign financial institutions as a result of Vietnam joining the World Trade Organization in 2007. The State Bank of Vietnam also allows foreign banks to operate in Vietnam

through local branches. As the State Bank of Vietnam continues liberalizing the banking sector, Techcombank may also face greater competition from other local banks, which may result in a material adverse effect on our business, financial condition, results of operations and prospects.

Masan Group is dependent on a continued ability to recruit or retain appropriately skilled personnel for its key management positions

Although Masan Group is not dependent on any one member of our respective Boards of Directors, Supervisory Boards, Management Boards or senior management teams, our success depends to a significant extent on their skills, capabilities and efforts, as well as our ability to recruit and retain them and other appropriately skilled personnel. Due to intense competition in Vietnam, we face a continuing challenge in recruiting and retaining a sufficient number of skilled professionals. A loss of key personnel may have a material adverse effect on our business, financial condition, results of operations and prospects.

Masan Group's business outlook is directly tied to the economic prospects of Vietnam

Our business outlook is directly tied to the economic prospects of Vietnam. Thus, if Vietnam should experience an economic recession, this will materially impact us.

The financial results of Masan Resources will be influenced by commodity price movements

The Nui Phao project is now operational and sells concentrate and value-added products of tungsten, as well as fluorspar, bismuth and copper. The price at which the output is sold will be dependent on global demand-supply and pricing for these products. Global commodity prices have been adversely affected over the last year on account of global growth concerns, especially in China and Europe. Any volatility in global prices for the minerals we sell would impact our resources business.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Figures in VND million	2015	2014	2015	2014
	Audited	Audited	Pro forma *	Pro forma *
Total Revenue	31,324,871	16,377,834	31,324,871	16,377,834
Less Sales Deductions	(696,461)	(257,940)	(696,461)	(257,940)
Net sales	30,628,410	16,119,894	30,628,410	16,119,894
Cost of Goods Sold	(20,819,786)	(9,703,190)	(20,662,241)	(9,568,234)
Gross profit	9,808,624	6,416,704	9,966,169	6,551,660
Selling, General & Administrative Expenses	(5,708,874)	(3,720,469)	(5,161,179)	(3,495,197)
Financial Income	1,382,303	1,570,967	1,234,662	459,894
Financial Expenses	(2,714,701)	(1,710,991)	(2,714,701)	(1,710,991)
Share of Profit in an Associate	499,017	(53,061)	499,017	610,246
Net Operating Profit	3,266,369	2,503,150	3,823,968	2,415,612
Other Profit / (Expense)	(39,640)	236,581	(39,640)	236,582
Profit Before Tax	3,226,729	2,739,731	3,784,328	2,652,194
Tax	(699,479)	(702,689)	(792,290)	(738,375)
Net Profit	2,527,250	2,037,042	2,992,038	1,913,819

* Pro forma numbers, for each of the reporting periods and its respective comparative period, have been computed by removing one-off events, reversing impact from the amortization of goodwill, tangible assets and intangible assets as a result of the Group's M&A transactions in the past.

CONSOLIDATED BALANCE SHEET

Figures in VND million	31 December 2015	31 December 2014
	Audited	Audited
CURRENT ASSETS	16,709,473	16,428,327
Cash and cash equivalents	8,324,476	5,166,415
Short-term Investments	293,990	4,042,212
Net Operating Receivables	849,541	4,344,934
Other Receivables	2,276,986	882,616
Inventories	4,417,969	1,604,854
Other Current Assets	546,511	387,296
LONG TERM ASSETS	55,140,227	36,536,773
Long-term Receivables	10,432,139	1,447,633
Fixed Assets	26,998,134	20,253,476
Tangible Fixed Assets	19,965,062	18,409,913
Finance Lease Tangible Fixed Assets	31,407	44,867
Intangible Fixed Assets	7,001,665	1,798,696
Construction in Progress	5,480,035	3,811,051
Long-term Investments	9,144,883	8,745,176
Other Long-term Assets	3,085,036	2,279,437
TOTAL ASSETS	71,849,700	52,965,100

CONSOLIDATED BALANCE SHEET

	31 December 2015	31 December 2014
Figures in VND million	Audited	Audited
CURRENT LIABILITIES	15,005,196	11,796,756
Short-term Debt	8,366,625	6,042,278
Current Account Payables	2,419,059	999,340
Advance from Customers	139,989	35,786
Tax Payables	504,532	962,550
Payroll Payables	257,716	258
Accrued Expense	2,875,921	1,862,531
Other Payables	441,354	1,894,013
LONG TERM LIABILITIES	29,735,458	19,243,205
Long-term Debt	27,253,112	17,521,970
Other Long-term Liabilities	2,482,346	1,721,235
TOTAL LIABILITIES	44,740,654	31,039,961
EQUITY	27,109,046	21,925,139
Chartered Capital	7,467,179	7,358,081
Capital Surplus	9,631,106	9,631,164
Other Capital	(9,045,049)	(9,045,049)
Differences in Forex Revaluation	-	-
Retained Earnings	8,561,380	7,071,887
Minority Interest	10,494,430	6,909,056
TOTAL RESOURCES	71,849,700	52,965,100

DISCUSSION ON UNAUDITED RESULTS

REVENUE

Net sales increased by 90.0% from VND16,120 billion in 2014 to a record VND30,628 billion in 2015, driven by continued sales growth in the branded food and beverage business, and aided by significant contributions from the animal protein and resources businesses. Masan's branded food and beverage platform contributed VND13,918 billion of net sales, up 4.9% compared to 2014, supported by a 3x growth in net revenues at Masan Brewery and double digit growth across all categories in the fourth quarter. Masan Nutri-Science, contributed VND14,054 billion in net sales, which only reflects eight months of consolidation. Masan Nutri-Science (combined full-year sales of Proconco and ANCO) generated VND20,431 billion. Masan Resources delivered VND2,658 billion to Masan Group's consolidated topline, lower than in 2014 as a result of capitalizing net sales against operating costs during the commissioning period of our joint venture's tungsten chemical processing plant. Cash sales at Masan Resources, reflecting delivery of products to customers, were VND3,163 billion, reflecting 11.9% annual growth.

COST OF GOODS SOLD

Cost of goods sold (as a percentage of net sales) increased to 68.0% in 2015 from 60.2% in 2014. In absolute terms, this represented a 114.6% increase from VND9,703 billion in 2014 to VND20,820 billion in 2015. The increase in percentage is due to the consolidation of our animal protein business offset by improving gross margins across consumer and resources businesses on account of economies of scale, production efficiencies and cost saving initiatives.

GROSS PROFIT MARGIN

With higher gross profits across all our key businesses, gross profit

increased by 52.9% from VND6,417 billion in 2014 to VND9,809 billion in 2015. However, our gross profit margin decreased to 32.0% in 2015 from 39.8% in 2014. Lower gross margins from the animal protein business due to the nature of the industry, and the resources business due to the ramp-up of activities in the first full year of commercial operations, were partially offset by improving gross margins across consumer product categories. Improved gross margins across all consumer categories resulted from enhanced economies of scale, production efficiencies, lower reliance on imports and other operational cost savings.

SELLING EXPENSES

Selling expenses in 2015 increased by 51.4% to VND4,044 billion compared to VND2,672 billion in 2014. Selling expenses as a percent of net sales decreased from 16.6% in 2014 to 13.2% in 2015, driven by much lower selling expenses as a percentage of sales in our animal protein business.

GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses in 2015 were VND1,665 billion compared to VND1,048 billion in 2014. General and administration expenses as a percentage of net sales decreased from 6.5% in 2014 to 5.4% in 2015. The decrease was a result of cost control measures implemented across our businesses.

FINANCIAL INCOME

Financial income decreased by 12.0% to VND1,382 billion in 2015 from VND1,571 billion in 2014 and is comprised of interest earned on our cash balance and other interest bearing investments. Financial income was also reduced as the Group's consumer subsidiary paid out substantial cash dividends and bought back shares over the last two years.

FINANCIAL EXPENSES

Financial expenses increased by 58.7% to VND2,715 billion in 2015 from VND1,711 billion in 2014, driven mainly by an increase in interest paid to banks and bondholders, due to the consolidation of the animal protein business and full year operations of Nui Phao mine. During 2015, Masan Consumer Holdings issued a VND9,000 billion bond, the largest corporate bond deal ever in Vietnam, which followed the landmark VND2,100 billion, 10-year bond issuance in 2014, guaranteed by Credit Guarantee and Investment Facility (“CGIF”), a trust fund of the Asian Development Bank. Proceeds of the bond deals were used to pay down more expensive debt and provide a cash balance for growth investments. More recently, in August 2015, US\$175 million in US\$ denominated debt was repaid, leaving the Group virtually free of foreign denominated debt and related foreign exchange risk. Also in August 2015, Masan Resources refinanced its old bonds at a much lower interest cost, saving approximately 150 basis points.

SHARE OF PROFIT IN ASSOCIATES

Share of profit in associates includes Masan Group’s share of the profits of Techcombank proportionate to our equity interest. Share of profit in associates amounted to VND499 billion in 2015 compared to negative VND53 billion in 2014. The improvement was primarily due to a higher contribution from Techcombank’s profits after tax of 43.8% and the change in accounting provisions for investments in associates, where goodwill does not need to be amortized going forward.

NET PROFIT AFTER TAX

In 2015, the Group reported net profit after tax of VND2,527 billion, an increase of 24.1% from VND2,037 billion in 2014. The key drivers for the net profit increase included record operating performance, with higher sales, gross profits and EBITDA on account of the contribution from the animal protein and resources business, as well as an increase in profits from associate Techcombank. Normalized to remove the impact of amortizing goodwill and purchase price allocation, one-time gains from disposals and acquisitions (negative goodwill), our pro forma net profit increased from VND1,914 billion in 2014 to VND2,992, a 56.3% increase. For details on our normalized, pro forma results, please see the “Discussion on audited vs. pro forma results” section further below.

CASH AND CASH EQUIVALENTS

Masan Group had a strong consolidated cash position (including short-term investments) of VND8,618 billion as at 31 December 2015 compared to VND9,209 billion as at 31 December 2014, a decrease of 6.4%. However, including long-term investing activities (instruments with more than twelve months maturity), consolidated cash position rose 94.9% to VND17,944 billion. The increase in our cash position reflects continued organic cash flow generation from our consumer business in excess of capital expenditures across our businesses. The Group’s cash inflows were also boosted by the successful issuance of a 5-year VND9,000 billion bond by Masan Consumer Holdings and VND3,700 billion bond by Masan Nutri-Science. Cash outflows included consideration for the acquisition of a 99.9% stake in Masan Nutri-Science, 65.0% stake in Quang Ninh Mineral Water Company through Masan Beverage, in addition to increasing stakes in our various subsidiaries. In the resources business, we successfully issued a 5-year bond and refinanced all existing debt at more favorable terms.

Masan Group believes in having adequate liquidity in a capital constrained market. Our strong cash position provides greater flexibility, can be used to fund capital expenditure requirements, is a buffer for unforeseen events and allows us to invest to support organic and inorganic growth.

FIXED ASSETS

As at 31 December, 2015, fixed assets amounted to VND26,998 billion, increasing by 33.3% from VND20,253 billion as at 31 December 2014. The increase was mainly due to the business combination effects from the animal protein business, capital expenditure for the Nui Phao project, as well as investments in the expansion of Masan Consumer Holding’s facilities.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries

Investments in subsidiaries increased to VND6,526 billion in 2015, up 92.5% from VND3,390 billion in 2014, mainly as a direct result from our establishment of the animal protein business, acquisition of Quang Ninh Mineral Water and increased stakes in our subsidiaries, Vinh Hao and Proconco.

Investments in associates

Investments in associates represent 30.4% effective economic interest in Techcombank and 25.5% effective economic interest in Cholimex Food Joint Stock Company, through our subsidiary, Masan Consumer, who owns 32.8% as at 31 December 2015. Investments in associates also includes various associate investments by Vinh Hao and Proconco.

TOTAL ASSETS

Total assets increased by 35.7% to VND71,850 billion as at 31 December 2015 from VND52,965 billion as at 31 December 2014, on account of business combination effects of our animal protein platform, capital expenditure and increased investments in subsidiaries.

BORROWINGS

As at 31 December 2015, short-term and long-term borrowings increased by 51.2% to VND35,620 billion from VND23,564 billion as at 31 December, 2014. Much of the increase in borrowings came from long-term borrowings, including VND9,000 billion from bonds issued at Masan Consumer Holdings, VND3,700 billion from bonds at Masan Nutri-Science to establish the animal protein platform and some increase in short-term borrowing also to take advantage of attractive interest rates. Masan Consumer repaid the only significant US\$ debt facility across the Group, worth US\$175 million in August 2015, leaving the Group virtually free of foreign denominated debt and related foreign exchange risk. Masan Group believes in having adequate liquidity in a capital constrained market. Our strong cash position provides greater flexibility, can be used to fund capital expenditure requirements, is a buffer for unforeseen events, and allows us to invest to support growth. In line with this strategy, the Group had a consolidated cash position of VND17,944 billion (including instruments with more than twelve months maturity) as at December 31 2015.

OWNERS’ EQUITY

Owners’ equity as at 31 December 2015 was VND27,109 billion, as compared to VND21,925 billion as at 31 December 2014, representing an increase of 23.6%. The increase was mainly due to the combination of the animal protein business and higher retained profits in 2015.

DISCUSSION ON ~~AUDITED~~ VS. PRO FORMA RESULTS

Pro forma numbers are unaudited numbers that are derived from our audited results with adjustments made to reflect normalized earnings. These adjustments include adding back the amortization of goodwill and purchase price allocation from our past acquisitions, reversing out one-time, non-recurring gains from the disposal of subsidiaries and adding back one-time, non-recurring expenses incurred during the initial operating period and refinancing of the resources business for the year ended 31 December, 2014.

We have added back these amortization-related expenses as they do not reflect our core business earnings.

GENERAL AND ADMINISTRATION EXPENSES (G&A)

Pro forma general and administration expenses, for each of the reporting periods and its respective comparative period, have been computed by reversing the impact from the amortization of goodwill, tangible assets and intangible assets as a result of the Group's past

M&A transactions, as well as adjusting for one-time, non-recurring expenses in connection with the ramp-up of operations at Nui Phao. Pro forma G&A in 2015 was VND1,117 billion compared to VND823 billion in 2014. Pro forma G&A as a percentage of net sales was 3.6% in 2015, down from 5.1% in 2014.

NET PROFIT AFTER TAX

Pro forma net profit after tax was VND2,992 billion in 2015, representing a 56.3% increase from VND1,914 billion in 2014. This increase was mainly due to higher sales, gross profits and EBITDA on account of contribution from the animal protein business, offset by lower net financial income. For like-for-like comparison, the pro forma net profit numbers are derived from excluding the impact from non-recurring events. In 2014, these events include gains from the disposal of non-core subsidiaries and non-recurring gains. In 2015, these events include a gain of negative goodwill of VND148 billion, as a result of the acquisition of Masan Nutri-Science.

2016 ~~FINANCIAL~~ OUTLOOK

In 2016, we expect net revenues to grow by approximately 50% to reach nearly US\$2 billion, mainly driven by our consumption-related businesses. Following a record year in 2015, this target may seem optimistic. However, all of our businesses are showing momentum. Our branded food and beverage business ended 2015 with fourth quarter growth of 12% against the same period last year and is expected to deliver double digit growth this year on the back of the solid performance in our food business (not taking into account the large Inland ASEAN potential) and beer sales nearly doubling. Our animal protein business is forecasted to contribute significantly where it is expected to grow between 25% and 30%. Net revenues will also see an uplift from consolidating Masan Nutri-Science for a full year,

as opposed to just eight months in 2015. In our resources and mineral processing business, assuming current and conservative prices for tungsten, we see revenues growing by over 50% from improved recovery rates and the successful commissioning of our tungsten chemical processing plant.

For earnings, we expect growth of 25% to 35%, with gross margins improving across all of our businesses and Techcombank's profit before tax growing even faster than the rest of the group. Adding back depreciation and amortization, our cash balance will continue to grow significantly, allowing us to invest in the future for further business transformation.

The image features a white rectangular background centered on a grey field. The grey field is decorated with diagonal stripes in two shades of blue: a dark navy blue and a lighter sky blue. Two thick, dark navy blue diagonal lines cross the white box, one from the bottom-left to the top-right, and another from the top-left to the bottom-right. The text 'FINANCIAL REPORT' is centered in the white space, with 'FINANCIAL' on the top line and 'REPORT' on the bottom line, both in a dark blue, sans-serif, all-caps font.

FINANCIAL
REPORT

MASAN GROUP CORPORATION (FORMERLY KNOWN AS MA SAN GROUP CORPORATION) CORPORATE INFORMATION

The Financial report was reviewed by our auditor, KPMG. In this section, “Board of Management” refers to our Board of Directors. This section was prepared in British English, while other sections were prepared using American English.

Business Registration Certificate No	0303576603	6 August 2015
	The Company’s Business Registration Certificate has been amended several times, the most recent of which is dated 6 August 2015. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The initial Business Registration Certificate No. 4103002877 was dated 18 November 2004.	
Board of Directors	Dr Nguyen Dang Quang Mr Ho Hung Anh Ms Nguyen Hoang Yen Mr Nguyen Thieu Nam Mr Lars Kjaer Mr Dominic Edward Salter Price	Chairman Member Member Member Member Member
Board of Management	Dr Nguyen Dang Quang Mr Nguyen Thieu Nam Mr Michael Hung Nguyen Mr Seokhee Won	Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer
Legal representative	Dr Nguyen Dang Quang	Chairman
Registered Office	Suite 802, 8 th Floor, Central Plaza 17 Le Duan Street Ben Nghe Ward, District 1 Ho Chi Minh City Vietnam	
Auditor	KPMG Limited Vietnam	

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management of Masan Group Corporation (formerly known as Ma San Group Corporation, "the Company") presents this statement and the accompanying separate financial statements of the Company and consolidated financial statements of the Company and its subsidiaries (collectively "the Group") for the year ended 31 December 2015 (collectively referred to as "the financial statements").

The Board of Management is responsible for the preparation and fair presentation of the financial statements as at and for the year ended 31 December 2015 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In preparing those financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Board of Management is also responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and the Group and to ensure that the accounting records comply with the requirements of Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. It is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirm that they have complied with the above requirements in preparing these financial statements.

Approval of The Financial Statements

We do hereby approve the accompanying financial statements of the Company and the Group as of and for year ended 31 December 2015, which were prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

On behalf of the Board of Management

Dr Nguyen Dang Quang
Chairman
Chief Executive Officer
Ho Chi Minh City, Vietnam

7 March 2016

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS

Masan Group Corporation (formerly known as Ma San Group Corporation)

We have audited the accompanying separate and consolidated financial statements of Masan Group Corporation (formerly known as Ma San Group Corporation) ("the Company") and its subsidiaries (collectively "the Group"), which comprise the separate and consolidated balance sheets as at 31 December 2015, the separate and consolidated 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 7 March 2016, as set out on pages 52 to 151.

Management's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the separate and consolidated financial statements give a true and fair view, in all material respects, of the separate and consolidated financial position of the Company and the Group, respectively, as of 31 December 2015 and of their separate and consolidated results of operations and their separate and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Audit Report No: 15-01-411

Chang Hung Chun
Practicing Auditor Registration
Certificate No. 0863-2013-007-1
Deputy General Director

Ho Chi Minh City, 7 March 2016

Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2013-007-1

As at 31 December 2015

BALANCE SHEETS

	Code	Note	Group		Company	
			31/12/2015	1/1/2015	31/12/2015	1/1/2015
			VND million	VND million Reclassified	VND million	VND million Reclassified
Assets						
Current assets						
(100 = 110 + 120 + 130 + 140 + 150)	100		16,709,473	16,428,327	1,779,993	7,247,661
Cash and cash equivalents	110	7	8,324,476	5,166,415	1,103,659	517,251
Cash	111		918,656	302,970	17,769	9,901
Cash equivalents	112		7,405,820	4,863,445	1,085,890	507,350
Short-term financial investments	120	8	293,990	4,042,212	287,890	239,614
Held-to-maturity investments	123		293,990	4,042,212	287,890	239,614
Accounts receivable – short-term	130	9	3,126,527	5,227,550	316,523	6,420,798
Accounts receivable from customers	131		878,130	4,346,998	19,421	3,072,190
Prepayments to suppliers	132		872,866	341,231	139,931	134,636
Receivables on short-term lending loans	135		762,400	-	-	2,172,320
Other receivables	136		641,598	527,770	157,171	1,041,652
Allowance for doubtful debts	137		(28,589)	(2,064)	-	-
Shortage of assets awaiting for resolution	139		122	13,615	-	-
Inventories	140	10	4,417,969	1,604,854	-	-
Inventories	141		4,434,592	1,627,172	-	-
Allowance for inventories	149		(16,623)	(22,318)	-	-
Other current assets	150		546,511	387,296	71,921	69,998
Short-term prepayments	151		79,536	70,227	974	396
Deductible value added tax	152		445,579	295,726	52,859	50,380
Taxes receivables from State Treasury	153	18	21,396	21,343	18,088	19,222

The accompanying notes are an integral part of these financial statements

As at 31 December 2015 (continued)

Form B 01 – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Group		Company	
			31/12/2015	1/1/2015	31/12/2015	1/1/2015
			VND million	VND million Reclassified	VND million	VND million Reclassified
Long-term assets						
(200 = 210 + 220 + 240 + 250 + 260)	200		55,140,227	36,536,773	22,431,116	17,399,699
Accounts receivable – long-term	210	9	10,432,139	1,447,633	7,908,358	5,025,630
Receivables on long-term lending loans	215		8,563,114	-	4,773,374	2,283,927
Other long-term receivables	216		1,869,025	1,447,633	3,134,984	2,741,703
Fixed assets	220		26,998,134	20,253,476	3,626	9,443
Tangible fixed assets	221	11	19,965,062	18,409,913	2,429	7,172
Cost	222		22,597,132	19,887,100	20,899	20,759
Accumulated depreciation	223		(2,632,070)	(1,477,187)	(18,470)	(13,587)
Finance lease tangible fixed assets	224	12	31,407	44,867	-	-
Cost	225		67,300	67,300	-	-
Accumulated depreciation	226		(35,893)	(22,433)	-	-
Intangible fixed assets	227	13	7,001,665	1,798,696	1,197	2,271
Cost	228		7,906,859	2,262,894	4,532	4,532
Accumulated amortisation	229		(905,194)	(464,198)	(3,335)	(2,261)
Long-term assets in progress	240		5,480,035	3,811,051	-	-
Construction in progress	242	14	5,480,035	3,811,051	-	-
Long-term financial investments	250	8	9,144,883	8,745,176	14,515,337	12,322,338
Investments in subsidiaries	251		-	-	6,526,105	3,389,914
Investments in associates	252		9,124,149	8,601,126	7,989,232	8,932,424
Equity investments in other entity	253		21,646	-	-	-
Allowance for diminution in the value of long-term financial investments	254		(912)	-	-	-
Held-to-maturity investments	255		-	144,050	-	-
Other long-term assets	260		3,085,036	2,279,437	3,795	42,288
Long-term prepayments	261	15	2,042,622	1,369,592	3,795	42,288
Deferred tax assets	262	16	213,737	117,491	-	-
Goodwill	269	17	828,677	792,354	-	-
TOTAL ASSETS (270 = 100 + 200)	270		71,849,700	52,965,100	24,211,109	24,647,360

The accompanying notes are an integral part of these financial statements

As at 31 December 2015 (continued)

BALANCE SHEETS

	Code	Note	Group		Company	
			31/12/2015	1/1/2015	31/12/2015	1/1/2015
			VND million	VND million Reclassified	VND million	VND million Reclassified
RESOURCES						
LIABILITIES (300 = 310 + 330)	300		44,740,654	31,039,961	7,093,306	7,116,242
Current liabilities	310		15,005,196	11,796,756	3,104,584	2,341,101
Accounts payable to suppliers	311		2,419,059	999,340	240	1,451
Advances from customers	312		139,989	35,786	-	-
Taxes payable to State Treasury	313	18	504,532	962,550	-	1,127
Payables to employees	314		257,716	258	-	-
Accrued expenses	315	19	2,875,921	1,862,531	147,891	215,239
Other payables – short-term	319	20	398,473	1,866,738	111,611	1,555,324
Short-term borrowings, bonds and finance lease liabilities	320	21	8,366,625	6,042,278	2,844,842	567,960
Bonus and welfare funds	322		42,881	27,275	-	-
Long-term liabilities	330		29,735,458	19,243,205	3,988,722	4,775,141
Accounts payable to suppliers – long-term	331		75,845	-	-	-
Other payables – long-term	337	20	97,813	177,901	-	75,141
Long-term borrowings, bonds and finance lease liabilities	338	21	27,253,112	17,521,970	3,988,722	4,700,000
Deferred tax liabilities	341	16	1,692,753	932,787	-	-
Provisions – long-term	342	22	615,935	610,547	-	-

As at 31 December 2015 (continued)

Form B 01 – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Group		Company	
			31/12/2015	1/1/2015	31/12/2015	1/1/2015
			VND million	VND million Reclassified	VND million	VND million Reclassified
EQUITY (400 = 410)	400		27,109,046	21,925,139	17,117,803	17,531,118
Owner's equity	410	23	27,109,046	21,925,139	17,117,803	17,531,118
Share capital	411	24	7,467,179	7,358,081	7,467,179	7,358,081
Shares with voting rights	411a		7,467,179	7,358,081	7,467,179	7,358,081
Share premium	412	24	9,631,106	9,631,164	9,631,106	9,631,164
Other capital	414	25	(9,045,049)	(9,045,049)	(1,488,972)	(1,488,972)
Undistributed profits after tax	421		8,561,380	7,071,887	1,508,490	2,030,845
Undistributed profit/ (accumulated losses) brought forward	421a		7,069,066	5,991,718	2,030,845	(1,206,546)
Undistributed profit/(losses) for the current year	421b		1,492,314	1,080,169	(522,355)	3,237,391
Non-controlling interest	429		10,494,430	6,909,056	-	-
TOTAL RESOURCES (440 = 300 + 400)	440		71,849,700	52,965,100	24,211,109	24,647,360

Prepared by:

7 March 2016

Approved by:


Doan Thi My Duyen
Chief Accountant

Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Dr Nguyen Dang Quang
Chairman
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

The accompanying notes are an integral part of these financial statements

For the year ended 31 December 2015

STATEMENTS OF INCOME

	Code	Note	Group		Company	
			2015	2014	2015	2014
			VND million	VND million Reclassified	VND million	VND million Reclassified
Revenue from sales of goods and provision of services	01	27	31,324,871	16,377,834	-	-
Revenue deductions	02	27	696,461	257,940	-	-
Net revenue (10 = 01 - 02)	10	27	30,628,410	16,119,894	-	-
Cost of sales	11	28	20,819,786	9,703,190	-	-
Gross profit (20 = 10 - 11)	20		9,808,624	6,416,704	-	-
Financial income	21	29	1,382,303	1,570,967	678,580	4,259,505
Financial expenses	22	30	2,714,701	1,710,991	626,779	922,574
<i>In which: Interest expense</i>	23		2,425,305	1,464,722	623,115	909,287
Share of profit/(loss) in associates	24	31	499,017	(53,061)	-	-
Selling expenses	25	32	4,044,357	2,672,111	-	-
General and administration expenses	26	33	1,664,517	1,048,358	583,219	106,550
Net operating profit/(loss) {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		3,266,369	2,503,150	(531,418)	3,230,381
Other income	31	34	34,513	305,437	9,113	8,443
Other expenses	32	35	74,153	68,856	50	1,433
Results of other activities (40 = 31 - 32)	40		(39,640)	236,581	9,063	7,010
Accounting profit/(loss) before tax (50 = 30 + 40) (carried forward)	50		3,226,729	2,739,731	(522,355)	3,237,391

The accompanying notes are an integral part of these financial statements

For the year ended 31 December 2015 (continued)

Form B 02 – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Group		Company	
			2015	2014	2015	2014
			VND million	VND million Reclassified	VND million	VND million Reclassified
Accounting profit/(loss) before tax (50 = 30 + 40) (brought forward)	50		3,226,729	2,739,731	(522,355)	3,237,391
Income tax expense – current	51	36	817,534	958,677	-	-
Income tax benefit – deferred	52	36	(118,055)	(255,988)	-	-
Net profit/(loss) after tax (60 = 50 - 51 - 52)	60		2,527,250	2,037,042	(522,355)	3,237,391
Attributable to:						
Equity holders of the Company	61		1,478,292	1,080,169	(522,355)	3,237,391
Non-controlling interest	62		1,048,958	956,873	-	-
Earnings per share			VND	VND	VND	VND
Basic earnings per share	70	38	1,965	1,447	-	-
Diluted earnings per share	71	38	1,963	1,418	-	-

The accompanying notes are an integral part of these financial statements

Prepared by: 7 March 2016


Doan Thi My Duyen
Chief Accountant

Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Approved by:


Dr Nguyen Dang Quang
Chairman
Chief Executive Officer

For the year ended 31 December 2015 (Indirect method)

STATEMENTS OF CASH FLOWS

	Code	Note	Group		Company	
			2015	2014	2015	2014
			VND million	VND million	VND million	VND million
CASH FLOWS FROM OPERATING ACTIVITIES						
Accounting profit/(loss) before tax	01		3,226,729	2,739,731	(522,355)	3,237,391
Adjustments for						
Depreciation and amortisation	02		1,814,926	1,120,817	5,957	12,185
Allowances and provisions	03		144,193	64,376	-	-
Net unrealised foreign exchange	04		17,866	49,068	780	(121)
Gains from investing activities	05		(1,798,838)	(1,456,863)	(676,758)	(4,255,696)
Interest expense	06		2,425,305	1,464,722	623,115	909,287
Operating profit/(loss) before changes in working capital	08		5,830,181	3,981,851	(569,261)	(96,954)
Decrease/(increase) in receivables and other assets	09		89,060	(202,202)	537,162	(1,510,445)
Decrease/(increase) in inventories	10		283,372	(609,978)	-	-
Increase/(decrease) in payables and other liabilities	11		1,270,210	(685,798)	1,575	1,396,875
(Increase)/decrease in prepayments	12		(18,263)	201,979	2,637	11,179
			7,454,560	2,685,852	(27,887)	(199,345)
Interest paid	14		(2,318,538)	(1,734,103)	(687,169)	(812,331)
Corporate income tax paid	15		(1,306,820)	(562,747)	-	-
Other payments for operating activities	17		(6,430)	(55,855)	-	-
Net cash flows from operating activities	20		3,822,772	333,147	(715,056)	(1,011,676)

The accompanying notes are an integral part of these financial statements

For the year ended 31 December 2015 (Indirect method - continued)

Form B 03 – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Group		Company	
			2015	2014	2015	2014
			VND million	VND million	VND million	VND million
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments for additions to fixed assets and other long-term assets	21		(3,856,825)	(2,708,702)	(140)	(1,411)
Proceeds from disposals of fixed assets and other long-term assets	22		6,087	32,300	-	23,183
Payment for granted loans and term deposit at banks	23		(62,229,339)	(26,000,830)	(1,341,586)	(2,061,325)
Receipts from collected loans and term deposit receipts	24		57,373,597	24,685,669	766,183	647,042
Payments for investments in subsidiaries and associates	25		(3,708,222)	(1,174,308)	(4,638,251)	-
Collections on investments in subsidiaries and associates	26		3,536,943	55,938	3,978,335	818,000
Receipts of interest, dividend and others	27		767,707	434,094	851,006	559,159
Net cash flows from investing activities	30		(8,110,052)	(4,675,839)	(384,453)	(15,352)

The accompanying notes are an integral part of these financial statements

For the year ended 31 December 2015 (Indirect method - continued)

STATEMENTS OF CASH FLOWS

Form B 03 – DN/HN
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dated 22 December 2014 of the Ministry of Finance)

Code	Note	Group		Company	
		2015	2014	2015	2014
		VND million	VND million	VND million	VND million
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares and capital contribution to subsidiaries from non-controlling interest	31	264,123	507,943	109,040	-
Proceeds from short-term and long-term borrowings	33	39,553,432	21,843,111	4,819,000	735,000
Payments to settle borrowings	34	(31,741,770)	(17,202,243)	(3,242,119)	(570,000)
Payments of dividends to non-controlling interest of subsidiaries	36	(640,430)	(1,336,827)	-	-
Net cash flows from financing activities	40	7,435,355	3,811,984	1,685,921	165,000
Net cash flows during the year (50 = 20 + 30 + 40)	50	3,148,075	(530,708)	586,412	(862,028)
Cash and cash equivalents at the beginning of the year	60	5,166,415	5,698,563	517,251	1,379,279
Effect of exchange rate fluctuations on cash and cash equivalents	61	9,986	(1,440)	(4)	-
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	8,324,476	5,166,415	1,103,659	517,251

7 March 2016

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Dr Nguyen Dang Quang
Chairman
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

For the year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS

Form B 09 – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. REPORTING ENTITY

(a) Ownership structure

Masan Group Corporation (formerly known as Ma San Group Corporation) (“the Company”) is a joint stock company incorporated in Vietnam.

The consolidated financial statements comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

As at 31 December 2015, the Group had 43 subsidiaries and 6 associates (1/1/2015: 22 subsidiaries and 3 associates).

(b) Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associates are described as follows:

Subsidiaries
Direct subsidiaries

Number	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2015	1/1/2015
1	MasanConsumerHoldings Company Limited (“MCH”)	Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam	100.0%	100.0%
2	Masan Horizon Corporation (“MH”) (formerly known as Ma San Horizon Corporation)	Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%
3	Masan Nutri-Science Company Limited (“MNS”) (formerly known as Sam Kim Company Limited) (i)	Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	-

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

Indirect subsidiaries				Percentage of economic interests at	
Number	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2015	1/1/2015
1	Masan Consumer Corporation ("MSC") (formerly known as Ma San Consumer Corporation)	Trading and distribution	12th Floor, Kumho Asiana Plaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	77.8%	78.4%
2	Masan Food Company Limited ("MSF")	Trading and distribution	12th Floor, Kumho Asiana Plaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	77.8%	78.4%
3	Masan HG One Member Company Limited (ii) ("MHG")	Convenience food manufacturing	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam	77.8%	-
4	Saigon Nutri Food Joint Stock Company (iii) ("SNF")	Convenience food manufacturing	Lot K4, No.2 Street, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam	77.8%	-
5	Masan Industrial One Member Company Limited (formerly known as Ma San Industrial One Member Company Limited) ("MSI")	Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Di An District, Binh Duong Province, Vietnam	77.8%	78.4%
6	Viet Tien Food Technology One Member Company Limited ("VTF")	Seasonings manufacturing	Lot III-10-Industrial Group III, Tan Binh Industrial Park, Tan Phu District, Ho Chi Minh City, Vietnam	77.8%	78.4%
7	Masan HD One Member Company Limited (formerly known as Ma San HD One Member Company Limited) ("MHD")	Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam.	77.8%	78.4%

For the year ended 31 December 2015 (continued)

Number	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2015	1/1/2015
8	Ma San PQ Corporation ("MPQ")	Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam.	73.5%	74.0%
9	Masan ĐN One Member Company Limited ("MĐN")	Seasonings, convenience food manufacturing and packaging	Street No. 7, Hoa Khanh Industrial Park, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City, Vietnam.	77.8%	78.4%
10	Masan MB One Member Company Limited ("MMB")	Seasonings, convenience food manufacturing and packaging	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Long Commune, Nghi Loc District, Nghe An Province, Vietnam.	77.8%	78.4%
11	Masan Beverage Company Limited ("MSB")	Beverage trading and manufacturing	12th Floor, Kumho Asiana Plaza Saigon – 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	77.8%	78.4%
12	Quang Ninh Mineral Water Corporation (iv) ("QNW")	Beverage manufacturing	Group 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam.	50.6%	-
13	VinaCafe Bien Hoa Joint Stock Company ("VCF") (viii)	Beverage manufacturing	Bien Hoa Industrial Zone I, Bien Hoa City, Dong Nai Province, Vietnam	41.4%	41.7%
14	Vinh Hao Mineral Water Corporation ("VHC") (viii)	Beverage manufacturing	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam.	49.7%	50.1%
15	Kronfa., JSC (viii)	Beverage manufacturing	Km37, National Road 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam	49.7%	50.1%
16	Masan Brewery Company Limited ("MB")	Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, VietNam	100.0%	100.0%

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For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

Number	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2015	1/1/2015
17	Masan Master Brewer Company Limited ("MMBr") (formerly known as Lamka One Member Company Limited)	Beer and beverage trading	10th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100.0%	100.0%
18	Masan Brewery PY One Member Company ("MBPY") (formerly known as Phu Yen Beer and Beverage., JSC)	Beer and beverage manufacturing	Hoa Hiep Industrial Park, Hoa Hiep Bac Ward, Dong Hoa District, Phu Yen Province, Vietnam	100.0%	99.9%
19	Masan Brewery HG One Member Company Limited (v) ("MBHG")	Beer and beverage manufacturing	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam	100.0%	-
20	Masan Brewery Distribution One Member Company Limited (vi) ("MBD")	Beer and beverage trading	10th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100.0%	-
21	Mapleleaf Company Limited (vii) ("ML")	Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	-
22	Ma San Resources Corporation ("MR")	Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	72.7%	74.1%
23	Ma San Thai Nguyen Resources Company Limited ("MRTN")	Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam	72.7%	74.1%
24	Thai Nguyen Trading and Investment Company Limited ("TNTI")	Investment holding	8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	72.7%	74.1%

For the year ended 31 December 2015 (continued)

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Number	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2015	1/1/2015
25	Nui Phao Mining Company Limited ("NPM")	Exploring and processing mineral	Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam	72.7%	74.1%
26	Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing LLC ("NPHCS")	Deep processing of nonferrous metals and precious metals (tungsten)	Hamlet 11, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province	37.1%	37.8%
27	Kenji Company Limited ("Kenji") (i)	Investment holding	6th Floor, Me Linh Point Tower, 2 Ngo Duc Ke Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	-
28	Shika Company Limited ("Shika") (i)	Investment holding	6th Floor, Me Linh Point Tower, 2 Ngo Duc Ke Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	-
29	Meiji Corporation ("Meiji") (formerly known as Masan Agri Corporation) (i)	Investment holding	12th Floor, Kumho Asiana Plaza Saigon Tower, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	-
30	Agro Nutrition International Joint Stock Company ("Anco") (i)	Animal protein	Lot A4, Street No. 2, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	70.0%	-
31	Aqua Nutrition International Joint Venture Co., Ltd ("Anco Vinh Long") (i)	Animal protein	Area 4, Co Chien Industrial Park, Long Ho District, Vinh Long Province, Vietnam	70.0%	-
32	Agro Nutrition International Binh Dinh One Member Limited Company ("Anco Binh Dinh") (i)	Animal protein	Lot B4.06, Nhon Hoi Industrial Park (Area A), Nhon Hoi District, Quy Nhon Town, Binh Dinh Province, Vietnam	70.0%	-

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

Number	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2015	1/1/2015
33	Agro Nutrition International Thai Nguyen Limited Company ("Anco Thai Nguyen") (i)	Animal protein	Lot B5- B6, Trung Thanh Industrial Park, Trung Thanh District, Pho Yen Town, Thai Nguyen Province, Vietnam	70.0%	-
34	Agro Nutrition International Tien Giang One Member Limited Company ("Anco Tien Giang") (i)	Animal protein	Lot 22-23B, Long Giang Industrial Park, Tan Lap 1 Ward, Tan Phuoc District, Tien Giang Province, Vietnam	70.0%	-
35	Agro Nutrition International Nghe An Company Limited ("Anco Nghe An") (i)	Animal protein	C Area, Nam Can Industrial Park, South East Nghe An industrial zone, Nghi Xa Ward, Nghi Loc District, Nghe An Province, Vietnam	70.0%	-
36	Agro Nutrition International Hau Giang One Member Limited Liability Company ("Anco Hau Giang") (i)	Animal protein	Tan Phu Thanh Industrial Park – phase 1, Chau Thanh A District, Hau Giang Province, Vietnam	70.0%	-
37	Vietnamese – French Cattle Feed Joint Stock Company ("Proconco") (i)	Animal protein	Bien Hoa I Industrial Zone, Bien Hoa City, Dong Nai Province, Vietnam	68.6%	-
38	Proconco Can Tho Co., Ltd. ("Proconco Can Tho") (i)	Animal protein	Lot 13, 14 Industrial Park Tra Noc 1, Tra Noc Ward, Binh Thuy District, Can Tho City, Vietnam	68.6%	-
39	Con Co Binh Dinh Co., Ltd. ("Proconco Binh Dinh") (i)	Animal protein	Lot A-2-5 and Lot A-2-6, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province, Vietnam	68.6%	-
40	Toan Loi Manufacturing and Trading Company Limited ("Toan Loi") (i)	Animal protein	Yen Phu Hamlet, Giai Pham Commune, Yen My District, Hung Yen Province, Vietnam	68.6%	-

For the year ended 31 December 2015 (continued)

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Associates

Direct associates

Number	Name	Principal activity	Percentage of economic interests at	
			31/12/2015	1/1/2015
1	Vietnam Technological and Commercial Joint Stock Bank ("Techcombank")	Banking	19.5%	19.5%

Indirect associates

Number	Name	Principal activity	Percentage of economic interests at	
			31/12/2015	1/1/2015
1	Cholimex Food Joint Stock Company ("Cholimex")	Seasonings manufacturing	32.8%	32.8%
2	Vinh Hao Spirulina Algae Corporation ("VHS") (formerly known as Vinh Hao Seaweed)	Algae manufacturing	-	30.0%
3	Thuan Phat Packing Joint Stock Company ("Thuan Phat") (i)	Packing manufacturing	25.0%	-
4	Loc Khang Joint Stock Company ("Loc Khang") (i)	Animal protein	26.2%	-
5	Abattoir Long Binh Joint Stock Company ("Abattoir") (i)	Animal protein	25.0%	-
6	Dong Nai Manufacture, Service and Trading Joint Stock Company ("DN Manu") (i)	Animal protein	21.3%	-

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

(i) In April 2015, the Company acquired 99.9% equity interest of MNS from other third parties for a consideration of VND2,192,690 million including transaction costs. MNS holds 100.0% equity interest in Kenji, 99.9% equity interest in Shika, 99.9% equity interest in Meiji, 70.0% equity interest in Anco and 52.1% equity interest in Proconco. As a result of this transaction, Kenji, Shika, Meiji, Anco and Proconco became subsidiaries indirectly owned by the Company through MNS.

Anco, a subsidiary, holds 100.0% equity interest in Anco Vinh Long, Anco Binh Dinh, Anco Thai Nguyen, Anco Tien Giang, Anco Hau Giang and Anco Nghe An. As a result of this transaction, Anco Vinh Long, Anco Binh Dinh, Anco Thai Nguyen, Anco Tien Giang, Anco Hau Giang and Anco Nghe An are indirectly owned by the Company through Anco.

Proconco, a subsidiary, holds 100.0% equity interest in Proconco Can Tho, Proconco Binh Dinh and Toan Loi and also holds 25.0% equity interest in Thuan Phat, 26.2% equity interest in Loc Khang, 25.0% equity interest in Abattoir and 21.3% equity interest in DN Manu. As a result of this transaction, Proconco Can Tho, Proconco Binh Dinh and Toan Loi are indirectly owned by the Company through Proconco. Thuan Phat, Loc Khang, Abattoir and DN Manu became the Company's indirect associates through Proconco.

In August and September 2015, Proconco repurchased treasury shares from non-controlling interest. As a result of these transactions, equity interest of the Group in Proconco increased from 52.1% to 65.8% as of 30 September 2015.

In December 2015, Kenji acquired additional 4,412,628 shares of Proconco from non-controlling interest. As a result of this transaction, equity interest of the Group in Proconco increased from 65.8% to 68.6%.

(ii) In June 2015, the Planning and Investment Department of Hau Giang Province issued the Business Registration Certificate No. 6300262818 approving the establishment of MHG, a newly incorporate 100.0% owned subsidiary of MSF. MHG is indirectly owned by the Company through MSF, an indirect subsidiary of the Company through MCH and MSC.

(iii) In January 2015, MSF acquired 99.9% equity interest of SNF from other third parties for a consideration of VND200,000 million including transaction costs. As a result of this transaction, SNF became a subsidiary indirectly owned by the Company through MSF, an indirect subsidiary of the Company through MCH and MSC.

(iv) On 25 December 2015, MSB acquired 65.0% equity interest of QNW from third parties for a consideration of VND140,189 million including transactions cost. As a result of this transaction, QNW became a subsidiary indirectly owned by the Company through MSB, an indirect subsidiary of the Company through MCH and MSC.

(v) In February 2015, the Planning and Investment Department of Hau Giang Province issued the Business Registration Certificate No. 6300259029 approving the establishment of MBHG, a newly incorporated 100.0% owned subsidiary of MMBr. MBHG is indirectly owned by the Company through MMBr, an indirect subsidiary of the Company through MCH and MB.

(vi) In February 2015, the Planning and Investment Department of Ho Chi Minh City issued the Business Registration Certificate No. 0313132445 approving the establishment of MBD, a newly incorporated 100.0% owned subsidiary of MB. MBD is indirectly owned by the Company through MB, an indirect subsidiary of the Company through MCH and MB.

(vii) In December 2015, the Planning and Investment Department of Ho Chi Minh City issued the Business Registration Certificate No. 0313573915 approving the establishment of ML, a newly incorporated 100.0% owned subsidiary of MH. ML is indirectly owned by the Company through MH.

For the year ended 31 December 2015 (continued)

(viii) These subsidiaries are indirectly owned by the Company through MCH, MSC and MSB.

All the subsidiaries and associates are incorporated in Vietnam.

The percentage of economic interests represents the effective percentage of economic interests of the Company both directly and indirectly in the subsidiaries and of its subsidiaries or indirect subsidiaries in the associates.

As at 31 December 2015 the Company had 32 employees (1/1/2015: 32 employees) and the Group had 8,660 employees (1/1/2015: 7,047 employees).

(c) Normal operating cycle

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

2. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

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

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(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"). These financial statements are prepared and presented in millions of Vietnam Dong ("VND million").

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

3. ADOPTION OF NEW GUIDANCE ON ACCOUNTING SYSTEM FOR ENTERPRISES

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises ("Circular 200"). Circular 200 replaces previous guidance on Vietnamese Accounting System for enterprises under Decision No. 15/2006/QD-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009. Circular 200 is applicable for annual accounting periods beginning on or after 1 January 2015.

On the same date of 22 December 2014, the Ministry of Finance also issued Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202"). Circular 202 replaces previous guidance on preparation and presentation of consolidated financial statements provided in Part XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance. Circular 202 is also applicable for annual accounting periods beginning on or after 1 January 2015.

The Company and the Group have adopted the applicable requirements of Circular 200 and Circular 202 effective from 1 January 2015 on a prospective basis. The significant changes to the Company and the Group's accounting policies and the effects on the financial statements, if any, are disclosed in the following notes to the financial statements:

- Basis of consolidation (note 4(a)) – gains or losses incurred on partial acquisitions or disposals that do not result in a loss or gain of control are recorded directly in undistributed profits after tax under equity. Non-controlling interest is now reclassified as part of equity;
- Recognition of foreign exchange differences (note 4(b)) – the use of different commercial exchange rates is

now provided by Circular 200;

- Goodwill (note 4(l)) – goodwill recorded in the investment in equity accounted investees is now not amortised; and
- Earnings per share (note 4(w)) – profit or loss attributable to the ordinary shareholders of the Company is now determined after deducting amounts appropriated to bonus and welfare fund.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Common-control business combination

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

For the year ended 31 December 2015 (continued)

adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity. This change in accounting policy has been applied prospectively.

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

(ii) Non-common control business combination

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

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

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations include any costs directly attributable to the combination, such as

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professional fees paid to accountants, legal advisers, valuers and other consultants to effect the combination. Transaction costs are capitalised into the cost of business combination. General administrative costs and other costs that cannot be directly attributed to the particular combination being accounted for are not included in the cost of the combination; they are recognised as an expense when incurred.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iv) Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for in the consolidated financial statements using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

For the year ended 31 December 2015 (continued)

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(v) Loss of control

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

(vi) Non-controlling interests

NCI are measured at their proportionate share of the acquiree’s identifiable net assets at date of acquisition.

Prior to 1 January 2015, changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received is recorded directly in other capital under equity. Effective from 1 January 2015, as the result of the adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity. This change in accounting policy has been applied prospectively.

(vii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee.

(b) Foreign currency transactions

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

rates of exchange applied to account for foreign currency transaction are determined as follows:

- Exchange rate applied to buying or selling foreign currency is the exchange rate stipulated in the currency exchange contract between the Company or its subsidiaries and the bank.
- Exchange rate applied to capital contribution transaction is the foreign currency buying rate at the transaction date quoted by the bank through which the investor transfers funds for the capital contribution.
- Exchange rate applied to recognise accounts receivable from customers, receivables on lending loans and other receivables is the foreign currency buying rate at the transaction date quoted by the bank through which the Company or its subsidiaries receive money from the customer or counterparty.
- Exchange rate applied to recognise accounts payable to suppliers and other payables is the foreign currency selling rate at the transaction date quoted by the bank through which the Company or its subsidiaries intend to make payment for the liability.
- For asset acquisitions or expenses that are settled with immediate payment, the exchange rate applied is the foreign currency buying rate at the transaction date quoted by the bank through which the Company or its subsidiaries make payment.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at actual rates of exchange ruling at the balance sheet date. The actual rates of exchange applied to retranslate monetary items denominated in foreign currency at reporting date are determined as follows:

- For monetary assets (cash and receivables): the foreign currency buying rate at the reporting date quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions. Cash at bank and bank deposits are retranslated using the foreign currency buying rate of the bank where the

For the year ended 31 December 2015 (continued)

Company or its subsidiaries deposits the money or maintains those bank accounts.

- For monetary liabilities (payables and borrowings): the foreign currency selling rate at reporting date quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions.

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

Prior to 1 January 2015, all foreign exchange differences are recorded in the statement of income, except when they relate to the construction of tangible fixed assets or the translation of foreign currency monetary items during the Company’s and/or its subsidiaries’ pre-operating stage, in which case they are recorded in the Foreign Exchange Difference Account in equity until the Company or the subsidiaries commence operations. Once the Company or the subsidiaries commence operations and the tangible fixed assets are put into use, the net related foreign exchange gain or loss is transferred to Unearned Revenue Account or Long-term Prepayment Account respectively. The net gain or loss is then amortised on a straight line basis over five years.

Effective from 1 January 2015, as a result of Circular 200 adoption, all foreign exchange differences including those incurred during pre-operating stage are recorded in the separate and the consolidated statement of income. The unamortised balance of foreign exchange differences previously recorded in Long-term Prepayment Account as at 1 January 2015 amounting to VND3,443 million has been transferred to the consolidated statement of income for the year ended 31 December 2015. This change in accounting policy has been applied prospectively. As a result, consolidated net profit for the year ended 31 December 2015 had decreased by VND2,686 million (net of income tax effect of VND757 million).

(c) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash

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

(d) Investments

(i) Held to maturity investments

Held-to-maturity investments are those that the Company and the Group’s management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank. These investments are stated at costs less allowance for doubtful debts.

(ii) Investments in subsidiaries and associates

For the purpose of separate financial statements, investments in subsidiaries and associates 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 and the Group’s 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.

(iii) Equity investments in other entity

Equity investments in other entity are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investment are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated

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by the Company and the Group's 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.

(e) Accounts receivable

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

(f) Inventories

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

The Company and the Group apply the perpetual method of accounting for inventory.

(g) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs,

is normally charged to 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.

Including in the cost of tangible assets of the Group, there are certain costs related to mining properties. They comprise mine rehabilitation assets and fair value of mineral reserves from business combination.

(ii) Depreciation

Machinery and equipment and fair value of mineral reserves from business combination directly related to mining activities

Machinery and equipment and fair value of mineral reserves from business combination which are directly related to the mining exploitation activities is depreciated over its mineral reserve on a unit-of-production basis. Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Group's mining properties.

Machinery and equipment of a subsidiary directly related to production activities

Tangible fixed assets of a subsidiary which are directly related to the deep processing of tungsten products are depreciated over its estimated useful lives on a unit-of-production basis over an estimated production quantity output.

Others

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

■ mining properties	15 - 20 years
■ buildings and structures	4 - 30 years

For the year ended 31 December 2015 (continued)

■ leasehold improvements	3 - 5 years
■ office equipment	3 - 10 years
■ machinery and equipment	3 - 25 years
■ motor vehicles	3 - 10 years

(h) Finance lease tangible fixed assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the estimated useful lives of items of the leased assets which is 5 years.

(i) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

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

(ii) Software

Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and

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treated as an intangible asset. Software is amortised on a straight-line basis over 4 and 10 years.

(iii) Brand name

Cost of acquisition of brand name is capitalised and treated as an intangible asset.

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

(iv) Customer relationships

Customer relationships that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible asset. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationships is amortised on a straight line basis over their useful lives ranging from 5 to 20 years.

(v) Mineral water resources

Mineral water resources that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible asset. The fair values of mineral water resources acquired in a business combination are determined using either the direct comparison method or the multi-period excess earnings method. The direct comparison approach estimates the value of mineral resources by comparing recent asking/transacted price of similar interests located in a similar area. In the multi-period excess earnings method, subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of

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mineral water resources are amortised on a straight line basis over their useful lives ranging from 10 to 37 years.

(vi) Mining rights

The mining rights is calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree 203/2013/ND/CP dated 28 November 2013 which became effective from 20 January 2014. Cost of mining rights are stated at an amount equal to the present value of mining rights fee and is capitalised and treated as an intangible asset. Amortisation of mining rights is computed on a straight-line basis over the period of the economic life of the mine reserves.

(vii) Technology

Technology that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible asset.

The fair value of technology acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of technology is amortised on a straight line basis over their useful lives ranging over 5 years.

(viii) Exploitation rights

Expenditure on obtaining exploitation rights for mineral water resources is capitalised and treated as an intangible asset. Amortisation is computed on a straight-line basis over their useful lives ranging from 9 to 30 years.

(j) Construction in progress

Construction in progress represents the cost of construction and machinery which have not been fully completed or installed and mineral assets under development. No depreciation is provided for construction in progress during the period of construction, installation and commissioning stages.

Mineral assets under development comprise mineral reserve and related development costs acquired in a business combination and subsequent development expenditure. These assets are qualified for capitalisation when the mineral reserve to which they relate is proven to be commercially and technically viable. They are initially recognised at their fair value as part of business combination accounting and subsequent development expenditure are capitalised net of proceeds from the sale of ore extracted during the development phase. On completion of development, defined as the time when saleable materials begin to be extracted from the mine, all assets are reclassified to either "machinery or equipment" or "mining properties" in tangible fixed assets or in long-term prepaid expenses.

(k) Long-term prepayments

(i) Mining properties

Mining properties comprise:

- Capitalised exploration, evaluation and development expenditure (including development stripping); and
- Capitalised production stripping (as described below in 'Deferred stripping costs').

Deferred stripping costs

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore body. Stripping costs incurred in the development phase of a mine (development stripping costs) are capitalised as part of the cost of mine under construction. All capitalised development stripping included in assets under construction is transferred to mining properties. The costs of removal of the waste material during a mine's production phase (production stripping costs) are deferred where they give rise to future benefits:

- a) It is probable that the future economic benefits will flow to the Group;
- b) The component of the ore body for which access has been improved can be identified; and
- c) The costs incurred can be measured reliably.

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Production stripping costs are allocated between the inventory produced and the production stripping asset with reference to the average life of mine strip ratio.

The average life of mine strip ratio represents the ratio of the estimated total volume of waste, to the estimated total quantity of economically recoverable ore, over the life of the mine. These costs are capitalised to the production stripping assets where the current period actual stripping ratio is higher than the average life of mine strip ratio.

The development and production stripping assets are amortised over the life of the proven and probable reserves of the relevant components on a systematic basis.

(ii) Pre-operating expenses

Pre-operating expenses are recorded in the statement of income, except for establishment costs and expenditures on training, advertising and promotional activities incurred from the incorporation date to the commercial operation date. These expenses are recognised as long-term prepayments, initially stated at cost, and are amortised on a straight line basis over 3 years starting from the date of commercial operation.

(iii) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease from 42 to 50 years.

(iv) Land compensation cost

Land compensation costs comprise costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease of 20 years.

(v) Printing axles and tools and supplies

Printing axles and tools and supplies are initially stated at cost and amortised over their useful lives of 1 to 3 years.

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Tools and instruments include assets held for use by the Company and the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under Circular 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance which provides guidance on management, use and depreciation of fixed assets. Cost of tools and instruments are amortised on a straight-line basis not more than 3 years.

(vi) Goodwill from equitisation

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

(vii) Borrowing fees and arrangement fees

Borrowing fees and arrangement fees are the costs incurred in conjunction with the obtaining of long-term borrowings and is recognised in the statement of income on a straight-line basis over the term of the borrowings.

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Prior to 1 January 2015, the borrowing fees and arrangement fees were recorded under long-term prepayment and amortised over the term of the borrowings. Effective from 1 January 2015, as a result of the adoption of Circular 200, the unamortised balances previously recorded in long-term prepayment will be reclassified to long-term borrowings, bonds and finance lease liabilities and continue to be amortised to the statement of income. Any cost incurred subsequent to 1 January 2015 will be recorded to the statement of income. This change in accounting policy has been applied prospectively.

(l) Goodwill

Goodwill arises on acquisition of subsidiaries and associates in non-common control acquisition.

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

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

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying value of the investment. Prior to 1 January 2015, goodwill included in the carrying amount of the investment in associates were amortised on a straight-line basis over 10 years. Effective from 1 January 2015, as a result of the adoption of Circular 202, amortisation of goodwill which is included in the carrying amount of investment in associates had ceased. This change in accounting policy has been applied prospectively.

(m) Accounts payable to suppliers and other payables

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

(n) Provisions

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

Mining rights

In accordance with the Law on Minerals 2010, a subsidiary of the Company has an obligation to pay the government fees for mining rights grant. The mining rights fees is calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree 2013/2013/ND/CP dated 28 November 2013 which became effective from 20 January 2014. Mining rights grant fees are recognised as intangible fixed assets.

Mine rehabilitation

The mining, extraction and processing activities of the Group give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of the Ministry of Natural Resources and Environment ("MONRE") and the Group's environmental policies based on the Environment Impact Report. The timing of the actual closure and rehabilitation expenditure is dependent on the life and nature of the mine. When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future

For the year ended 31 December 2015 (continued)

economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in mining properties and depreciated accordingly. The value of the provision is progressively increased over time as the effect of the discounting unwinds, creating an expense recognised in financial expenses.

Closure and rehabilitation provisions are also adjusted for changes in estimates. These adjustments are accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the under-depreciated capitalised cost of the related assets, in which the capitalised cost is reduced to nil and the remaining adjustment is recognised in the statement of income.

Severance allowance

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more ("eligible employees") voluntarily terminates their labour contracts, the employer is required to pay the eligible employees severance allowance calculated based on years of service and employees' compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their current salary level. Pursuant to Law on Social Insurance, effective from 1 January 2009, the Group and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees' basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of the unemployment insurance scheme, the Group is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to existing eligible employees as of 31 December 2015 will be determined based on the eligible employees' years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

(o) Bonds issued

Straight bonds

At initial recognition, straight bonds are measured at cost which comprises proceed from issuance net of issuance costs. Any discount, premium or issuance costs are amortised on a straight-line basis over the term of the bond.

(p) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Company and the Group's separate and consolidated financial positions and results of operations and the nature and extent of risk arising from financial instruments, the Company and the Group classify their financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company and the Group as financial assets at fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Company and the Group has the positive intention and ability to hold to maturity, other than:

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- those that the Company and the Group upon initial recognition designates as financial assets at fair value through profit or loss;
- those that the Company and the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Company and the Group intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Company and the Group upon initial recognition designates as available-for-sale; or
- for which the Company and the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by management as held for trading. A financial liability is considered as held for trading if:
 - it is incurred principally for the purpose of repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company and the Group as financial liabilities at fair value through profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

Guarantees issued are under the category of financial liabilities at fair value through profit or loss but they are not recognised in the financial statements.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

(q) Derivative financial instruments

The Group holds derivative financial instruments to hedge its exposures to the risk of raw material price fluctuation. Derivative financial instruments are recorded in the balance sheet at cost on the date when the derivative contracts are entered into. Realised gains or losses from derivatives are recognised as financial income or financial expenses in the statement of income.

(r) Taxation

Income tax on the profit or loss for the year comprises

For the year ended 31 December 2015 (continued)

current and deferred tax. Income tax is recognised in the 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 or substantially enacted at the balance sheet date, 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 balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset 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.

(s) Equity

(i) Share capital and share premium

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

(ii) Other capital

Agreements to issue a fixed number of shares in the future are recognised based on their fair values at the dates of the agreements under other capital if there are no other settlement alternatives.

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Prior to 1 January 2015, equity movements resulting from common-control business combination, acquisition or disposal to non-controlling interest that do not result in a loss of control are recorded in “Other reserves” in equity. Effective from 1 January 2015, as the result of the adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity. This change in accounting policy has been applied prospectively. The other reserves previously recorded has been reclassified to other capital.

(t) Revenue

(i) Goods sold

Revenue from the sale of goods is recognised in the statement of income when significant risks and rewards of ownership have been transferred to the buyer. For sales of minerals, the sales price is usually determined on a provisional basis at the date revenue recognition and adjustments to the sales price subsequently occurs based on movements in quoted market or contractual prices up to the date of final pricing. The period between provisional invoicing and final pricing is typically between 30 and 60 days, but in some cases can be as long as 90 days. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. In cases where the terms of the executed contractual sales agreement allow for an adjustment to the sales price based on a survey of the goods by the customer, assay results issued by a third party are preferable, unless customer’s survey is within executed contractual tolerance, then sales is based on the most recently determined of product specifications. 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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(u) Financial income and financial expenses

(i) Financial income

Financial income comprises dividend income, interest income from deposits and loans, interest income from loans to subsidiaries, income from disposal of equity interests, foreign exchange gains and realised gains from derivative financial instruments. Dividend income is recognised when the right to receive dividend is established. Interest income is recognised as it accrues in the statement of income.

(ii) Financial expenses

Financial expenses comprise interest expenses on borrowings, interest costs, losses from disposal of equity interests, foreign exchange losses and realised losses from derivative financial instruments. 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 tangible fixed assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the fixed assets concerned.

(v) Operating lease payments

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

(w) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Prior to 1 January 2015, the profit or loss attributable to the ordinary shareholders of the Company included amounts appropriated to bonus and welfare funds, if any. Effective from 1 January 2015, the profit or loss attributable to the ordinary shareholders of the Company is determined after deducting any amounts appropriated to bonus and welfare funds. This change in accounting policy has been applied prospectively.

(x) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments.

(y) Related parties

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

For the year ended 31 December 2015 (continued)

Related companies refer to the investors and their subsidiaries and associates.

(z) Share-based payments

Shares issued to employees are recorded at their par value.

5. SEGMENT REPORTING

The Group has three (3) reportable segments, as described below, which are the Group's strategic businesses. The strategic businesses offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic businesses, the Group's Board of Management reviews internal management reports on a periodic basis.

The Group holds the following business segments through separate subsidiary groups:

- Food and beverage;
- Animal protein;
- Others: mining and processing; financial services.

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NOTES TO THE FINANCIAL STATEMENTS

(a) Business segments

	Food and beverage		Animal protein		Others		Total	
	2015 VND million	2014 VND million Reclassified	2015 VND million	2014 VND million Reclassified	2015 VND million	2014 VND million Reclassified	2015 VND million	2014 VND million Reclassified
Segment revenue	13,916,891	13,294,163	14,053,644	-	2,657,875	2,825,731	30,628,410	16,119,894
Segment gross margin	6,095,489	5,645,811	2,916,623	-	796,512	770,893	9,808,624	6,416,704
Segment results	2,052,023	2,666,839	782,474	194,773	164,636	(357,790)	2,999,133	2,503,822
Net unallocated expenses							(471,883)	(466,780)
Net profit							2,527,250	2,037,042

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	Food and beverage		Animal protein		Others		Total	
	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Segment assets	20,712,909	15,108,276	14,766,478	-	34,546,124	32,556,806	70,025,511	47,665,082
Unallocated assets							1,824,189	5,300,018
Total assets							71,849,700	52,965,100
Segment liabilities	16,381,478	10,963,588	7,804,983	-	13,454,736	9,891,791	37,641,197	20,855,379
Unallocated liabilities							7,099,457	10,184,582
Total liabilities							44,740,654	31,039,961

	2015	2014	2015	2014	2015	2014	2015	2014
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Capital expenditure	1,865,381	843,267	194,788	-	1,796,516	1,885,626	3,856,685	2,728,893
Depreciation	380,125	278,654	102,062	-	770,150	612,488	1,252,337	891,142
Amortisation	455,809	319,250	247,772	-	115,780	201,807	819,361	521,057

(b) Geographical segments

During the year ended 31 December 2015 and 31 December 2014, the Group view themselves as operating in one geographical segment which is in Vietnam.

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

6. BUSINESS COMBINATION

(a) Acquisition of SNF

In January 2015, MSF, an indirect subsidiary of the Company, completed the acquisition of 99.9% equity interest of SNF for a consideration of VND200,000 million, including transaction costs. Such acquisition resulted in the Company gaining 77.8% effective equity interest in SNF as at 31 December 2015.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Pre-acquisition carrying amounts VND million	Fair value adjustments VND million	Recognised value on acquisition VND million
Cash and cash equivalents	19,161	-	19,161
Accounts receivable from customers	1,619	-	1,619
Other receivables	486	-	486
Inventories	6,575	-	6,575
Other long-term receivables	1,359	-	1,359
Tangible fixed assets - net	11,559	846	12,405
Intangible fixed assets - net	93	40,755	40,848
Long-term prepayments	286	-	286
Current liabilities	(7,762)	-	(7,762)
Deferred tax liabilities	-	(6,445)	(6,445)
Total net identifiable assets acquired	33,376	35,156	68,532
Share of net assets acquired			68,532
Goodwill on acquisition (Note 17)			131,468
Total consideration			200,000
Cash acquired			(19,161)
Net cash outflow			180,839

Goodwill recognised on the acquisition is attributable mainly to synergies which management expect to realise by integrating SNF into the Group's existing business.

During the period from the acquisition date to 31 December 2015, the acquired business contributed net revenue of VND103,265 million and net profit after tax of VND12,462 million to the Group's results.

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(b) Acquisition of MNS

In April 2015, the Company completed the acquisition of 99.9% equity interest of MNS for a total consideration of VND2,192,690 million, including transaction costs. Such acquisition resulted in the Company having 99.9% effective equity interest in MNS as at 31 December 2015.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Pre-acquisition carrying amounts VND million	Fair value adjustments VND million	Recognised value on acquisition VND million
Cash and cash equivalents	1,869,174	-	1,869,174
Short-term financial investments	577,500	-	577,500
Accounts receivables – short-term	859,515	-	859,515
Inventories	3,155,172	-	3,155,172
Other current assets	56,580	-	56,580
Account receivables – long-term	54,434	-	54,434
Tangible fixed assets – net	1,150,394	24,102	1,174,496
Intangible fixed assets – net	4,682,517	487,538	5,170,055
Construction in progress	223,192	-	223,192
Investment in associates and other entity	48,340	-	48,340
Long-term prepayments	121,257	-	121,257
Deferred tax assets	72,542	-	72,542
Short-term borrowings	(682,900)	-	(682,900)
Other current liabilities	(1,573,137)	-	(1,573,137)
Long-term borrowings and finance lease liabilities	(3,645,425)	-	(3,645,425)
Deferred tax liabilities	(742,779)	(76,746)	(819,525)
Provisions - long-term	(32,904)	-	(32,904)
Non-controlling interest	(4,039,942)	(248,081)	(4,288,023)
Total net identifiable assets acquired	2,153,530	186,813	2,340,343
Share of net assets acquired			2,340,331
Negative goodwill on acquisition (Note 29)			(147,641)
Total consideration			2,192,690
Cash acquired			(1,869,174)
Net cash outflow			323,516

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

The excess fair value of net identifiable assets and liabilities over the cost of the acquisition amounting to VND147,641 million was included in financial income (Note 29).

Negative goodwill recognised on the acquisition is attributable mainly to the Group purchased for a consideration below the fair value of the assets acquired.

During the period from the acquisition date to 31 December 2015, the acquired business contributed net revenue of VND14,053,644 million and net profit after tax of VND782,474 million to the Group's results.

In 2014, MNS entered into an option agreement with Anco's non-controlling interest shareholders on (1) put option to grant Anco's non-controlling interest shareholders to sell at an agreed price the remaining 30.0% equity interest, which can be exercised in whole within 18 months period from June 2015 and (2) call option to acquire at an agreed price the remaining 30.0% equity interest of Anco, which can be exercised in whole within 24 months period from December 2016.

MNS also enter into option agreement with Anco's non-controlling interest shareholders on call option to acquire at an agreed price the whole equity interest of an existing entity or an entity which will be established by those shareholders in the animal protein industry. This option agreement can be exercised in 2016.

(c) Acquisition of QNW

In December 2015, the Company completed the acquisition of 65.0% equity interest in QNW through MSB for a total consideration of VND140,190 million including transaction cost. Such acquisition resulted in the Company having 50.6% effective equity interest in QNW as at 31 December 2015.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

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	Pre-acquisition carrying amounts VND million	Fair value adjustments VND million	Recognised value on acquisition VND million
Cash and cash equivalents	88,102	-	88,102
Accounts receivable – short-term	2,010	-	2,010
Inventories	28,550	-	28,550
Other current assets	1,800	-	1,800
Tangible fixed assets – net	37,555	(6,940)	30,615
Intangible fixed assets – net	17,822	148,676	166,498
Long-term prepayments	35,936	-	35,936
Current liabilities	(114,449)	-	(114,449)
Long-term accounts payable to suppliers	(12,478)	-	(12,478)
Other payables long-term	(4,672)	-	(4,672)
Deferred tax liabilities	-	(28,347)	(28,347)
Total net identifiable assets acquired	80,176	113,389	193,565
Share of net assets acquired			125,817
Goodwill on acquisition (Note 17)			14,373
Total consideration			140,190
Cash acquired			(88,102)
Payables for equitisation (Note 20)			81,605
Accruals for equitisation			(77,790)
Net cash outflow			55,903

Goodwill acquired in the acquisition is attributable mainly to synergies which management expect to realise by integrating QNW into the Group's existing business.

The acquisition was on 25 December 2015. Therefore the contribution of revenue and net profit after tax of acquired business to the Group's results during the period from the acquisition date to 31 December 2015 is insignificant.

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

7. CASH AND CASH EQUIVALENTS

	Group		Company	
	31/12/2015	1/1/2015	31/12/2015	1/1/2015
	VND million	VND million	VND million	VND million
Cash on hand	8,379	1,432	150	124
Cash in banks	909,225	301,538	17,619	9,777
Cash in transit	1,052	-	-	-
Cash equivalents	7,405,820	4,863,445	1,085,890	507,350
	8,324,476	5,166,415	1,103,659	517,251

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

8. INVESTMENTS

	Group		Company	
	31/12/2015	1/1/2015	31/12/2015	1/1/2015
	VND million	VND million	VND million	VND million
Short-term financial investments				
Held-to-maturity investments - short-term (a)	293,990	4,042,212	287,890	239,614
Long-term financial investments				
Investment in subsidiaries (b)	-	-	6,526,105	3,389,914
Investment in associates (c)	9,124,149	8,601,126	7,989,232	8,932,424
Equity investments in other entity (d)	21,646	-	-	-
Allowance for diminution in the value of long-term financial investments	(912)	-	-	-
Held-to-maturity investments - long-term (a)	-	144,050	-	-
	9,144,883	8,745,176	14,515,337	12,322,338

(a) Held-to-maturity investments

Held-to-maturity investments – short-term represented deposits at bank with remaining terms to maturity of less than twelve months from the reporting date.

Held-to-maturity investments – long-term represented term deposits at banks with remaining terms to maturity of more than twelve months from the reporting date.

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(b) Investment in subsidiaries

Details of the Company's investments in indirect subsidiaries are presented in Note 1.

Details of the Company's investment in direct subsidiaries were as follows:

	31/12/2015				1/1/2015					
	% of equity owned	% of voting rights	Cost VND million	Allowance for diminution in value VND million	Fair value VND million	% of equity owned	% of voting rights	Cost VND million	Allowance for diminution in value VND million	Fair value VND million
MasanConsumer Holdings Company Limited ("MCH")	100.0%	100.0%	516,600	-	(*)	100.0%	100.0%	516,600	-	(*)
Masan Horizon Corporation (formerly known as Ma San Horizon Corporation) ("MH")	99.9%	99.9%	3,816,815	-	(*)	99.9%	99.9%	2,873,314	-	(*)
Masan Nutri-Science Company Limited (formerly known as Sam Kim Company Limited) ("MNS")	99.9%	99.9%	2,192,690	-	(*)	-	-	-	-	-
			6,526,105	-	(*)			3,389,914	-	(*)

(*) At the reporting date, fair value of these investments was not available.

Movements of investment in subsidiaries as at 31 December 2015 were as follows:

	MCH VND million	MH VND million	MNS VND million	Total VND million
Opening balance	516,600	2,873,314	-	3,389,914
Acquisition on business combination (Note 6b)	-	-	2,192,690	2,192,690
Capital contribution	-	943,501	-	943,501
Closing balance	516,600	3,816,815	2,192,690	6,526,105

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

(c) Investment in associates

Group	31/12/2015					1/1/2015				
	% of equity owned	% of voting rights	Carrying value at equity accounted VND million	Allowance for diminution in value VND million	Fair value VND million	% of equity owned	% of voting rights	Carrying value at equity accounted VND million	Allowance for diminution in value VND million	Fair value VND million
								Reclassified		
Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") (*)	19.5%	19.5%	8,838,067	-	(****)	19.5%	19.5%	8,357,101	-	(****)
Cholimex Food Joint Stock Company ("Cholimex")	32.8%	32.8%	254,802	-	(****)	32.8%	32.8%	240,425	-	(****)
Vinh Hao Spirulina Algae Corporation ("VHS") (formerly known as Vinh Hao Seaweed) (***)	-	-	-	-	-	30.0%	30.0%	3,600	-	(****)
Thuan Phat Packing Joint Stock Company ("Thuan Phat") (**)	25.0%	25.0%	8,954	-	(****)	-	-	-	-	-
Loc Khang Joint Stock Company ("Loc Khang") (**)	26.2%	26.2%	5,016	-	(****)	-	-	-	-	-
Abattoir Long Binh Joint Stock Company ("Abattoir") (**)	25.0%	25.0%	8,508	-	(****)	-	-	-	-	-
Dong Nai Manufacture, Service and Trading Joint Stock Company ("DN Manu") (**)	21.3%	21.3%	8,802	-	(****)	-	-	-	-	-
			9,124,149	-	(****)			8,601,126	-	(****)

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Movements of investment in associates as at 31 December 2015 were as follows:

	Techcombank VND million	Cholimex VND million	VHS VND million	Thuan Phat VND million	Loc Khang VND million	Abattoir VND million	DN Manu VND million	Total VND million
Opening balance – as reclassified	8,357,101	240,425	3,600	-	-	-	-	8,601,126
Acquisition on business combination (Note 6b) (**)	-	-	-	7,684	5,070	6,286	8,566	27,606
Share in post-acquisition profit/(loss) of associates during the year	480,966	14,377	-	1,270	(54)	2,222	236	499,017
Disposal of investment	-	-	(3,600)	-	-	-	-	(3,600)
Closing balance	8,838,067	254,802	-	8,954	5,016	8,508	8,802	9,124,149

(*) Investment in Techcombank represents investment in 30.4% (1/1/2015: 30.4%) of the effective economic interest in Techcombank as of 31 December 2015. The Group's effective economic interest includes 12.4% through direct equity interest (net of dilutive impact of convertible bonds on current equity interest of 15.0%), 3.3% indirect equity interest through Mapleleaf Company Limited (net of dilutive impact of convertible bonds on current equity interest of 4.5%), and 14.7% through 10 year convertible bonds issued by Techcombank which the Company has agreed to irrevocably and mandatorily convert during the conversion period of the convertible bonds, subject to regulatory and other customary approvals.

(**) In April 2015, the Company acquired 99.9% equity interest in MNS which hold 52.1% equity interest in Vietnamese – French Cattle Feed Joint Stock Company ("Proconco"). Proconco hold 25.0% equity interest in Thuan Phat, 25.0% equity interest in Abattoir, 21.3% equity interest in DN Manu and 26.2% equity interest in Loc Khang. As a result of this transaction, these companies became associates indirectly owned by the Company through MNS.

(***) In July 2015, VHC has sold its 30% equity interest in VHS, an associate. Such transaction resulted in the Company no longer holds any equity interest in VHS.

(****) At the reporting date, fair value of these investments was not available.

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

Company

Details of the Company's cost of investment in associates were as follows:

	31/12/2015		Allowance for diminution in value			1/1/2015		Allowance for diminution in value		
	% of equity owned	% of voting rights	Cost VND million	Fair value VND million	Fair value VND million	% of equity owned	% of voting rights	Cost VND million	Fair value VND million	Fair value VND million
Techcombank	15.00%	15.00%	7,989,232	-	(*)	19.5%	19.5%	8,932,424	-	(*)

In December 2015, the Company disposed 4.5% (3.3% on fully diluted basis) of its equity interest in Techcombank to ML, a subsidiary indirectly owned by the Company through MH, for a consideration of VND943,192 million, which is equal to the cost of investment.

(*) At the reporting date, fair value of these investments was not available.

(d) Equity investments in other entity

Group

Details of the Group's cost of equity investments in other entity were as follows:

	31/12/2015		Allowance for diminution in value			1/1/2015		Allowance for diminution in value		
	% of equity owned	% of voting rights	Cost VND million	Fair value VND million	Fair value VND million	% of equity owned	% of voting rights	Cost VND million	Fair value VND million	Fair value VND million
PTSC Dinh Vu Port Company (Note 6(b))	5.9%	5.9%	21,646	(912)	(*)	-	-	-	-	-

(*) At the reporting date, fair value of these investments was not available.

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(e) Transactions in subsidiaries for the year ended 31 Decemeber 2015 – transactions with non-controlling interests

(i) Transactions with non-controlling interests in MR

During the year ended 31 December 2015, MH entered into a number of agreements with MR's non-controlling interest, resulting in the following effects:

	VND million
Transaction amount, net of cash received	29,172
Net assets diluted	(167,181)
Differences recorded in undistributed profits after tax	(138,009)

(ii) Transactions with non-controlling interests in Proconco

In August and September 2015, Proconco repurchased 41,722,964 treasury shares for VND1,168,243 million, including transaction cost. As a result of this transaction, economic interests of MNS in Proconco increased by 13.7%, resulting in the following effects:

	VND million
Cost of acquisition, cash paid	(1,168,243)
Net assets acquired	1,311,823
Differences recorded in undistributed profits after tax	143,580

In December 2015, Kenji acquired additional 2.8% of the equity interests of Proconco for a total consideration of VND123,554 million, resulting in the following effects:

	VND million
Cost of acquisition, cash paid	(123,554)
Net assets acquired	159,968
Differences recorded in undistributed profits after tax	36,414

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(iii) Transaction with non-controlling interests in MSC

In July 2015, MSC issued shares to certain employees under its employee share based payment plan after obtaining shareholder's approval at its Annual General Meeting, resulting in the following effects:

	VND million
Shares issued at par not subscribed by the Group, net of transaction costs	38,337
Net assets diluted	(66,300)
Differences recorded in undistributed profits after tax	(27,963)

(f) Significant transactions in subsidiaries in prior years

In 2014, MCH granted the right to acquire the option interest in MCH worth VND525,900 million to PENM III Germany GmbH & Co. Kg at a pre-agreed valuation which can be exercised after 4 years. MCH has the ability to settle the option by delivering primary shares of MCH or secondary shares owned by the Company or other parties.

(i) Transactions with non-controlling interests in MR

On 25 January 2013, BI Private Equity New Market III K/S ("PENM II") subscribed for 15,902,430 mandatorily convertible preference shares in MR for a cash consideration of VND520,709 million. The holders of these mandatorily convertible preference shares shall be paid fixed dividends ranging from 3.0% to 10.0% per annum on the principal amount and the preference shares are mandatorily convertible into ordinary shares within 4 years. The preference shares also confer onto PENM II the right to receive dividends declared to ordinary shareholders in proportion to their shareholding and are automatically converted to ordinary shares in the event of the liquidation of MR.

As part of the agreement, MR is able to exercise its right to convert or force convert the preference shares to ordinary shares according to the terms of the agreement.

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9. ACCOUNTS RECEIVABLE – SHORT-TERM AND LONG-TERM

As at 31 December 2015, a part of short-term receivable of an indirect subsidiary is pledged with banks as security for loans granted to that subsidiary (see Note 21).

As at 31 December 2015, prepayments to suppliers of the Group amounting to VND200,850 million (1/1/2015: VND61,723 million) were related to construction in progress.

As at 31 December 2015, prepayment for land use rights of the Group amounting to VND51,959 million (1/1/2015: Nil) was pledged with the bank as security for loans granted to an indirectly subsidiary of the Company through MCH (Note 21).

Receivables on lending loans comprised:

	Group		Company	
	31/12/2015	1/1/2015	31/12/2015	1/1/2015
	VND million	VND million	VND million	VND million Reclassified
Receivables on short-term lending loans				
Receivables from other loan investing activities (*)	762,400	-	-	-
Receivables from subsidiaries	-	-	-	2,172,320
Receivables on long-term lending loans				
Receivables from other loan investing activities (*)	8,563,114	-	-	-
Receivables from subsidiaries	-	-	4,773,374	2,283,927

(*) The receivables on short-term and long-term lending loans as of 31 December 2015 were a result of the Group's cash management operations to maximise its financial interest income on its more liquid assets. These loans are guaranteed and are secured by the future assets generated by these loans. The interest rate of the long-term lending loan receivables is 12.0% per annum and matures in June 2017, unless repaid earlier. The interest rate of short-term lending loan receivables is 6.0% per annum matures in 2016. The interest is receivable on the maturity or repayment date of the related agreements, whichever earlier. Subsequent to year end, VND9,036,014 million of short-term and long-term lending loans were collected.

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Other receivables comprised:

	Group		Company	
	31/12/2015	1/1/2015	31/12/2015	1/1/2015
	VND million	VND million Reclassified	VND million	VND million Reclassified
Other short-term receivables				
Receivables from sales of claims	256,200	256,200	-	-
Non-trade receivables from related parties	142,244	142,244	142,244	996,348
Short-term deposits	46,820	5,036	31	-
Accrued interest receivable from deposits	11,773	64,972	2,905	3,398
Services receivable	11,547	11,547	11,547	11,547
Advances	7,359	31,992	444	-
Others	165,655	15,779	-	30,359
	641,598	527,770	157,171	1,041,652

	Group		Company	
	31/12/2015	1/1/2015	31/12/2015	1/1/2015
	VND million	VND million Reclassified	VND million	VND million Reclassified
Other long-term receivables				
Long-term deposit	45,836	59,835	2,313	9,381
Long-term interest receivables from deposits	-	4,712	-	-
Accrued interest receivable from other loan investing activities (**)	440,103	-	-	-
Other long-term receivables from related parties	-	-	3,132,671	2,732,322
Other (***)	1,383,086	1,383,086	-	-
	1,869,025	1,447,633	3,134,984	2,741,703

(**) Subsequent to year end, this amount was fully collected.

(***) Other represented receivables from State Treasury for the land compensation cost of the Nui Phao Mining Project at Ha Thuong Commune, Dai Tu District, Thai Nguyen Province. The amount could be net off with annual land rental fee.

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Accounts receivable included the following amounts due from related parties:

	Group		Company	
	31/12/2015	1/1/2015	31/12/2015	1/1/2015
	VND million	VND million Reclassified	VND million	VND million Reclassified
Amounts due from the parent company				
Non-trade – short-term	142,244	142,244	142,244	142,244
Amounts due from other related companies				
Loans – short-term	-	-	-	2,172,320
Loans – long-term	-	-	4,773,374	2,283,927
Non-trade – short-term	-	-	-	854,104
Non-trade – long-term	-	-	3,132,671	2,732,322

The short-term non-trade amounts of the Group due from the parent company, Masan Corporation (formerly known as Ma San Corporation), were unsecured, interest-free and receivable in demand.

As at 31 December 2015, the long-term loans and non-trade receivables due from other related parties of the Company comprised of:

- VND2,520,711 million (1/1/2015: VND2,247,291 million) related to an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND1,962,319 million (1/1/2015: VND1,962,319 million) and interest receivable of VND558,392 million (1/1/2015: VND284,972 million). The loan is revised to be due in 2017 and earns interest at 12.0% per annum (2014: 12.0% per annum);
- An interest receivable on unsecured funding agreement between the Company and a subsidiary amounting to VND490,061 million (1/1/2015: VND487,500 million). The interest will be repayable in 2017;
- VND1,555,324 million (1/1/2015: VND2,134,490 million) related to interest costs charged on unsecured loans amounting to USD218 million and VND2,200 billion made available to a subsidiary. These interest cost are receivable in 2017;
- VND2,521,796 million (1/1/2015: VND2,245,113 million) related to an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND1,997,555 million (1/1/2015: VND1,994,358 million) and interest receivable of VND524,241 million (1/1/2015: VND250,755 million). The loan is due in 2018 and earns interest at 12.0% per annum (2014: 12.0% per annum); and
- VND818,153 million (1/1/2015: Nil) related to an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND813,500 million and interest receivable of VND4,653 million. The loan is due in 2017 and earns interest at 6.0% per annum.

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

10. INVENTORIES

Group	31/12/2015		1/1/2015	
	Cost	Allowance	Cost	Allowance
	VND million	VND million	VND million	VND million
Goods in transit	912,443	-	64,148	-
Raw materials	1,939,680	(10,283)	599,438	(8,580)
Tools and supplies	699,637	-	511,941	-
Work in progress	168,151	-	76,624	-
Finished goods	705,969	(5,906)	366,480	(13,701)
Merchandise inventories	4,453	(434)	5,097	(37)
Goods on consignment	4,259	-	3,444	-
	4,434,592	(16,623)	1,627,172	(22,318)

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

	Group	
	2015	2014
	VND million	VND million
Opening balance	22,318	20,739
Increase in allowance during the year	94,987	67,433
Allowance utilised during the year	(99,505)	(61,739)
Written back	(1,177)	(3,488)
Disposal of a subsidiary	-	(627)
Closing balance	16,623	22,318

Included in inventories of the Group at 31 December 2015 was VND16,623 million (1/1/2015: VND22,318 million) of slow-moving inventories.

As at 31 December 2015, a part of inventories of an indirect subsidiary is pledged with banks as security for loans granted to a subsidiary (see Note 21).

For the year ended 31 December 2015 (continued)

11. TANGIBLE FIXED ASSETS

Group	Mining properties	Buildings and structures	Leasehold improvements	Office equipment	Machinery and equipment	Motor vehicles	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Cost							
Opening balance	5,800,051	2,805,492	25,760	77,484	11,123,071	55,242	19,887,100
Acquisition on business combinations (Note 6)	-	531,610	-	1,630	611,904	72,372	1,217,516
Additions	-	83,422	43	19,551	109,311	4,755	217,082
Transfer from construction in progress	-	487,079	-	20,306	1,607,273	3,588	2,118,246
Transfer to long-term prepayments (*)	(773,759)	(52)	-	-	798	-	(773,013)
Disposals	-	(12,317)	-	(836)	(39,257)	(4,626)	(57,036)
Written off	-	(2,405)	-	(4,468)	(1,259)	(4,631)	(12,763)
Reclassifications	-	17,309	(42)	501	(15,700)	(2,068)	-
Closing balance	5,026,292	3,910,138	25,761	114,168	13,396,141	124,632	22,597,132

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

	Mining properties VND million	Buildings and structures VND million	Leasehold improvements VND million	Office equipment VND million	Machinery and equipment VND million	Motor vehicles VND million	Total VND million
Accumulated depreciation							
Opening balance	171,419	183,107	19,076	36,627	1,040,564	26,394	1,477,187
Charge for the year	173,556	203,440	3,925	15,415	828,175	19,249	1,243,760
Transfer to long-term prepayments (*)	(33,842)	-	-	-	(3)	-	(33,845)
Disposals	-	(7,515)	-	(834)	(29,464)	(4,456)	(42,269)
Written off	-	(2,405)	-	(4,468)	(1,259)	(4,631)	(12,763)
Reclassifications	-	(968)	812	(292)	1,926	(1,478)	-
Closing balance	311,133	375,659	23,813	46,448	1,839,939	35,078	2,632,070
Net book value							
Opening balance	5,628,632	2,622,385	6,684	40,857	10,082,507	28,848	18,409,913
Closing balance	4,715,159	3,534,479	1,948	67,720	11,556,202	89,554	19,965,062

Included in the cost of tangible fixed assets were assets costing VND226,792 million which were fully depreciated as of 31 December 2015 (1/1/2015: VND131,143 million), but which are still in active use.

The carrying amount of tangible fixed assets retired from active use and held for disposal as of 31 December 2015 amounted to VND2,555 million (1/1/2015: Nil).

The carrying amount of temporarily idle equipment in tangible fixed assets amounted to VND64,989 million as of 31 December 2015 (1/1/2015: VND33,679 million).

(*) Following the guidance of the Ministry of Finance, the Company's subsidiary – NPM has reclassified certain mining related costs to long-term prepayments (Note 15).

As at 31 December 2015, tangible fixed assets with carrying value of VND936,938 million (1/1/2015: VND815,204 million) were pledged with banks as security for loans granted to the subsidiaries and VND10,976 billion (1/1/2015: VND11,698 billion) were pledged with banks as security for long-term bonds issued by subsidiaries (see Note 21).

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Company:

	Leasehold improvements VND million	Office equipment VND million	Total VND million
Cost			
Opening balance	15,098	5,661	20,759
Addition	42	98	140
Closing balance	15,140	5,759	20,899
Accumulated depreciation			
Opening balance	11,353	2,234	13,587
Charge for the year	2,424	2,459	4,883
Closing balance	13,777	4,693	18,470
Net book value			
Opening balance	3,745	3,427	7,172
Closing balance	1,363	1,066	2,429

12. FINANCE LEASE TANGIBLE FIXED ASSETS

Group

	Machinery and equipment VND million
Cost	
Opening balance and closing balance	67,300
Accumulated amortisation	
Opening balance	22,433
Charge for the year	13,460
Closing balance	35,893
Net book value	
Opening balance	44,867
Closing balance	31,407

A subsidiary of the Company leased laboratory equipment for metallurgical assay testing under a finance lease arrangement (Note 21(d)).

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

13. INTANGIBLE FIXED ASSETS

Group

	Land use rights VND million	Software VND million	Brand name VND million	Customer relationships VND million	Mineral water resources VND million	Mining rights VND million	Technology VND million	Exploitation rights VND million	Total VND million
Cost									
Opening balance	170,254	111,350	712,471	375,110	305,336	588,373	-	-	2,262,894
Acquisition on business combinations (Note 6)	186,718	1,109	1,700,112	2,699,104	107,362	-	669,433	13,563	5,377,401
Additions	-	234	-	-	-	-	-	74,845	75,079
Transfer from construction in progress	-	242,864	-	-	-	-	-	-	242,864
Transfer to long- term prepayments	(49,615)	(1)	-	-	-	-	-	-	(49,616)
Written off	-	(1,763)	-	-	-	-	-	-	(1,763)
Closing balance	307,357	353,793	2,412,583	3,074,214	412,698	588,373	669,433	88,408	7,906,859
Accumulated amortisation									
Opening balance	24,053	30,304	188,375	211,107	4,990	5,369	-	-	464,198
Charge for the year	7,895	29,733	120,151	162,564	2,604	30,550	92,096	2,595	448,188
Transfer to long- term prepayments	(5,428)	(1)	-	-	-	-	-	-	(5,429)
Written off	-	(1,763)	-	-	-	-	-	-	(1,763)
Closing balance	26,520	58,273	308,526	373,671	7,594	35,919	92,096	2,595	905,194
Net book value									
Opening balance	146,201	81,046	524,096	164,003	300,346	583,004	-	-	1,798,696
Closing balance	280,837	295,520	2,104,057	2,700,543	405,104	552,454	577,337	85,813	7,001,665

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Included in the cost of intangible fixed assets were assets costing VND21,637 million which were fully amortised as of 31 December 2015 (1/1/2015: VND15,031 million), but which are still in use.

As at 31 December 2015, intangible fixed assets with carrying value of VND611,000 million (1/1/2015: VND652,000 million) were pledged with banks as security for long-term bonds issued by a subsidiary.

As at 31 December 2015, there was no land use rights of the Group (1/1/2015: land use rights with carrying value of VND70,093 million) were pledged with banks as security for loans granted to the Group's subsidiaries (see Note 21).

Company

	Software VND million
Cost	
Opening and closing balance	4,532
Accumulated amortisation	
Opening balance	2,261
Charge for the year	1,074
Closing balance	3,335
Net book value	
Opening balance	2,271
Closing balance	1,197

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NOTES TO THE FINANCIAL STATEMENTS

14. CONSTRUCTION IN PROGRESS

	Group		Company	
	2015 VND million	2014 VND million	2015 VND million	2014 VND million
Opening balance	3,811,051	20,042,933	-	10,021
Acquisition on business combinations (Note 6)	223,192	2,799	-	-
Additions during the year	3,825,674	3,356,972	-	1,093
Transfer to tangible fixed assets	(2,118,246)	(17,154,847)	-	(4,313)
Transfer to intangible fixed assets	(242,864)	(67,048)	-	-
Transferred from tools and supplies	397	-	-	-
Transfer to short-term prepayments	(449)	(6,594)	-	-
Transfer to long-term prepayments	(17,874)	(972,598)	-	(63)
Disposals	(825)	(5,263)	-	(4,521)
Written off	(21)	(2,217)	-	(2,217)
Reimbursement of resettlement cost, transfer to other receivables	-	(1,383,086)	-	-
Closing balance	5,480,035	3,811,051	-	-

As at 31 December 2015, construction in progress with carry amount of VND1,039,805 million were pledged with banks as security for loans granted to the Company's subsidiaries (1/1/2015: Nil). In addition, certain constructions in progress relating to the mine developments have also been pledged with banks as security for long-term bonds issued by a subsidiary (see Note 21).

During the year, borrowing costs capitalised into construction in progress amounted to VND319,610 million (for the year ended 31 December 2014: VND412,373 million).

For the year ended 31 December 2015 (continued)

15. LONG-TERM PREPAYMENTS

Group	Mining properties VND million	Pre-op- erating expens- es VND million	Prepaid land costs VND million	Land com- pens- ation costs VND million	Print- ing tools and sup- plies VND million	Good- will from equiti- sation VND million	Borrow- ing fees VND million	Arrange- ment fees VND million	Foreign ex- change differ- ences VND million	Others VND million	Total VND million
Opening balance	-	284,985	2,171	632,994	12,480	-	230,665	155,379	35,927	14,991	1,369,592
Additions	145,824	-	33,974	6,425	19,609	-	-	-	-	2,757	208,589
Acquisition on business combinations (Note 6)	-	-	93,572	-	19,705	31,344	-	-	-	12,858	157,479
Transfer from/(to) construction in progress	21,210	8,376	-	-	31,125	-	-	-	(43,366)	529	17,874
Transfers from/(to) tangible fixed assets	739,969	-	-	-	(801)	-	-	-	-	-	739,168
Transfers from intangible fixed assets	-	-	44,187	-	-	-	-	-	-	-	44,187
Transfer from short-term prepayments	-	-	-	-	2,624	-	-	-	-	-	2,624
Amortisation for the year	(12,291)	(19,630)	(3,399)	(33,026)	(34,384)	-	(690)	(155,379)	-	(7,356)	(266,155)
Reclassifications	218,749	(226,188)	-	-	-	-	-	-	7,439	-	-
Transfer to long-term borrowings and finance lease liabilities	-	-	-	-	-	-	(229,975)	-	-	-	(229,975)
Disposals	-	-	-	-	(761)	-	-	-	-	-	(761)
Closing balance	1,113,461	47,543	170,505	606,393	49,597	31,344	-	-	-	23,779	2,042,622

As at 31 December 2015, prepaid land costs with carrying value of VND15,709 million (1/1/2015: Nil) were pledged with banks as security for loans granted to subsidiaries (see Note 21).

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Company	Borrowing fees	Others	Total
	VND million	VND million	VND million
Opening balance	35,969	6,319	42,288
Additions	-	212	212
Transfer to long-term borrowings and finance lease liabilities	(35,279)	-	(35,279)
Amortisation for the year	(690)	(2,736)	(3,426)
Closing balance	-	3,795	3,795

16. DEFERRED TAX ASSETS AND LIABILITIES

(i) Recognised deferred tax assets and liabilities

	Group	
	31/12/2015 VND million	1/1/2015 VND million
Deferred tax assets:		
Accrued sales discount	74,263	12,770
Accrued advertising and promotion expenses	109,127	71,916
Accrued transportation costs	8,352	19,116
Others	16,799	9,988
Unrealised profits on intra-group transactions	5,196	3,701
Total deferred tax assets	213,737	117,491
Deferred tax liabilities:		
Tangible fixed assets	(759,684)	(749,161)
Intangible fixed assets	(933,069)	(183,626)
Total deferred tax liabilities	(1,692,753)	(932,787)
	(1,479,016)	(815,296)

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(ii) Movement in temporary differences during the year

	Group			31/12/2015 VND million
	1/1/2015 VND million	Acquisition on business combination VND million (Note 6)	Recognised in statement of income VND million	
Accrued sales discount	12,770	-	61,493	74,263
Accrued advertising and promotion expenses	71,916	-	37,211	109,127
Accrued transportation costs	19,116	-	(10,764)	8,352
Others	9,988	69,726	(62,915)	16,799
Unrealised profit on intra-group transactions	3,701	1,217	278	5,196
Tangible fixed assets	(749,161)	(45,079)	34,556	(759,684)
Intangible fixed assets	(183,626)	(807,639)	58,196	(933,069)
	(815,296)	(781,775)	118,055	(1,479,016)

17. GOODWILL

	VND million
Cost	
Opening balance	942,834
Acquisition on business combination (Note 6)	145,841
Closing balance	1,088,675
Accumulated amortisation	
Opening balance	150,480
Amortisation during the year	109,518
Closing balance	259,998
Net book value	
Opening balance	792,354
Closing balance	828,677

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

18. TAXES RECEIVABLE AND PAYABLE TO STATE TREASURY

(a) Taxes payable to State Treasury

	Group		Company	
	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Value added tax	116,597	78,677	-	-
Special consumption tax	62,956	27,451	-	-
Import-export tax	-	7,457	-	-
Corporate income tax	287,683	736,476	-	-
Natural resource taxes	-	70,461	-	-
Personal income tax	31,682	32,669	-	-
Foreign contractor tax	4,449	-	-	-
Other taxes	1,165	9,359	-	1,127
	504,532	962,550	-	1,127

Movement of taxes payable to State Treasury during the year

Group	1/1/2015 VND million	Acquisition on business combinations VND million	Incurred VND million	Paid/ Refund VND million	Net-off VND million	31/12/2015 VND million
Special consumption tax	27,451	-	299,911	(264,406)	-	62,956
Import-export tax payables	7,457	-	169,600	(177,057)	-	-
Corporate income tax	736,476	42,599	817,534	(1,306,820)	(2,106)	287,683
Personal income tax	32,669	3,983	137,479	(141,779)	(670)	31,682
Foreign contractor and other tax payables	79,820	583	223,735	(298,524)	-	5,614
	962,550	47,777	4,497,746	(2,773,571)	(2,229,970)	504,532

Company

	1/1/2015 VND million	Incurred VND million	Paid VND million	31/12/2015 VND million
Other taxes	1,127	-	(1,127)	-

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(b) Taxes receivable from State Treasury

	Group		Company	
	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Other taxes	21,396	21,343	18,088	19,222

Movement of taxes receivables from State Treasury during the year

Group	1/1/2015 VND million	Acquisition on business combinations VND million	Incurred VND million	Received VND million	Net-off VND million	31/12/2015 VND million
Other taxes	21,330	2,191	55,214	(55,233)	(2,106)	21,396
	21,343	2,191	55,871	(55,233)	(2,776)	21,396

Company

	1/1/2015 VND million	Incurred VND million	Received VND million	31/12/2015 VND million
Other taxes	19,222	1,479	(2,613)	18,088

19. ACCRUED EXPENSES

	Group		Company	
	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Advertising and promotion expenses	758,820	476,995	-	-
Accrued interest payable	481,026	507,510	115,383	192,767
Sales discount and traditional customer support fee	445,632	70,622	-	-
Natural resource taxes and fees	286,166	77,125	-	-
Accruals for construction work	148,815	192,614	-	-
Consultant fee	120,873	55,044	28,040	21,328
Bonus and 13th month salary	91,612	112,489	-	-
Purchase not yet received invoices	67,475	10,401	-	-
Transportation expenses	62,304	103,563	-	-
Exhibition and market fee	32,874	15,193	-	-
Withholding tax	11,363	79,257	2,118	334
Others	368,961	161,718	2,350	810
	2,875,921	1,862,531	147,891	215,239

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20. OTHER PAYABLES

	Group		Company	
	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Other payables – short-term				
Payables for equitisation of a subsidiary (Note 6(c))	81,605	-	-	-
Obligation to issue shares (*)	60,561	-	60,561	-
Dividends payable (**)	54,480	54,672	-	-
Trade union fees, social and health insurance	10,540	104	-	-
Short-term deposits from customers	6,716	935	-	155
Purchase of shares in a subsidiary and associate	-	1,739,738	-	1,500,558
Others	184,571	71,289	51,050	54,611
	398,473	1,866,738	111,611	1,555,324
Other payables – long-term				
Long-term payables	75,009	93,043	-	14,580
Obligation to issue shares (*)	-	60,561	-	60,561
Long-term deposits	22,804	24,297	-	-
	97,813	177,901	-	75,141

(*) Obligation to issue shares represented the liability to issue an additional variable number of shares as noted in Note 25.

(**) Dividends payables represented the payable to NCI of an indirect subsidiary of the Company.

21. BORROWINGS, BONDS AND FINANCE LEASE LIABILITIES

	Group		Company	
	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Short-term borrowings				
Short-term borrowings (*)	5,302,490	5,329,971	-	-
Current portion of long-term borrowings (b)(i)	3,064,135	712,307	2,844,842	567,960
	8,366,625	6,042,278	2,844,842	567,960
Long-term borrowings, bonds and financial lease liabilities				
Long-term borrowings, bonds and financial lease liabilities (**)	30,317,247	18,234,277	6,833,564	5,267,960
Repayable within twelve months	(3,064,135)	(712,307)	(2,844,842)	(567,960)
	27,253,112	17,521,970	3,988,722	4,700,000

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(*) Short-term borrowings

	1/1/2015		Movement during the year				31/12/2015		
	Carrying amount VND million	Amount within repayment capacity VND million	Acquisition of subsidiaries (Note 6) VND million	Additions VND million	Payments VND million	Unrealised foreign exchange loss VND million	Reclas-sifications from long-term borrowings VND million	Carrying amount VND million	Amount within repayment capacity VND million
Short-term borrowings	5,329,971	5,329,971	682,900	16,938,456	(17,670,466)	21,629	-	5,302,490	5,302,490
Current portion of long-term borrowings (b)(i)	712,307	712,307	-	-	(142,123)	-	2,493,951	3,064,135	3,064,135
	6,042,278	6,042,278	682,900	16,938,456	(17,812,589)	21,629	2,493,951	8,366,625	8,366,625

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

	Currency	Annual interest rate	Group		Company	
			31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Short-term borrowings						
Secured bank loans	VND	3.8% - 8.0%	681,916	3,327,030	-	-
Secured bank loans	USD	4.5%	1,732,671	1,035,382	-	-
Unsecured bank loan	VND	3.8% - 5.5%	2,322,068	928,228	-	-
Unsecured loan	USD	8.5%	565,835	39,331	-	-
			5,302,490	5,329,971	-	-

As at 31 December 2015, the bank loans were secured by the following assets of the Group:

- (i) 158 million shares of Ma San Resource Corporation ("MR"), a subsidiary of the Group through Masan Horizon Corporation (formerly known as Ma San Horizon Corporation). These shares were also used as security for long-term borrowings and accordingly, included in security disclose in Note 21(**).
- (ii) a part of inventories and short-term receivable of an indirect subsidiary.

The secured bank loans were guaranteed by a subsidiary of the Company (1/1/2015: fixed assets with carrying value of VND885,297 million. Part of these fixed assets with carrying value of VND853,081 million was also used as security for long-term borrowings and accordingly, included in the amount of security disclosed in Note 21(**)).

For the year ended 31 December 2015 (continued)

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() Long-term borrowings, bonds and financial lease liabilities**

	Group		Company	
	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Long-term borrowings (a)	961,867	4,015,513	-	-
Convertible loans (b)	567,960	567,960	567,960	567,960
Straight bonds (c)	28,747,968	13,600,000	6,265,604	4,700,000
Finance lease liabilities (d)	39,452	50,804	-	-
	30,317,247	18,234,277	6,833,564	5,267,960

Term and conditions of outstanding long-term borrowings and liabilities were as follows:

	Currency	Interest rate per annum	Year of maturity	Group		Company	
				31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
a. Long-term borrowings							
Secured bank loans	VND	6.9% - 9.3%	2017-2020	961,867	276,637	-	-
Secured bank loans	USD	Libor + 3.5% -Libor + 4.5%	2015	-	3,738,876	-	-
				961,867	4,015,513	-	-
b. Convertible loans							
Jade Dragon (Mauritius) Limited	USD	2.0% - 6.0%	2015	-	567,960	-	567,960
Credit Suisse Ag	USD	9.6%	2016	567,960	-	567,960	-
c. Straight bonds (including issuance costs)							
	VND	8.0% - 11.0%	2016-2024	28,747,968	13,600,000	6,265,604	4,700,000
d. Finance lease liability							
	VND	14.0%	2018	39,452	50,804	-	-

For the year ended 31 December 2015 (continued)

(a) Long-term borrowings

As at 31 December 2015, long-term borrowings of the Group comprised of:

- (i) VND denominated loans amounting to VND427,472 million (1/1/2015: VND276,637 million) secured over certain fixed assets with a carrying amount of VND784,683 million, construction in progress of VND427,871 million and prepaid land costs of VND15,709 million (1/1/2015: VND853,081 million of fixed assets).
- (ii) VND denominated loans amounting to VND154,395 million (1/1/2015: Nil) secured over prepayment for land use rights with carrying amount of VND51,959 million, fixed assets with a carrying amount of VND152,255 million and construction in progress with carrying amount of VND611,934 million.
- (iii) In conjunction with the USD denominated short-term secured bank loan, VND denominated loans amounting to VND380,000 million (1/1/2015: Nil) are also secured by 158 million shares of MR, a subsidiary of the Group through MH.

The outstanding of secured bank loans of the Group denominated in USD as at 1 January 2015 amounting to USD175 million, equivalent to VND3,738,876 million would have been matured on 15 August 2016. In August 2015, all outstanding loan together with its accumulated interest expenses and associated cost were paid in advance of the schedule by a subsidiary of the Company.

(b) Convertible loan

This loan from Goldman Sachs Group, Inc. through its company named Jade Dragon (Mauritius) Limited ("JD")

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represents a USD-denominated convertible loan, with a principal amount of USD30 million.

Among others, the agreement provides the following:

- (i) The interest rate of this loan has two portions: nominal interest rate and deferred interest rate. Deferred interest is not payable if the loan is converted. During the period from 15 December 2010 to 14 December 2012 the nominal interest rate and deferred interest rate are 2.0% per annum and 6.0% per annum respectively. During the period from 15 December 2012 to 14 December 2013 the nominal interest rate and deferred interest rate are 4.0% per annum and 4.0% per annum respectively. During the period from 15 December 2013 to 14 December 2015 the nominal interest rate and deferred interest rate are 6.0% per annum and 2.0% per annum respectively. The loan matures on 14 December 2015. The nominal interest rate is compounded daily and the deferred interest rate is compounded annually. The Group has accrued interest based on the nominal interest rates.
- (ii) The loan may be converted into shares by the lender at any time after two years from 15 December 2010 to the loan's maturity date.
- (iii) The conversion price was determined at VND65,000 per share.
- (iv) The Group also separately entered into an arrangement with Masan Corporation which undertakes the risks and obligations to subscribe to and pay a cash consideration of USD30 million plus the deferred interest for 9,000,000 shares under the convertible loan in the event that the lender does not exercise the conversion option.

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

On 1 December 2015, this loan was amended with the maturity date on 14 December 2016. Credit Suisse Ag, Singapore Branch (“CSA”) became the lender under the Credit Agreement between the Company and JD and CSA. All terms and condition as described above that were agreed previously between the Company and JD are kept the same between the Company and CSA.

(c) Straight bonds

The carrying amount of the bonds comprised the following:

	Group		Company	
	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Straight bonds	29,176,882	13,600,000	6,276,882	4,700,000
Unamortised bond issuance cost (*)	(428,914)	-	(11,278)	-
	28,747,968	13,600,000	6,265,604	4,700,000

- (i) VND76.9 billion (1/1/2015: VND2,200 billion) bonds have an interest rate of 11.0% per annum. The coupons are payable every six months from the disbursement date. These bonds were secured against 6 million (1/1/2015: 22.3 million) convertible bonds issued by Techcombank. These bonds were fully repaid in January 2016;
- (ii) VND2,200 billion (1/1/2015: VND2,500 billion) bonds with a maturity of 3 years at an interest rate of 12.0% per annum in the first year, 12.5% per annum in the second year and 4.0% per annum plus the amalgated average 12 months deposit rates of selected major banks in the third year. The Company has pledged 110 million (1/1/2015: 125 million) shares in MSC as security for these bonds. These bonds were fully repaid in January 2016;
- (iii) VND3,500 billion bonds with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgated average 12 months deposit rates of selected major banks in the remaining periods. The Company has pledged 74.6 million shares in MSC as security for these bonds;
- (iv) VND500 billion bonds with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgated average 12 months deposit rates of selected major banks in the remaining periods. The Company has pledged 6.7 million shares in MSC as security for these bonds;
- (v) VND2,100 billion (1/1/2015: VND2,100 billion) bonds with a maturity of 10 years at an interest rate of 8.0% per annum. The bonds were guaranteed by Credit Guarantee and Investment Facility and secured over 80.3 million shares of MSC;
- (vi) VND9,000 billion bonds with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by the Company and secured over 129.6 million shares of MSC;

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- (vii) VND3,700 billion bonds with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.5% plus the amalgated average 12 months deposit rates of selected major banks in the remaining periods and secured over Masan Nutri-Science Company Limited’s equity interest in Anco and Proconco; and
- (viii) VND8,100 billion (1/1/2015: VND6,800 billion) bonds with a maturity of 5 years at an interest at 8% per annum for first year and 3.0% per annum plus the amalgated average 12 months deposit rates of selected major banks in the remaining periods.

These bonds were also secured over long-term fixed assets with carrying amount of VND15,369 billion of indirect subsidiaries of the Company.

(*) Prior to 1 January 2015, the bond issuance cost was recorded as borrowing cost under long-term prepayment and amortised over the term of the bonds. Effective from 1 January 2015, as a result of the adoption of Circular 200, such cost is offset directly from the bonds issued.

The secured bonds of the Company amounting to VND6,276.9 billion comprised of (i), (ii), (iii) and (iv) as mentioned above.

During the year, the Company and the Group complied with the loan covenants on the above borrowings.

As at 31 December 2015, the Company and the Group do not have any overdue borrowings including principle and interest.

(d) Finance lease liability

The future minimum lease payments under non-cancellable finance leases are:

	31 December 2015			1 January 2015		
	Payments VND million	Interest VND million	Principal VND million	Payments VND million	Interest VND million	Principal VND million
Within one year	21,931	5,219	16,712	20,364	6,788	13,576
Within two to five years	25,064	2,323	22,741	43,861	6,633	37,228
	46,995	7,542	39,453	64,225	13,421	50,804

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

22. PROVISIONS – LONG-TERM

	Group	
	31/12/2015 VND million	1/1/2015 VND million
Provision for mining rights fee	561,241	588,373
Provision for mine rehabilitation	20,987	19,485
Provision for severance allowance	33,707	2,689
	615,935	610,547

Movements of provision during the year were as follows:

	Group			
	Mining rights VND million	Mine rehabilitation VND million	Severance allowance VND million	Total VND million
Opening balance	588,371	19,487	2,689	610,547
Acquisition on business combinations	-	-	32,904	32,904
Provision made during the year	46,016	1,500	1,248	48,764
Provision used during the year	(73,146)	-	(2,493)	(75,639)
Written back	-	-	(641)	(641)
Closing balance	561,241	20,987	33,707	615,935

For the year ended 31 December 2015 (continued)

23. CHANGE IN OWNERS' EQUITY

	Group							Equity attributable to equity holders of The Group VND million	Non - controlling interest VND million	Total VND million
	Share Capital VND million	Capital surplus VND million	Other capital VND million	Foreign exchange differences VND million	Other reserves VND million	Undistributed profits after tax VND million				
Balance at 1 January 2014	7,349,113	9,601,627	97,703	(43,098)	(8,929,770)	6,357,394	14,432,969	8,828,528	23,261,497	
Issuance of new shares due to conversion of debt instruments	8,968	29,537	-	-	-	-	38,505	-	38,505	
Transactions with NCI	-	-	-	-	(212,982)	(349,327)	(562,309)	(1,553,662)	(2,115,971)	
Net profit for the year	-	-	-	-	-	1,080,169	1,080,169	956,873	2,037,042	
Dividend declared	-	-	-	-	-	-	-	(1,304,830)	(1,304,830)	
Transfer to funds	-	-	-	-	-	(16,349)	(16,349)	(17,853)	(34,202)	
Foreign exchange differences in a subsidiary	-	-	-	43,098	-	-	43,098	-	43,098	
Balance at 31 December 2014	7,358,081	9,631,164	97,703	-	(9,142,752)	7,071,887	15,016,083	6,909,056	21,925,139	

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

	Share capital	Capital surplus	Other capital	Other reserves	Undistributed profits after tax	Equity attributable to equity holders of the Group	Non - controlling interest	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
<i>Balance at 1 January 2015 - as previously stated</i>	7,358,081	9,631,164	97,703	(9,142,752)	7,071,887	15,016,083	6,909,056	21,925,139
<i>Reclassification</i>	-	-	(9,142,752)	9,142,752	-	-	-	-
Balance at 1 January 2015 - as reclassified	7,358,081	9,631,164	(9,045,049)	-	7,071,887	15,016,083	6,909,056	21,925,139
Issuance of new shares (Note 24)	109,098	(58)	-	-	-	109,040	-	109,040
Transactions with NCI (Note 8)	-	-	-	-	14,022	14,022	(1,082,987)	(1,068,965)
Business combination in MNS (Note 6b)	-	-	-	-	-	-	4,288,035	4,288,035
Payment to Board of Directors fees of subsidiary	-	-	-	-	(1,679)	(1,679)	(1,477)	(3,156)
Net profit for the year	-	-	-	-	1,478,292	1,478,292	1,048,958	2,527,250
Dividend declared	-	-	-	-	-	-	(666,846)	(666,846)
Transfer to funds	-	-	-	-	(1,142)	(1,142)	(309)	(1,451)
Balance at 31 December 2015	7,467,179	9,631,106	(9,045,049)	-	8,561,380	16,614,616	10,494,430	27,109,046

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Company

	Share capital	Capital surplus	Other capital	Other reserves	(Accumulated losses)/ Undistributed profits after tax	Total
	VND million	VND million	VND million	VND million	VND million	VND million
Balance at 1 January 2014	7,349,113	9,601,627	97,703	(1,586,675)	(1,206,546)	14,255,222
Issuance of new shares due to conversion of debt instruments	8,968	29,537	-	-	-	38,505
Net profit for the year	-	-	-	-	3,237,391	3,237,391
Balance at 31 December 2014	7,358,081	9,631,164	97,703	(1,586,675)	2,030,845	17,531,118
<i>Balance at 1 January 2015 - as previously stated</i>	<i>7,358,081</i>	<i>9,631,164</i>	<i>97,703</i>	<i>(1,586,675)</i>	<i>2,030,845</i>	<i>17,531,118</i>
<i>Reclassification</i>	<i>-</i>	<i>-</i>	<i>(1,586,675)</i>	<i>1,586,675</i>	<i>-</i>	<i>-</i>
Balance at 1 January 2015 - as reclassified	7,358,081	9,631,164	(1,488,972)	-	2,030,845	17,531,118
Issuance of new shares (Note 24)	109,098	(58)	-	-	-	109,040
Net loss for the year	-	-	-	-	(522,355)	(522,355)
Balance at 31 December 2015	7,467,179	9,631,106	(1,488,972)	-	1,508,490	17,117,803

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

24. SHARE CAPITAL AND CAPITAL SURPLUS

The Company's authorised and issued share capital comprises:

	31/12/2015		1/1/2015	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital	746,717,861	7,467,179	735,808,140	7,358,081
Issued share capital				
Ordinary shares	746,717,861	7,467,179	735,808,140	7,358,081
Capital surplus	-	9,631,106	-	9,631,164

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. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

Capital surplus represents the excess of the proceeds on issuance of shares over the par value.

Movements in issued share capital during the year were as follows:

	2015		2014	
	Number of shares	VND million	Number of shares	VND million
Balance at beginning of the year	735,808,140	7,358,081	734,911,338	7,349,113
Issuance of new shares to settle debt instruments	-	-	896,802	8,968
Insurance of new shares	10,909,721	109,098	-	-
Balance at the end of the year	746,717,861	7,467,179	735,808,140	7,358,081

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25. OTHER CAPITAL

Other capital represents the fair value of the Company's fixed number of shares to be issued at a future date and the reclassification from other reserves.

	31/12/2015 and 1/1/2015			
	Group		Company	
	Number of shares	VND million	Number of shares	VND million Reclassified
Parent company credit support (*)	2,450,353	97,703	2,450,353	97,703
Other reserves reclassification	-	(9,142,752)	-	(1,586,675)
	2,450,353	(9,045,049)	2,450,353	(1,488,972)

(*) In 2012, the Company entered into convertible loan agreements for USD30 million (equivalent to VND624,840 million) with Mount Kellett Capital Management LP through its company named MRG Limited for a term of 4 years.

To enhance the creditworthiness of the Company and facilitate the financing transaction, the parent company also entered into arrangement with the Company and the lender in which the parent company undertakes the risks and obligations to subscribe to the Conversion Shares and directly pay the principals and deferred interests to the lender in the event that the lender do not exercise the conversion option. The parent company did not receive any consideration or other benefits in return for such undertakings on behalf of the Company.

Among others, the agreements provide the following:

- (i) The convertible loan bear semi-annual coupons interest of 5.0% per annum in year one, 6.0% per annum in years two and three, and 7.0% per annum for the remaining term of the convertible loan. A deferred interest which would achieve an effective rate of return of 10.0% is payable if the conversion option is not exercised; and
- (ii) The shares to be issued on conversion ("Conversion Shares") shall be determined based on an initial conversion price of VND85,000 per share and subject to ratchet adjustments and other terms of the definitive agreement. However, the maximum number of Conversion Shares will be 9.6 million. The mandatorily issuable minimum number of Conversion Shares is 7.5 million, which is treated as an equity instrument.

In July 2013, the Company repurchased two thirds of the convertible loan of USD30 million subscribed by MRG Limited, resulting in the maximum number of Conversion Shares being reduced to 3.2 million and the mandatorily issuable minimum number of Conversion Shares was reduced to 2.5 million as at 1 January 2015 and 31 December 2015.

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

26. OFF BALANCE SHEET ITEMS

(a) Lease

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

	Group		Company	
	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Within one year	86,801	39,061	6,766	6,766
Within two to five years	126,464	38,729	435	7,201
More than five years	164,498	3,676	-	-
	377,763	81,466	7,201	13,967

(b) Capital expenditure

As at reporting date, the following outstanding capital commitments have been approved but not provided for in the balance sheet:

	Group		Company	
	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Approved and contracted	794,265	358,541	-	-
Approved but not contracted	1,048,718	1,898,417	-	-
	1,842,983	2,256,958	-	-

(c) Foreign currencies

Group:

	31/12/2015		1/1/2015	
	Original currency	VND million equivalent	Original currency	VND million equivalent
USD	13,425,910	300,734	9,141,772	195,314
EUR	1,378	34	179,401	4,611
SGD	358	6	-	-
		300,774		199,925

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27. REVENUE FROM SALES OF GOODS AND PROVISION OF SERVICE

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

Net revenue comprised:

	Group		Company	
	2015 VND million	2014 VND million Reclassified	2015 VND million	2014 VND million
Total revenue				
■ Sales of finished goods	31,223,998	16,288,802	-	-
■ Services and other sales	100,873	89,032	-	-
	31,324,871	16,377,834	-	-
Less sales deductions				
■ Sales discounts	(606,034)	(192,121)	-	-
■ Sales returns	(90,427)	(65,819)	-	-
	(696,461)	(257,940)	-	-
	30,628,410	16,119,894	-	-

28. COST OF SALES

	Group		Company	
	2015 VND million	2014 VND million Reclassified	2015 VND million	2014 VND million
Total cost of sales				
■ Finished goods sold	20,654,605	9,632,010	-	-
■ Others	71,371	7,235	-	-
■ Allowance for inventories	93,810	63,945	-	-
	20,819,786	9,703,190	-	-

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NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INCOME

	Group		Company	
	2015 VND million	2014 VND million Reclassified	2015 VND million	2014 VND million Reclassified
Interest income from:				
■ Deposits	355,444	372,720	28,811	26,318
■ Loans to subsidiaries	-	-	617,142	775,095
■ Other loan investing activities	481,084	32,233	30,806	-
Negative goodwill on acquisition of a subsidiary (Note 6b)	147,641	-	-	-
Foreign exchange gains	66,502	34,859	1,821	753
Disposals of investments in subsidiaries	-	1,111,073	-	286,587
Dividend income	-	-	-	3,169,052
Realised gains from derivative financial instruments	17,623	16,772	-	-
Others (*)	314,009	3,310	-	1,700
	1,382,303	1,570,967	678,580	4,259,505

(*) Included in others are income received from non-controlling interest of a subsidiary.

For the year ended 31 December 2015 (continued)

30. FINANCIAL EXPENSES

	Group		Company	
	2015 VND million	2014 VND million Reclassified	2015 VND million	2014 VND million Reclassified
Interest expense for:				
■ Bank loans	271,425	451,685	690	-
■ Bonds	2,106,907	1,013,037	551,379	689,200
■ Subsidiary	-	-	28,952	220,087
■ Other parties	46,973	-	42,094	-
Foreign exchange losses	206,819	95,933	718	14
Realised losses from derivative financial instruments	12,014	48,704	-	-
Others	70,563	101,632	2,946	13,273
	2,714,701	1,710,991	626,779	922,574

31. SHARE OF PROFIT/(LOSS) IN ASSOCIATES

	Group	
	2015 VND million	2014 VND million
Share of profit in associates	499,017	610,246
Adjustment arising from purchase price allocation and goodwill amortisation	-	(663,307)
	499,017	(53,061)

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

32. SELLING EXPENSES

	Group		Company	
	2015 VND million	2014 VND million Reclassified	2015 VND million	2014 VND million
Promotion and advertising expense	2,349,885	1,313,732	-	-
Transportation expense	842,352	821,914	-	-
Staff cost	523,640	282,962	-	-
Exhibition expense	55,158	81,122	-	-
Marketing research expense	51,567	47,921	-	-
Other expenses	221,755	124,460	-	-
	4,044,357	2,672,111	-	-

33. GENERAL AND ADMINISTRATION EXPENSES

	Group		Company	
	2015 VND million	2014 VND million Reclassified	2015 VND million	2014 VND million
Staff cost	591,940	425,014	49,679	40,854
Depreciation and amortisation	571,516	365,973	5,957	12,186
Research and development	21,225	28,815	-	-
System lease line and IT services	86,993	25,154	-	-
Office rental	47,326	39,158	7,106	14,639
Outside services	76,258	31,021	8,062	12,218
Other expenses (*)	269,259	133,223	512,415	26,653
	1,664,517	1,048,358	583,219	106,550

(*) Included in other expenses of the Company is expense to a subsidiary.

For the year ended 31 December 2015 (continued)

34. OTHER INCOME

	Group		Company	
	2015 VND million	2014 VND million Reclassified	2015 VND million	2014 VND million Reclassified
Income from sale of claims	-	256,200	-	-
Gains on disposals of fixed assets	3,309	9,117	-	-
Others	31,204	40,120	9,113	8,443
	34,513	305,437	9,113	8,443

35. OTHER EXPENSES

	Group		Company	
	2015 VND million	2014 VND million Reclassified	2015 VND million	2014 VND million Reclassified
Loss from fixed assets, construction in progress and other assets disposed	12,816	14,553	-	1,433
Others	61,337	54,303	50	-
	74,153	68,856	50	1,433

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NOTES TO THE FINANCIAL STATEMENTS

36. INCOME TAX

(a) Recognised in the statement of income

	Group		Company	
	2015	2014	2015	2014
	VND million	VND million	VND million	VND million
Current tax expense				
Current year	831,685	970,348	-	-
Over provision in prior years	(14,151)	(11,671)	-	-
	817,534	958,677	-	-
Deferred tax benefit				
Origination and reversal of temporary differences	(127,630)	(242,480)	-	-
Effect of change in tax rate	9,575	(13,508)	-	-
	(118,055)	(255,988)	-	-
Income tax expense	699,479	702,689	-	-

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(b) Reconciliation of effective tax rate

Group	2015		2014	
	%	VND million	%	VND million
	Accounting profit before tax	100.0%	3,226,729	100.0%
Tax at the Company's income tax rate	22.0%	709,880	22.0%	602,741
Effect of different tax rates in subsidiaries	(10.6%)	(341,610)	(5.7%)	(156,466)
Effect of consolidation transactions	(0.1%)	4,164	5.5%	149,703
Non-deductible expenses	4.0%	130,121	0.2%	5,233
Effect of share of associates net of tax	(3.4%)	(109,784)	0.4%	11,673
Changes in temporary differences	(0.3%)	(10,268)	-	-
Deferred tax assets not recognised	11.9%	385,550	5.4%	148,612
Over provision in prior years	(0.4%)	(14,151)	(0.4%)	(11,671)
Effect of change in tax rate	1.0%	32,619	(0.5%)	(13,508)
Tax loss utilised	(2.7%)	(87,042)	(1.2%)	(33,628)
	21.7%	699,479	25.7%	702,689

Company

	2015		2014	
	%	VND million	%	VND million
	Accounting (loss)/profit before tax	100%	(522,355)	100%
Tax at CIT rate applicable	(22.00%)	(114,918)	22.00%	712,226
Tax exempt income	-	-	(21.54%)	(697,191)
Non-deductible expenses	20.71%	108,160	0.01%	19
Changes in temporary differences	0.17%	899	(0.63%)	(20,480)
Deferred tax assets not recognised	1.12%	5,859	0.16%	5,426
	-	-	-	-

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(c) Applicable tax rates

The Company has an obligation to pay the government corporate income tax ("CIT") at the rate of 22% of taxable profits.

The usual income tax rate applicable to enterprises before any incentives is 22% for 2014 and 2015, and will be reduced to 20% from 2016.

The Company's subsidiaries enjoy various tax incentives which provide some subsidiaries with further tax exemptions and reductions.

(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 on transfer pricing requirements and computation of corporate income tax. However, the relevant authorities may have different interpretations and the effects could be significant.

37. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

In addition to related party balances and transactions disclosed in other notes to these financial statements, the Group has the following transactions with related parties during the year:

Group

Related Party	Nature of transaction	2015 VND million	2014 VND million
Other related parties			
Vietnamese French Cattle Feed Joint Stock Company	Dividend receivable	-	80,000
Vietnam Technological and Commercial Joint Stock Bank	Loans received	2,596,819	1,035,382
	Loan paid	1,375,112	-
	Interest expense on loans received	131,393	20,042
Key management personnel	Remuneration to Board of management (*)	72,049	41,417

(*) No board fees were paid to Board of Directors members for the years ended 31 December 2015 and 31 December 2014.

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Company	Nature of transaction	2015 VND million	2014 VND million
Subsidiaries			
Masan Consumer Corporation (formerly known as Ma San Consumer Corporation)	Loans received	-	735,000
	Loan repaid through assignment of loan to another subsidiary	-	7,709,298
	Interest repaid through assignment of loan to another subsidiary	-	2,831,626
	Dividend income	-	1,240,800
	Interest expense on long-term loans	-	222,087
	Acquisition of a subsidiary	-	1,246,496
Masan Horizon Corporation (formerly known as Ma San Horizon Corporation)	Loan provided	3,196	941,588
	Interest income from loan provided	546,907	475,115
Ma San Resources Corporation	Interest income from loan provided	52,914	141,527
	Interest received	786,000	-
	Loans received	210,000	-
Nui Phao Mining Company Limited	Interest income from loan provided	11,322	123,664
	Loan provided	-	210,000
	Offsetting of debts	490,000	-
Masan Brewery Company Limited	Loan provided	-	475,657
	Loans received	79,569	452,577
	Interest income from loan provided	1,345	32,436
	Loan collected through net off with capital contribution	-	368,300
	Interest received	4,897	-
MasanConsumerHoldings Company Limited	Transferring shares to another subsidiary	-	4,409,682
	Dividend income	-	1,928,252
	Loan provided	-	194,465
	Loan collected	-	194,465
	Interest income from loan provided	-	2,353
Shika Company Limited	Loan provided	1,050,500	-
	Interest income from loan provided	4,653	-
	Loan collected	237,000	-
Kenji Company Limited	Loan received	629,000	-
	Interest expense on loan receipt	28,952	-
	Loan repaid	629,000	-
	Interest repaid	28,952	-
Key management personnel	Remuneration to Board of management (*)	5,260	3,518

(*) No board fees were paid to Board of Directors members for the years ended 31 December 2015 and 31 December 2014.

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38. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share at 31 December 2015 was based on the profit attributable to ordinary shareholders of VND1,478,292 million (2014: VND1,080,169 million) of the Group and a weighted average number of ordinary shares outstanding of 752,369,623 shares during the year (year ended 31 December 2014: 746,740,068 shares).

For the purpose of calculating basic earnings per shares, shares that are issuable solely after the passage of time are treated as outstanding shares from the date that the right to the shares comes into existence calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2015 VND million	2014 VND million
Net profit attributable to ordinary shareholders	1,478,292	1,080,169

(ii) Weighted average number of ordinary shares

	2015	2014
Issued ordinary shares at the beginning of the year	735,808,140	734,911,338
Effect of shares issued for cash	5,111,130	-
Effect of shares issued to discharge convertible bonds, loans and Promissory Notes	-	378,377
Effect of shares to be issued solely after the passage of time	11,450,353	11,450,353
Weighted average number of ordinary shares at the end of the year	752,369,623	746,740,068

(b) Diluted earnings per share

The calculation of diluted earnings per share for the years ended 31 December 2015 and 31 December 2014 was based on net profit attributable to shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares.

(i) Net profit attributable to ordinary shareholders (diluted)

	2015 VND million	2014 VND million
Net profit attributable to shareholders	1,478,292	1,080,169

Potential dilutive ordinary shares have no income effect on the net profit attributable to shareholders for the year ended 31 December 2015 (2014: Nil).

(ii) Weighted average number of ordinary shares (diluted)

	2015	2014
Weighted average number of ordinary shares (basic)	752,369,623	746,740,068
Effect of potential dilutive share ordinary shares	753,954	15,048,569
Weighted average number of ordinary shares (diluted)	753,123,577	761,788,637

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39. SHARE-BASED PAYMENT

The Company has an employee share-based payment plan to award shares based on the assessment of the performance of employees. The future issuance of shares under the plan has to be approved by the shareholders at Annual General Meeting.

On 13 July 2015, the Company's share capital increased from VND7,358,081 million to VND7,467,179 million with the issuance of additional 10,909,721 shares issued to employees under employee share-based payment plan.

40. FINANCIAL RISK MANAGEMENT

The Board of Management has overall responsibility for establishing, developing and monitoring the Group's risk management policies.

(a) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group and Company, as and when they fall due, and arises principally from the Group and the Company's accounts receivable from customers and other receivables, deposits in banks, and guarantees issued to banks for loans granted to entities within the Group.

(i) Exposure to credit risk

The following represents the maximum credit exposure of the Group and Company:

NOTE	Group		Company	
	31/12/2015 VND million	1/1/2015 VND million	31/12/2015 VND million	1/1/2015 VND million
Cash and cash equivalents	(ii) 8,316,097	5,164,983	1,103,509	517,127
Held to maturity investments – short-term	(ii) 293,990	4,042,212	287,890	239,614
Accounts receivable – short-term - net	(iii) 849,541	4,344,934	19,421	3,072,190
Receivables on short-term lending loans	(iv) 762,400	-	-	2,172,320
Other receivables – short-term	(iii) 641,598	527,770	157,171	1,041,652
Receivables on long-term lending loans	(iv) 8,563,114	-	4,773,374	2,283,927
Other receivables – long-term	(iii) 1,869,025	1,447,633	3,134,984	2,741,703
Held to maturity investments – long-term	(ii) -	144,050	-	-
Guarantees issued	-	65,884	-	-
	21,295,765	15,737,466	9,476,349	12,068,533

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NOTES TO THE FINANCIAL STATEMENTS

(ii) Cash and cash equivalents, held to maturity investments – short-term and long-term

Cash and cash equivalents, held to maturity investments – short-term and long-term are placed with financial institutions which are regulated. Investments and transactions involving derivative financial instruments are allowed only with counterparties after assessment by management. Management does not foresee any significant credit risks from these deposits nor expect these financial institutions to default.

(iii) Accounts receivable from customers – short-term and long-term, other receivables – short-term and long-term

The Group and the Company's exposure to credit risk in relation to receivables is influenced mainly by the individual characteristics of each customer or counter party. In response to the risk, the Group generally transact with customers on cash on delivery terms. For instances where customers are granted credit terms, management has established a credit policy under which each customer is analysed individually for creditworthiness before credit terms are offered.

The carrying amount of the accounts receivable from customers – short-term and long-term, other receivables – short-term and long-term represents the maximum credit exposure.

The Group establishes allowance for doubtful debt that represents its estimate of incurred losses in respect of accounts receivable from customers, receivables on lending loans and other receivables.

Movements of allowance for doubtful debts were as follows:

	Group	
	2015 VND million	2014 VND million
Opening balance	2,064	1,784
Addition from business acquisition	24,864	-
Increase in allowance during the year	3,169	501
Allowance utilised during the year	(599)	(151)
Written back	(909)	(70)
Closing balance	28,589	2,064

The Group and the Company believe that, apart from the amount provided for above, no further allowance for doubtful debts is necessary in respect of the outstanding receivables as of 31 December 2015. The ageing analysis of the accounts receivable from customers – short-term and long-term and other receivables – short-term and long-term is as follows:

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	Group				Company			
	31/12/2015		1/1/2015		31/12/2015		1/1/2015	
	Gross	Impairment Losses	Gross	Impairment Losses	Gross	Impairment Losses	Gross	Impairment Losses
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Not past due	3,196,906	-	6,155,593	-	3,311,576	-	6,855,545	-
Past due 0 – 30 days	89,829	-	126,643	-	-	-	-	-
Past due 31 – 180 days	42,304	(100)	38,557	(456)	-	-	-	-
Past due 181– 365 days	11,111	(2,126)	537	(537)	-	-	-	-
Past due over 365 days	48,603	(26,363)	1,071	(1,071)	-	-	-	-
	3,388,753	(28,589)	6,322,401	(2,064)	3,311,576	-	6,855,545	-

(iv) Receivables on lending loans

The Group and the Company are exposed to credit and interest risk in connection with short-term and long-term lending loans which comprise a part of the Group's cash management operations to maximise its financial interest income on its more liquid assets. To mitigate the credit risk, such loans are backed by pledges of collateral and financial guarantees, which the Board of Management continuously monitors. Subsequent to year end, VND9,036,014 million of short-term and long-term lending loans were collected.

(v) Guarantees

The Group is also exposed to credit risk in connection with the guarantees it has issued to banks for loans granted to Minh Viet Packaging One Member Limited, a third party, and the Group's subsidiaries including Ma San Industrial One Member Company Limited, Viet Tien Food Technology One Member Company Limited and Masan HD One Member Company Limited (formerly known as Ma San HD One Member Company Limited).

The risk represents the loss that would be recognised on default by the lenders. To mitigate this risk, management continually monitors the performance of the subsidiaries and third party.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and the Company's reputation.

Typically the Group and the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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As at 31 December 2015 and 1 January 2015, the financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

Group	Carrying amount	Contractual cash flows	Within 1 year	1 – 2 years	2 – 5 years	More than 5 years
	VND million	VND million	VND million	VND million	VND million	VND million
31 December 2015						
Accounts payable to suppliers – short-term	2,419,059	(2,419,059)	(2,419,059)	-	-	-
Payables to employees	257,716	(257,716)	(257,716)	-	-	-
Accrued expenses – short-term	2,875,921	(2,875,921)	(2,875,921)	-	-	-
Other short-term payables	337,912	(337,912)	(337,912)	-	-	-
excluded obligation to issue shares						
Short-term borrowings, bonds and finance lease liabilities	5,302,490	(5,389,751)	(5,389,751)	-	-	-
Accounts payable to suppliers – long-term	75,845	(75,845)	-	(75,845)	-	-
Other long-term payables	97,813	(97,813)	-	(97,813)	-	-
Long-term borrowings, bonds and finance lease liabilities	30,746,161	(41,587,364)	(5,110,356)	(2,525,331)	(31,191,645)	(2,760,032)
	42,112,917	(53,041,381)	(16,390,715)	(2,698,989)	(31,191,645)	(2,760,032)
	Carrying amount	Contractual cash flows	Within 1 year	1 – 2 years	2 – 5 years	More than 5 years
	VND million	VND million	VND million	VND million	VND million	VND million
1 January 2015						
Accounts payable to suppliers – short-term	999,340	(999,340)	(999,340)	-	-	-
Payables to employees	258	(258)	(258)	-	-	-
Accrued expenses – short-term	1,862,531	(1,862,531)	(1,862,531)	-	-	-
Other payables – short-term	1,866,738	(1,866,738)	(1,866,738)	-	-	-
Short-term borrowings, bonds and finance lease liabilities	5,329,971	(5,394,075)	(5,394,075)	-	-	-
Other long-term liabilities, excluded obligation to issue shares	117,340	(117,340)	-	(117,340)	-	-
Long-term borrowings, bonds and finance lease liabilities	18,234,277	(24,596,493)	(1,689,081)	(9,392,100)	(10,574,829)	(2,940,483)
	28,410,455	(34,836,775)	(11,812,023)	(9,509,440)	(10,574,829)	(2,940,483)

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Company

Company	Carrying amount	Contractual cash flows	Within 1 year	1 – 2 years	2 – 5 years
	VND million	VND million	VND million	VND million	VND million
31 December 2015					
Accounts payable to suppliers – short-term	240	(240)	(240)	-	-
Accrued expenses	147,891	(147,891)	(147,891)	-	-
Other payables – short-term, excluded obligation to issue shares	111,611	(111,611)	(111,611)	-	-
Long-term borrowings, bonds and finance lease liabilities	6,844,842	(8,599,470)	(3,209,126)	(357,000)	(5,033,344)
	7,104,584	(8,859,212)	(3,468,868)	(357,000)	(5,033,344)
	Carrying amount	Contractual cash flows	Within 1 year	1 – 2 years	2 – 5 years
	VND million	VND million	VND million	VND million	VND million
1 January 2015					
Accounts payable to suppliers – short-term	1,451	(1,451)	(1,451)	-	-
Accrued expenses	215,239	(215,239)	(215,239)	-	-
Other payables – short-term	1,555,324	(1,555,324)	(1,555,324)	-	-
Other payables – long-term, excluded obligation to issue shares	14,580	(14,580)	-	(14,580)	-
Long-term borrowings, bonds and finance lease liabilities	5,267,960	(6,263,385)	(1,166,805)	(5,096,580)	-
	7,054,554	(8,049,979)	(2,938,819)	(5,111,160)	-

It is not expected that the cash flows included in the Group and Company's maturity analysis could occur significantly earlier, or at significantly different amounts.

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(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group and the Company's results of operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group and the Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions are primarily denominated are the United States dollar (USD), Euro (EUR), Australian dollar (AUD), Singapore dollar (SGD), Thai Baht (THB), and Chinese Yuan Renminbi (CNY).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

At 31 December 2015 and 1 January 2015, the Group and the Company had the following net exposed asset/(liability) positions:

	Group							Company
	USD	EUR	AUD	SGD	THB	CNY	GBP	USD
31 December 2015								
Cash and cash equivalents	13,425,909	1,378	-	358	-	-	-	4,467
Trade and other receivables (*)	10,171,593	-	-	399,418	-	-	-	867,000
Trade and other payables (**)	(18,183,910)	(1,974,736)	(4,275,560)	(501,485)	(11,289,906)	(1,955,251)	(8,765)	-
Short-term borrowings, bonds and finance lease liabilities	(25,114,736)	-	-	-	-	-	-	-
Other long-term liabilities	(1,166,237)	-	-	-	-	-	-	(30,000)
	(20,867,381)	(1,973,358)	(4,275,560)	(101,709)	(11,289,906)	(1,955,251)	(8,765)	841,467

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	Group					Company	
	USD	EUR	AUD	SGD	THB	CNY	USD
1 January 2015							
Cash and cash equivalents	9,141,772	179,401	-	-	-	-	7,064
Trade and other receivables (*)	18,276,662	-	-	-	-	-	-
Trade and other payables (**)	(3,805,647)	(3,003,750)	(1,200,202)	(138,555)	(3,380,904)	(1,955,251)	(302,466)
Accrual expenses	(2,631,637)	-	-	-	-	-	-
Short-term borrowings	(52,283,698)	-	-	-	-	-	-
Long-term borrowings, bonds and finance lease liabilities	(175,000,000)	-	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-	-	(700,000)
	(206,302,548)	(2,824,349)	(1,200,202)	(138,555)	(3,380,904)	(1,955,251)	(995,402)

(*) Trade and other receivables comprise of accounts receivable from customers – short-term and long-term, receivable on lending loans and other receivables – short-term and long-term.

(**) Trade and other payables comprise of accounts payable to suppliers – short-term, payables to employees, accrued expenses and other payables – short-term and long-term.

The following were the significant exchange rates applied by the Group and Company:

	Group and Company			
	Exchange rate as at 31/12/2015		Exchange rate as at 1/1/2015	
	Buying rate	Selling rate	Buying rate	Selling rate
	VND	VND	VND	VND
USD1	22,400	22,530	21,365	21,435
EUR1	24,161	24,979	25,702	26,324
AUD1	15,994	16,765	17,291	17,714
SGD1	16,064	16,032	15,974	16,396
THB1	630	639	634	668
CNY1	3,457	3,521	3,395	3,509
GBP1	34,103	33,552	33,077	33,488

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Below is an analysis of the possible impact on the profit before tax of the Group and profit/(loss) before tax of the Company by a fluctuation of the following currencies after taking into account the current level of exchange rates and the historical volatility as well as market expectations. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group	Company
	Increase/(decrease) in profit before tax as at 31/12/2015	Decrease in loss before tax as at 31/12/2015
	VND million	VND million
USD (5% strengthening against VND)	(25,570)	(911)
EUR (6% weakening against VND)	2,518	-
AUD (5% weakening against VND)	3,840	-
SGD (1% weakening against VND)	86	-
THB (4% weakening against VND)	313	-
CNY (2% strengthening against VND)	(24)	-
GBP (3% strengthening against VND)	(1)	-

	Group	Company
	Increase/(decrease) in profit before tax as at 1/1/2015	Decrease in profit before tax as at 1/1/2015
	VND million	VND million
USD (1% strengthening against VND)	(44,077)	(288)
EUR (11% weakening against VND)	7,985	-
AUD (8% weakening against VND)	1,660	-
SGD (2% weakening against VND)	44	-
THB (1% strengthening against VND)	(21)	-
CNY (2% weakening against VND)	133	-

The opposite movement of the currencies would have the equal but opposite effect to the profit/(loss) before tax of the Group and the Company at the reporting date, respectively.

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Interest rate risk

The Group and the Company's exposure to changes in interest rates relates primarily to floating rate interest-bearing financial assets and financial liabilities. Interest rate risk is managed by the Group and the Company on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

The Group and the Company does not hedge its exposure to changes in interest rates on interest-bearing borrowings.

At the reporting date the interest rate profile of the Group and the Company's interest-bearing financial instruments was as follows:

	Group		Company	
	31/12/2015	1/1/2015	31/12/2015	1/1/2015
	VND million	VND million	VND million	VND million
Fixed rate instruments				
Cash equivalents	7,405,820	4,863,445	1,085,890	507,350
Held to maturity investments – short-term	293,990	4,042,212	287,890	239,614
Receivables on short-term lending loans from subsidiaries	762,400	-	-	2,172,320
Receivables on long-term lending loans from a third party	8,563,114	-	-	-
Receivables on long-term lending loans from subsidiaries	-	-	4,773,374	2,283,927
Held to maturity investments – long-term	-	144,050	-	-
Short-term borrowings, bond and finance lease liabilities	(4,227,547)	(3,568,345)	-	-
Long-term borrowings, bonds and finance lease liabilities	(8,984,294)	(2,667,960)	(6,844,842)	(567,960)
	3,813,483	2,813,402	(697,688)	4,635,251
Variable rate instruments				
Cash in banks	909,225	301,538	17,619	9,777
Short-term borrowings, bond and finance lease liabilities	(1,074,943)	(1,761,626)	-	-
Long-term borrowings, bonds and finance lease liabilities	(21,761,867)	(15,566,317)	-	(4,700,000)
	(21,927,585)	(17,026,405)	17,619	(4,690,223)

Sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates would have decreased the profit before tax of the Group by VND219,276 million (1/1/2015: VND170,026 million) and increased the profit before tax of the Company by VND176 million (1/1/2015: VND46,902 million).

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

(d) Carrying amount of financial assets and liabilities

The following tables summarise the classification of financial assets and liabilities by their carrying amounts shown on the balance sheet by Circular 210 categories:

Group	Loans and receivables	Financial liabilities carried at amortised cost	Total carrying amount
	VND million	VND million	VND million
31 December 2015			
Cash and cash equivalents	8,324,476	-	8,324,476
Held to maturity investments – short-term	293,990	-	293,990
Accounts receivable from customers – short-term – net (*)	849,541	-	849,541
Receivables on short-term lending loans	762,400	-	762,400
Other receivables – short-term	641,598	-	641,598
Receivables on long-term lending loans	8,563,114	-	8,563,114
Other receivables – long-term	1,869,025	-	1,869,025
	21,304,144	-	21,304,144
Accounts payable to suppliers – short-term	-	(2,419,059)	(2,419,059)
Payables to employees	-	(257,716)	(257,716)
Accrued expenses	-	(2,875,921)	(2,875,921)
Other payables – short-term	-	(337,912)	(337,912)
Short-term borrowings, bonds and finance lease liabilities	-	(8,366,625)	(8,366,625)
Accounts payable to suppliers – long-term	-	(75,845)	(75,845)
Other payables – long-term	-	(97,813)	(97,813)
Long-term borrowings, bonds and finance lease liabilities	-	(27,253,112)	(27,253,112)
	-	(41,684,003)	(41,684,003)

For the year ended 31 December 2015 (continued)

Form B 09 – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Loans and receivables	Financial liabilities carried at amortised cost	Total carrying amount
	VND million	VND million	VND million
1 January 2015			
Cash and cash equivalents	5,166,415	-	5,166,415
Held to maturity investments – short-term	4,042,212	-	4,042,212
Accounts receivable from customers – short-term – net	4,344,934	-	4,344,934
Other receivables – short-term	527,770	-	527,770
Other receivables – long-term	1,447,633	-	1,447,633
Held to maturity investments – long-term	144,050	-	144,050
	15,673,014	-	15,673,014
Accounts payable to suppliers – short-term	-	(999,340)	(999,340)
Payables to employees	-	(258)	(258)
Accrued expenses	-	(1,862,531)	(1,862,531)
Other payables – short-term	-	(1,866,738)	(1,866,738)
Short-term borrowings, bonds and finance lease liabilities	-	(5,329,971)	(5,329,971)
Other payables – long-term	-	(177,901)	(177,901)
Long-term borrowings, bonds and finance lease liabilities	-	(18,234,277)	(18,234,277)
	-	(28,471,016)	(28,471,016)

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

Company

	Loans and receivables	Financial liabilities carried at amortised cost	Total carrying amount
	VND million	VND million	VND million
31 December 2015			
Cash and cash equivalents	1,103,659	-	1,103,659
Held to maturity investments – short-term	287,890	-	287,890
Accounts receivable from customers – short-term – net (*)	19,421	-	19,421
Other receivables – short-term (*)	157,171	-	157,171
Receivables on long-term lending loans	4,773,374	-	4,773,374
Other receivables – long-term (*)	3,132,671	-	3,132,671
	9,474,186	-	9,474,186
Accounts payable to suppliers – short-term	-	(240)	(240)
Accrued expenses	-	(147,891)	(147,891)
Other payables – short-term	-	(111,611)	(111,611)
Short-term borrowings, bonds and finance lease liabilities	-	(2,844,842)	(2,844,842)
Long-term borrowings, bonds and finance lease liabilities	-	(3,988,722)	(3,988,722)
	-	(7,093,306)	(7,093,306)

For the year ended 31 December 2015 (continued)

Form B 09 – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Loans and receivables	Financial liabilities carried at amortised cost	Total carrying amount
	VND million	VND million	VND million
1 January 2015			
Cash and cash equivalents	517,251	-	517,251
Held to maturity investments – short-term	239,614	-	239,614
Trade and other receivables – short-term (*)	4,113,842	-	4,113,842
Receivables on short-term lending loans	2,172,320	-	2,172,320
Receivables on long-term lending loans	2,283,927	-	2,283,927
Other receivables – long-term	2,741,703	-	2,741,703
	12,068,657	-	12,068,657
Accounts payable to suppliers – short-term	-	(1,451)	(1,451)
Accrued expenses	-	(215,239)	(215,239)
Other payables – short-term	-	(1,555,324)	(1,555,324)
Short-term borrowings, bonds and finance lease liabilities	-	(567,960)	(567,960)
Other payables – long-term	-	(75,141)	(75,141)
Long-term borrowings, bonds and finance lease liabilities	-	(4,700,000)	(4,700,000)
	-	(7,115,115)	(7,115,115)

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

(e) Estimating the fair value

Cash and cash equivalents, held to maturity investments – short-term, accounts receivable from customers – short-term, receivables on short-term lending loans, other receivables – short-term, accounts payable to suppliers – short-term and other financial liabilities

The carrying amounts of these financial assets and financial liabilities approximate their respective fair values due to the short-term maturity of these instruments.

Accounts receivable from customers – long-term, receivables on long-term lending loans, other receivables – long-term, long-term financial investments, short-term and, long-term borrowings, bonds and finance lease liabilities guarantees issued, call and put options

The Group has not determined fair values of these financial instruments for disclosure in the 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 the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these financial instruments may differ from their carrying amounts.

Guarantees received and issued are under the category of financial assets and financial liabilities at fair value through profit or loss but they are not recognised in the financial statements. Fair value of the guarantees received and issued have not been determined as information about their 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.

For the year ended 31 December 2015 (continued)

Form B 09 – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

41. CORRESPONDING FIGURES

As described in Note 3, the Group adopted Circular 200 and Circular 202 effective from 1 January 2015. As a result, the presentation of certain financial statement captions has been changed. Certain corresponding figures as of 1 January 2015 and for the year ended 31 December 2014 have been reclassified to conform to the requirements of Circular 200 and Circular 202 in respect of financial statement presentation. A comparison of the amounts previously reported and as reclassified was as follows:

(a) Balance sheets

	Group		Company	
	1/1/2015 (as reclassified) VND million	31/12/2014 (as previously reported) VND million	1/1/2015 (as reclassified) VND million	31/12/2014 (as previously reported) VND million
Receivables on short-term lending loans	-	-	2,172,320	-
Other receivables – short-term	527,770	490,742	1,041,652	3,183,613
Shortage of assets awaiting resolution	13,615	-	-	-
Other current assets	-	50,643	-	30,359
Receivables on long-term lending loans	-	-	2,283,927	-
Other receivables – long-term	1,447,633	1,387,798	2,741,703	5,016,249
Investments in associates	8,601,126	8,597,526	-	-
Held to maturity investments – long-term	144,050	147,650	-	-
Other long-term assets	-	59,835	-	9,381
Other capital	(9,045,049)	97,703	(1,488,972)	97,703
Other reserves	-	(9,142,752)	-	(1,586,675)

(b) Statements of income

	Group		Company	
	2014 (as reclassified) VND million	2014 (as previously reported) VND million	2014 (as reclassified) VND million	2014 (as previously reported) VND million
Total revenue	16,377,834	16,346,576	-	-
Cost of sales	9,703,190	9,489,008	-	-
Selling expenses	2,672,111	2,864,837	-	-
Other income	305,437	405,287	8,443	67,929
Other expenses	68,856	158,904	1,433	60,919

For the year ended 31 December 2015 (continued)

NOTES TO THE FINANCIAL STATEMENTS

42. POST BALANCE SHEET EVENTS

In January 2016

Singha Asia Holding Pte. Ltd (“Singha”) invested VND13,343,726 million and VND1,111,900 million in cash in exchange for primary shares of MCH, and MB respectively, representing an equity interest of 14.3% and 33.3% respectively. The agreement between MCH and Singha also allowed Singha to increase its equity interest in MCH to 25% by investing an additional USD450 million. The funding and closing of the remaining USD450 million by Singha to increase its equity interest in MCH to 25% is subject to customary regulatory and corporation approvals.

MCH increased its equity interests in MSC from 77.8% to 96.7% by purchasing from non-controlling interest shares.

MSC’s wholly-owned subsidiary, MSB, acquired an additional 2,657,641 shares of VHC. Such transaction resulted in MSB’s equity interest in VHC being increased from 64.0% to 84.2%.

MNS, through its wholly-owned subsidiary, Kenji, acquired an additional 10,412,088 shares of Proconco. Such transaction resulted in MNS’s equity interest in Proconco being increased from 68.6% to 75.2%.

The Company issued bonds amounting to VND2,000 billion with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgated average 12 month deposit rates of selected major banks in the remaining periods. The proceeds were used to refinance bonds amounting to VND2,276.9 billion (refer to Note 21). As a result, 6 million convertible bonds issued by Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”) and 110 million shares in MSC were unpledged.

Anco, an indirect subsidiary of the Group, granted a call option to a member of Board of Directors of a subsidiary to buy 5% of Anco’s equity interest on a fully diluted basis at par value, which can be exercised within 10 years from January 2016. In February 2016, this option was acquired at an agreed price by MNS as part of MNS’s overall restructuring and efforts to increase its equity interest in its subsidiaries, particularly Anco and Proconco.

For the year ended 31 December 2015 (continued)

Form B 09 – DN/HN

(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

In February 2016

MSC’s wholly-owned subsidiary, MSB, acquired an additional 1,850,000 shares of VCF. Such transaction resulted in MSB’s equity interest in VCF being increased from 53.2% to 60.2%.

7 March 2016

Prepared by:

Approved by:

Doan Thi My Duyen
Chief Accountant

Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Dr Nguyen Dang Quang
Chairman
Chief Executive Officer



GENERAL
CORPORATE INFORMATION

CORPORATE HISTORY AND STRUCTURE

CORPORATE HISTORY

Our company's legal name is Masan Group Corporation, and it was incorporated in November 2004 under the name Ma San Shipping Corporation. We officially changed our name to Ma San Group Corporation in August 2009 and successfully listed on the Ho Chi Minh Stock Exchange on 5 November 2009. Our name was formally changed to Masan Group Corporation in July 2015 in order to be consistent with our corporate brand and practice. While the listed entity was formally incorporated in 2004, Masan, through our majority shareholder and our underlying operating businesses and their predecessor companies, has been in existence as a business group for 20 years.

We are a holding company, with controlling stakes in Masan Consumer Holdings ("MCH"), Masan Nutri-Science ("MNS"), and Masan Resources ("MSR"), representing an economic interest of 100%, 99.9% and 72.7%, respectively, as of 31 December 2015. We have an economic interest, through shares and mandatory convertible subordinated debt, in Techcombank of 30.4% as of 31 December 2015. In January 2016, our direct ownership in MCH became 85.7% and is expected to become 75.0% upon the full completion of our partnership agreements with Singha.

Key events in our company history include:

- Masan's first predecessor company, Viet Tien Industry-Technology-Trading Company, was established in 1996, as a manufacturer of seasoning in Ho Chi Minh City.
- Masan grew in the food trading space with the establishment of additional manufacturing entities such as Minh Viet Import - Export Company and Masan Industrial JSC, during the period of 2000 to 2002.
- In 2002, in order to tap into the potential local market, the Company shifted its focus from exports to the domestic market by introducing the sauce brand,

"Chin-su." Chin-su's success was followed by the success of "Nam Ngu" and "Tam Thai Tu" in 2007.

- In November 2004, the corporate entity that was used to restructure the Group's businesses and holdings, formerly called Ma San Shipping Corporation, was originally established.
- In 2008, Masan Trading Corporation, the parent company that held Masan's interest in the packaged food sector, reached VND2,000 billion in sales.
- In 2008, with a vision to institutionalize our sectorial and execution strategy for the Group into a more scalable and professional platform, our shareholders recruited a professional management team comprising of executives with multinational backgrounds and track records of building businesses in emerging markets, including the appointment of Madhur Maini as Chief Executive Officer in August 2008.
- In August 2009, the Company was renamed Ma San Group Corporation and was restructured to hold a 19.9% stake in Techcombank and a 54.8% stake in Masan Consumer.
- In September and October 2009, TPG, through its growth capital investment arm, TPG Growth, invested VND630 billion in the Company in the form of convertible bonds, which were fully converted into shares of the Company in June 2012.
- In October 2009, BankInvest, through one of its Private Equity New Markets Funds invested in the Company and became a major shareholder, joining our Board of Directors.
- In October 2009, the Company increased its ownership in Masan Consumer to 76.6%.
- On 5 November 2009, we officially listed on the Ho Chi Minh Stock Exchange at a listing price of VND36,000 per share and began trading under the symbol "MSN". At a closing price of VND43,200 per share on the listing date, the Company became the sixth largest company in Vietnam based on market capitalization.
- In December 2009, we raised VND360 billion in equity

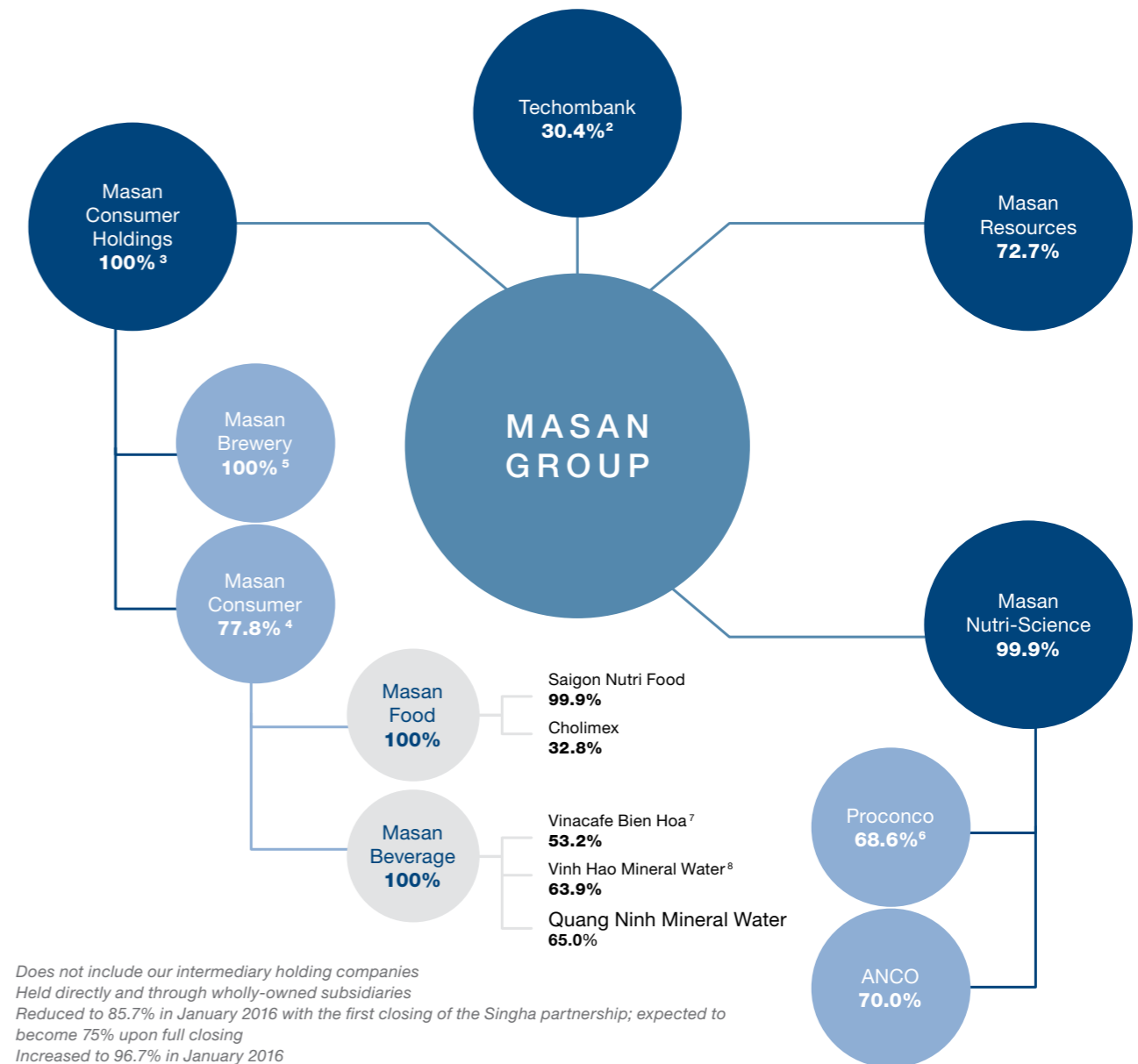
capital from House Foods Corporation Inc. of Japan.

- In May 2010, the International Finance Corporation, a member of the World Bank, provided us with a six-year VND760 billion partially convertible loan.
- In September 2010, the Company acquired a controlling stake in the Nui Phao mine and established Masan Resources. Shortly thereafter, Mount Kellett invested for a 20% stake in Masan Resources.
- In October 2010, the Company raised VND974 billion through a private placement of primary shares to Orchid Fund Private Limited, an investment fund of the Richard Chandler Corporation.
- In November 2010, Goldman Sachs provided the Company with a US\$30 million five-year convertible loan.
- In December 2010, the Company increased its effective ownership in Masan Consumer to 86.6%.
- In December 2010 and January 2011, the Company increased its stake in Techcombank to 30.6% following the purchase of Techcombank's convertible bonds.
- In April 2011, KKR invested US\$159 million in Masan Consumer for a 10% stake.
- In October 2011, Masan Consumer entered into the beverage sector by acquiring a 50.3% stake in Vinacafe Bien Hoa, the largest instant coffee maker in Vietnam. In February 2012, Masan Consumer increased its stake to 53.2%.
- In February 2012, the Company issued convertible instruments to Mount Kellett and the Richard Chandler Corporation.
- In May 2012, the Company raised US\$50 million through an issuance of a mandatory convertible loan, convertible into shares of the Company, to Kairos Capital Limited, an investment vehicle controlled by the Richard Chandler Corporation.
- In January 2013, the Company sold an additional 8.7% stake in Masan Consumer to KKR for US\$200 million, diluting the Group's stake in Masan Consumer to 77.7%.
- In February 2013, Masan Consumer acquired a 24.9% stake in Vinh Hao.
- In April 2013, Masan Consumer increased its ownership percentage in Vinh Hao to 63.5%.

- In July 2013, Nui Phao Mining and H.C. Starck established a Nui Phao - H.C. Starck Tungsten Chemicals Manufacturing joint venture for the production of value-added tungsten chemicals in Vietnam. The partnership with H. C. Starck was a key milestone, validating the mines' product and also de-risking the project with a globally-recognized customer for our tungsten.
- In December 2013, Hoa Bang Lang Consultant Company Limited was renamed to Masan Consumer Holdings Company Limited, herein referred to as Masan Consumer Holdings, and also as MCH. MCH was restructured to be the primary holding company for Masan's branded food and beverage businesses.
- In March 2014, Nui Phao Mining successfully finished its commissioning.
- In April 2014, Mr. Seokhee Won joined Masan as CEO of Masan Consumer and Deputy CEO of Masan Group to spearhead the company's next phase of consumer-related growth.
- In May 2014, Masan Consumer established Masan Beverage as a wholly owned subsidiary, into which the company's interest in Vinacafe Bien Hoa and Vinh Hao were subsequently transferred.
- In September 2014, we acquired Phu Yen Beer and Beverage JSC, producer of the "Su Tu Trang" beer brand. Masan Brewery Company Limited (formerly another investment holding subsidiary) was restructured to hold our beer interest and has been transferred to MCH. Under our management, the beer facility reached full production capacity with a trial launch in the Mekong Delta region. Phu Yen Beer and Beverage JSC were then converted into a single member company in 2015 with the new name Masan Brewery PY One Member Company Limited.
- During the end of 2014, Masan Consumer established several subsidiaries to expand its manufacturing footprint to increase capacity and to be closer to its customers. Work started on a new Nghe An manufacturing hub by Masan MB and the licensing and application process began for a site in Hau Giang.
- In December 2014, Masan Consumer Holdings completed a landmark 10-year bond issuance, which

As at 31 December 2015

CORPORATE STRUCTURE ¹



1. Does not include our intermediary holding companies
 2. Held directly and through wholly-owned subsidiaries
 3. Reduced to 85.7% in January 2016 with the first closing of the Singha partnership; expected to become 75% upon full closing
 4. Increased to 96.7% in January 2016
 5. Reduced to 66.67% in January 2016 as part of the Singha partnership
 6. Held directly and through wholly-owned subsidiaries; Increased to 75.2% in January 2016
 7. Increased to 60.16% in February 2016
 8. Increased to 84.23% in January 2016

- raised VND2,100 billion at an 8% fixed coupon rate. The bond was guaranteed by the Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank, and was CGIF's first deal in Vietnam.
- In December 2014, Masan Consumer acquired a 32.8% stake in Cholimex Food. Masan Group also divested non-core businesses such as food packaging by the disposal of Minh Viet Packaging One Member Company Limited and other units where the Company did not have a controlling interest.
 - In January 2015, Masan Consumer acquired a 99.99% stake in Saigon Nutri Food, a processed meat manufacturer to go further in the animal-based protein sector.
 - In April 2015, Masan acquired Sam Kim Limited Liability Company, the controlling shareholder of Proconco and ANCO. The acquired company was subsequently renamed Masan Nutri-Science. The acquisition of Masan Nutri-Science immediately made Masan Vietnam's largest local animal feed player with a leadership position in the pig feed segment. Masan Nutri-Science is the Company's first step in transforming Vietnam's animal protein industry and to ultimately reach consumers with branded meat products.
 - In June 2015, MCH issued a five year VND9,000 billion bond arranged by Vietcombank and mostly subscribed by local banks. The transaction was part of our efforts to simplify our balance sheet, pay down more expensive debt, extend our debt maturity profile, reduce U.S. Dollar liabilities, and increase our cash balance for further investments in the consumer sector. The issuance was the largest bond deal ever in Vietnam.
 - In September 2015, Masan Resources was listed on the Hanoi Stock Exchange's UPCoM exchange, validating the success of the company's commissioning and ramp up, and becoming one of the largest companies to be listed on the northern bourse.
 - In November 2015, Masan MB commissioned a manufacturing hub to produce fish sauce and instant noodles in Nghe An province to increase capacity for growth and to get closer to our consumers.
 - In December 2015, Masan Beverage acquired control of Quang Ninh Natural Mineral Water Limited, owner of the

- Quang Hanh brand which, together with Vinh Hao made Masan Vietnam's largest local mineral water company and strengthened our bottled beverage platform.
- In December 2015, MCH and Singha signed a partnership agreement to better serve the 250 million consumers of Inland ASEAN. Overnight, Masan's addressable market for its food and beverage platform more than doubled across all categories. As part of the partnership, Singha will be investing up to US\$1.1 billion into MCH and our beer business, making the deal the largest corporate M&A deal in Vietnam's history. The first closing occurred the following month with the funding of US\$650 million.
 - In December 2015, a day after the signing of the Singha deal, Masan Brewery quadrupled its brewery capacity with a new facility in Hau Giang.
 - In January 2016, MCH increased its direct ownership in Masan Consumer to 96.7%, Masan Beverage increased its direct ownership in Vinh Hao to 84.2% and MNS increased its ownership in Proconco to 75.2%.
 - In February 2016, Masan Beverage increased its direct ownership in Vinacafe to 60.16%.

As at 31 December 2015¹

CAPITAL STRUCTURE

2015 EBITDA pro forma (VND billion)	: 6,687
Cash Balance (VND billion)	: 17,944 as of 31 December 2015; 14,349 as of 31 January 2016 ⁽¹⁾
Total Straight Debt (VND billion)	: 35,620
Net Straight Debt	: 17,676
Share Count (Basic)	: 746,717,861
Share Count (Fully Diluted) ⁽²⁾	: 755,455,707
Equity (VND billion)	: 27,109

¹ Including short-term investments and investments in interest bearing assets.

² Additional shares from the possible conversion of equity-linked instruments issued to Goldman Sachs.

MASAN CONSUMER HOLDINGS

Masan Consumer Holdings was established to be the Group's primary platform to further invest in branded food and beverage opportunities and related sectors. Its core holdings include Masan Consumer and Masan Brewery.

We are one of Vietnam's largest local diversified FMCG companies. We manufacture and distribute a range of food and beverage products, including soya sauce, fish sauce, chili sauce, instant noodles, instant congee, instant coffee, instant cereals, bottled beverages, and beer. We have grown our product portfolio, domestic sales and distribution channels to establish a leading position in Vietnam's branded consumer food and beverage product market. Our key brands include Chin-su, Nam Ngu, Tam Thai Tu, Omachi, Kokomi, Komi, Vinacafé, Wake-Up, Phinn, Kachi, Vinh Hao, Quang Hanh and Su Tu Trang.

MASAN NUTRI-SCIENCE

Masan Nutri-Science is the largest pig feed producer (external market) and second largest overall feed producer in Vietnam. Our vision is to drive the transformation of the productivity of Vietnam's protein industry and to ultimately reach consumers with branded meat products. Masan Nutri-Science currently has two operating companies, namely Proconco and ANCO. 2015 combined sales volume reached over 2 million tons, covering all kinds of feed products (pig feed, poultry feed, cow feed and aqua feed). Masan Nutri-Science has one of the most extensive distribution networks, with 2,000 distributors, across Vietnam. The total number of production facilities is expected to be 13 facilities by 2016.

MASAN RESOURCES

Masan Resources, is one of the largest private sector mineral resources and chemical processing companies in Vietnam, currently operating the world-class Nui Phao polymetallic project in Northern Vietnam. Nui Phao is the largest tungsten mine in the world and the industry's first new tungsten project to be commissioned in over a decade. Masan Resources is also a globally significant producer of fluorspar and bismuth. Masan Resources' objective is to show the world that a Vietnamese company can lead the transformation of the global tungsten market.

For more information, please visit <http://masangroup.com/masanresources>.

TECHCOMBANK

Techcombank is currently one of the largest joint stock commercial banks in Vietnam in terms of total assets, loans, deposits, customers and distribution network. It has built industry-leading franchises in retail deposits, SME and retail lending. In the 22 years since its establishment, it has developed a diversified range of financial products and services to cater to the financial needs of Vietnam's emerging consumer class and budding private enterprises. Poised to emerge as one of the first local banks in Vietnam to complete its provisioning cycle after the country's banking crisis, Techcombank has both the platform and balance sheet in place to become a private sector champion.

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

Approval	General Meeting of Shareholders	
Validation	Board of Directors	Supervisory Board
Strategic Management	Management Board <ul style="list-style-type: none"> ■ Chief Executive Officer ■ Deputy Chief Executive Officers ■ Chief Accountant 	
Implementation	Business Development	Finance and Accounting, Legal and Administration

Board Of Directors

The Board of Directors (the “Board”) is elected by shareholders to oversee the activities of the Company. Members of the Board of Directors meet each other regularly to discuss the strategic decisions raised by the Management Board. Details on the responsibilities of the Board are presented in the Board of Directors section.

Supervisory Board

The Supervisory Board oversees the activities of the Board of Directors and the Management Board.

Management Board

The Management Board’s prime responsibilities include strategic management, resource allocation at the senior management level, financial accounting and controls, capital management, governance, and internal control.

Business Development

The Business Development team is responsible for transaction execution, business analytics and strategic initiatives.

Finance & Accounting, Legal and Administration

Finance & Accounting, Legal and Administration are departments responsible for financial reporting, legal and regulatory compliance, and managing the administrative functions of the Company. Senior professionals from the Finance & Accounting and Legal departments play pivotal roles in transaction execution and post-deal follow up.

BOARD OF DIRECTORS

Board responsibility and delegation of authority

The Board of Directors has two executive members and four non-executive members. The Board of Directors is chaired by the Chairman, who is also the Chief Executive Officer. The roles of the Chairman and Chief Executive Officer are separate.

Members of the Board of Directors include:

■ Dr. Nguyen Dang Quang, Chairman

Dr. Nguyen Dang Quang is the Chairman and CEO of Masan Group. In addition, he is the Chairman of Masan Corporation, Masan Consumer, Masan Resources, Nui Phao Mining Company’s Members’ Council and a board member of Techcombank.

Dr. Quang has been highly instrumental in the establishment and development of many of our businesses and subsidiary companies. He is a visionary who has professionalized Masan Group at an early stage of development while still keeping our Vietnamese culture and values intact.

Dr. Quang has a Doctorate in Technical Sciences from the National Academy of Sciences of Belarus and a Master’s degree in Administration and Business Management from the Plekhanov Russian Economic University.

■ Mr. Ho Hung Anh, member

Mr. Ho Hung Anh is a member of Masan Group’s Board of Directors. He also serves as the Chairman of Techcombank and Techcom Capital’s Members’ Council, board member of Masan Corporation, Masan Consumer Corporation and is a member of Techcom Securities Members’ Council. Hung Anh has contributed to the early stages of Masan Group’s development and provides strategic guidance. He devotes his time to leading Techcombank, an associate of Masan Group, to become Vietnam’s leading private sector bank.

Mr. Ho Hung Anh holds a Bachelor’s degree in Electronics from the Kiev Polytechnic Institute.

■ Mr. Nguyen Thieu Nam, member

Mr. Nguyen Thieu Nam is Deputy CEO and member of the Board of Directors. He has previously held senior executive roles at our subsidiary and affiliated companies such as Masan Consumer and Techcombank.

At Masan Group, Nam manages the relationships with key partners and leads local execution. He was instrumental in accelerating the compensation and resettlement efforts of the Nui Phao project, advancing the land acquisition process to 91% of the land required immediately for the project by June 2011, as opposed to only 2% before acquisition. More recently, he has been critical in our entry into the beer category.

Mr. Nguyen Thieu Nam was formerly with Da My JSC. He graduated from Vietnam University of Commerce, Hanoi, Vietnam, with a BA in Economics.

■ **Ms. Nguyen Hoang Yen, member**

Ms. Nguyen Hoang Yen is Deputy CEO of Masan Consumer, where she was a key executive in the company's formative years when it was primarily a foodstuff trading company. She has contributed to its transformation into a domestic and branded food and beverage business.

She also serves as Chairwoman of Masan PQ Corporation, a member of the Board of Directors of Masan Corporation, Masan Consumer, Vinh Hao Mineral Water Corporation, and Vinacafe Bien Hoa Joint Stock Company.

Ms. Nguyen Hoang Yen has a Bachelor's degree in Russian from Ha Noi University of Foreign Languages.

■ **Mr. Lars Kjaer, member**

Mr. Lars Kjaer is a Deputy Managing Partner at PENM Partners. Lars was previously Managing Director at NOPEF (a developer of Nordic SME companies for establishment in emerging markets with a portfolio of more than 200 companies), Managing Director at InWear & IC Companys (a fully integrated branded consumer goods apparel company with sales of US\$450 million) and Managing Director of Carlsberg Denmark. He was also a member of the Board of Directors at Coca-Cola Nordic Beverages and Vice President of Corporate Strategy and M&A at Carlsberg Breweries A/S. Through holding various positions in executive management, Lars has extensive experience in emerging markets, strategy formulation, corporate growth, operations development, restructuring and M&A.

■ **Mr. Dominic Edward Salter Price, member**

Mr. Dominic Price has been a Senior Advisor to J.P. Morgan for Asian Frontier markets since leaving JPMorgan's full-time employment at the end of 2012.

Dominic first joined J.P. Morgan in London in 1988 and during his time with the firm he worked in the United Kingdom, Singapore, India and Vietnam in a variety of trading and investment banking roles as well as serving as country head for J.P. Morgan in both India and Vietnam.

Dominic began his banking career with Standard Chartered in London working in technical services, strategic research and development and in their merchant banking arm. He worked as a fixed income trader at Credit Suisse First Boston in London and Tokyo and was also responsible for Asian debt origination and local currency trading in Singapore for Paribas Capital Markets.

The Chairman plays an important leadership role and is involved in:

- Chairing meetings of the Board and providing it effective leadership;
- Maintaining dialogue with the Management Board and providing appropriate strategic input;
- Monitoring the performance of the Board; and
- Being a respected ambassador for the Group, including chairing meetings of shareholders, managing community issues and interacting with key stakeholders.

The Board is responsible for charting the direction, strategies and financial objectives of the Group and monitoring the progress in relation to such matters. It has not formed committees under itself.

Non-executive members regularly communicate with the management of the Group to understand the progress and performance of the operations.

As of 31 December 2015, Dr. Nguyen Dang Quang, Mr. Ho Hung Anh, Mr. Nguyen Thieu Nam, Ms. Nguyen Hoang Yen and Mr. Lars Kjaer held directorship members in four, three, six, five and three other companies, respectively.

Board meetings

The Board regularly meets to discuss the direction, strategy and progress of the business. Typically, the topics at the Board meetings include:

- Reports on major projects and current business issues;
- Reports on financial performance and corporate governance;
- Specific business proposals; and
- Minutes from the previous meeting and outstanding issues.

Activities of The board

In 2015, members of the Board mainly were involved with the discussion and approval of the following items:

- Simplifying the Company's capital structure and corporate structure to provide greater focus on consumption-related businesses;
- Enhancing corporate governance and transparency;
- Deciding business development plans and annual budgets for each of our businesses and subsidiaries;
- Raising capital;
- Restructuring the Company's debts;
- Issuance of new shares under the ESOP; and
- Implementing other transactions of Masan Group and subsidiaries.

There were no separate meetings of non-executive Board members. Approvals from the Board involved all members.

MANAGEMENT BOARD

The Management Board is responsible for implementing the Company's business development plan and business performance reporting. The Chief Executive Officer chairs the Management Board.

Currently, the Management Board is comprised of the four most senior executives at Masan Group, the Chief Executive Officer, three Deputy Chief Executive Officers, and the Chief Accountant. Members of the Management Board include:

- **Dr. Nguyen Dang Quang - Chief Executive Officer**
For profile, please see Board of Directors section
- **Mr. Nguyen Thieu Nam - Deputy Chief Executive Officer**
For profile, please see Board of Directors section

■ **Mr. Michael Hung Nguyen - Deputy Chief Executive Officer & Chief Financial Officer**

Mr. Michael H. Nguyen is responsible for finance, tax, investor relations and corporate affairs (which includes corporate communications) at Masan Group. He has built the company's transaction and business execution platform to support the company's subsidiaries and the company's growth in new sectors. Michael has been involved since the beginning of Masan's transformation from a food company into a leading private sector group by raising over US\$2 billion in capital for the company and leading several key acquisitions.

Michael helped build out J.P. Morgan's Vietnam investment bank execution team and worked on M&A, capital markets and privatization transactions with financial, real estate and consumer clients. Prior to Vietnam, Michael advised and provided structured solutions to multinational clients at J.P. Morgan in New York.

Michael graduated from Harvard University, U.S.

■ **Mr. Seokhee Won - Deputy Chief Executive Officer**

Mr. Seokhee Won is the Deputy CEO of Masan Group, CEO and a board member of Masan Consumer. Seokhee is a seasoned executive with 22 years at global consumer goods company Unilever. In his most recent role, he was Senior Vice President, responsible for Unilever's skincare business in Asia and the Ponds brand globally. Seokhee's experience includes senior management roles in Unilever's businesses in China, South Africa, Thailand, Korea and Vietnam. He spent eight years with Unilever Vietnam (from 1997 to 2005) as Marketing Director and then as Vice President, during which he was responsible for Unilever's entire personal care portfolio.

Seokhee graduated from the University of Notre Dame.

■ **Ms. Doan Thi My Duyen - Chief Accountant**

Ms. Doan Thi My Duyen was formerly with KPMG, Vietnam. She graduated from the University of Economics, Ho Chi Minh City, Vietnam.

As of 31 December 2015, the ownership of the Company shares of the Management Board members is as follows:

Management Board	Position	Number of shares	Percent (%)
Dr. Nguyen Dang Quang	CEO	10	0.00
Mr. Nguyen Thieu Nam	Deputy CEO	5,206,229	0.69
Mr. Michael Hung Nguyen	Deputy CEO	850,700	0.11
Mr. Seokhee Won	Deputy CEO	0	0.00
Ms. Doan Thi My Duyen	Chief Accountant	17,096	0.00
Total outstanding shares		746,717,861	100.00

SUPERVISORY BOARD

Members of the Supervisory Board were appointed at the Annual General Meeting of Shareholders.

The Supervisory Board is composed of the following members:

■ **Mr. Nguyen Quynh Lam – Head of the Supervisory Board**

Mr. Nguyen Quynh Lam has more than 20 years of experience in managerial and accounting positions. He was formerly with Da My JSC and La Giang Commerce JSC. He graduated from the University of Mining and Geology, Hanoi, Vietnam.

■ **Mr. Pham Dinh Toai – Member**

Mr. Pham Dinh Toai joined Masan Consumer in 2009 and is currently its Deputy CEO and CFO. Prior to joining Masan Consumer, he was Financial Analysis Director at Unilever Vietnam from 2002 to 2005, and Finance and Accounting Director at Unilever Vietnam from 2005 to 2009.

Mr. Pham has a Bachelor's degree in Corporate Finance and Accounting from the University of Finance and Accounting in Vietnam. He also has a Bachelor's degree in Information Technologies from Vietnam's University of Technical Education.

■ **Mr. Vu Dzung – Member**

Mr. Vu Dzung is a Partner at YKVN, where he focuses on banking and finance, capital markets and corporate matters. His major clients include both state-owned and international banks as well as domestic and international private equity funds active in Vietnam. Dzung has led numerous significant asset financing transactions, especially aircraft financings, and project financings, in particular infrastructure financings. Dzung has been also involved in major debt and equity capital markets transactions onshore and offshore. Additionally, multinational corporations and Vietnam-based foreign invested companies regularly seek his advice on corporate, trade and tax issues.

Dzung is listed by IFLR1000 as a Leading Lawyer in banking and finance (2011-2012-2013). He has been described as an emerging "superstar" (Legal 500, 2010-2011), one who is "increasingly prominent and consistently skilled in his work" (Chambers Asia, 2009). He has been credited for his "good business sense and legally sound practical solutions" (Chambers Asia, 2009), as well as for providing "top tier services". Among the publications he has co-authored is the Vietnamese chapter of Banking Yearbook 2004 (International Financial Law Review, 2004). He has also written articles on banking and financial law in the Vietnam Investment Review and Vietnam Economic Times.

Mr. Vu Dzung graduated from Ha Noi National University (Laws) and Ha Noi University of Foreign Languages (English), Vietnam.

■ **Mr. Dang Ngoc Ca – Member**

Mr. Dang was formerly with Allens Arthur Robinson and Luat Viet. He graduated from Ho Chi Minh City University of Law, Vietnam.

As of 31 December, 2015, the ownership of the Company shares of the Supervisory Board members is as follows:

Supervisory Board members	Number of shares	Percent
Mr. Nguyen Quynh Lam	50,000	0.00%
Mr. Pham Dinh Toai	33,000	0.00%
Mr. Vu Dzung	0	0.00%
Mr. Dang Ngoc Ca	19,467	0.00%
Total outstanding shares	746,717,861	100.0%

Activities of the supervisory board

The Supervisory Board oversees activities of the Board and the Management Board in compliance with the Company's Charter, the Internal Corporate Governance Regulations of the Company and relevant laws. Particularly, the Supervisory Board participates in regular and extraordinary meetings of the Board and shareholders' meetings.

Internal Corporate Governance Rules

Our Internal Corporate Governance Rules were approved during a Shareholder Meeting held on 9 October 2009. Objectives of the Internal Corporate Governance Rules are to:

- Ensure an effective corporate governance plan;
- Ensure shareholders' rights;
- Ensure equal rights among shareholders;
- Ensure related party transactions are transacted at arm's length;
- Enhance transparency; and
- Facilitate the performance of management of the Board of Directors and supervision of the Supervisory Board.

The Internal Corporate Governance Rules define the responsibilities and delegation of authority of the Board of Directors, members of the Board of Directors, the Supervisory Board and members of the Supervisory Board.

10 out of the 13 members of the Board, the Management Board and the Supervisory Board have qualifications and experience in business administration.

As stated in the 2013 Annual Report, the Group has undertaken certain measures to strengthen its compliance and governance platform in 2014 and in 2015.

A Corporate Governance Enhancement Consulting Group of Masan Group Corporation ("Consulting Group") was established to implement certain assignments as set forth in Article 2 of Decision No. 137/2014/QĐ-TGD dated 7 August 2014 of the Chief Executive Officer of Masan Group Corporation. This Consulting Group was chaired by Mr. Dominic Price, and comprised of two other members, Mr. Vu Dzung, a member of the Supervisory Board, and Mr. Michael Hung Nguyen, Deputy Chief Executive Officer of Masan Group.

The first meeting of the Consulting Group reviewed the assignments set forth by the Chief Executive Officer to cover the following:

- Step 1 - Assessment of the corporate governance practices of Masan based on the current regulations of Vietnam and international corporate governance standards;
- Step 2 - Provide advice and recommendations to the Chief Executive Officer of Masan on methods and action plans to enhance Masan's corporate governance, including issues that need to be approved by the General Meeting of Shareholders and the Board of Directors of Masan: to be done after Step 1 above;
- Step 3 - Review and support of the establishment of policies with regard to better corporate communication and financial and capital allocation matters: the Consulting Group will support the establishment of the following policies: ESOP; debt financing; cash management; M&A; and employee securities trading; and
- Step 4 - Support of the preparation of the next term of the Corporate Governance Enhancement Consulting Group, if extended, to review the Company's compliance and corporate disclosure platform for further enhancements: to complete after Steps 1, 2 and 3 above.

As at 31 December 2015, the Consulting Group has successfully implemented several internal policies to enhance the Group's risk management practices, such as our ESOP Policy and Cash Management Policy. The Consulting Group has also, working with a third party law firm, provided to the Board of Directors a review of the Group's corporate governance practices whereby it acknowledges the Group general compliance with Vietnamese regulations but can achieve higher standards through setting up sub-committees to assist the Management Board in carrying out its duties. These include a sub-committee for development strategy, a sub-committee for personnel, a sub-committee for remuneration and other special sub-committees in accordance with resolutions of the general meeting of shareholders. In addition, the Consulting Group has recommended to the Board of Directors that the Board should comprise an additional independent member. The Consulting Group has agreed to extend its term to have more time to appropriately complete its scope of original scope of work as outlined above and to advise on the implementation of its recommendations to the Board of Directors.

REMUNERATION OF THE BOARD, THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

The Group is developing policies on remuneration for members of the Board and the Supervisory Board. Remuneration of the Management Board comprises a fixed component as well as a variable component.

SHAREHOLDER INFORMATION

As of 31 December 2015, Masan Group's charter capital is VND7,467,178,610,000.

SHAREHOLDINGS STRUCTURE AS OF 31 DECEMBER 2015

Shares:

Total number of outstanding shares and type of shares of Masan Group: 746,717,861 ordinary shares.

Number of freely transferable shares: 746,717,861 shares.

Number of locked-up shares: 0 shares.

Shareholders structure:

On the basis of percent ownership:

Major shareholders include:

No.	Shareholders	No. of shares	Percent
1	Masan Corporation	242,921,247	32.53%
2	Sunflower Construction Company Limited	99,817,804	13.37%
3	Orchid Capital Investments Pte. Ltd.	47,777,719	6.40%
4	Private Equity New Markets II K/S	43,011,218	5.76%
	Total	433,527,988	58.06%

Number of shares held by other shareholders: 313,189,873, representing 41.94%

On the basis of institutional and individual shareholders: As of 31 December 2015, Masan Group has 2,145 shareholders, of which 1,999 individual shareholders holding 129,498,775 shares representing 17.34%; and 146 are institutional shareholders holding 617,219,086 shares, representing 82.66%.

On the basis of domestic and foreign shareholders: As of 31 December 2015, Masan Group has 1,814 domestic shareholders holding 509,586,695 shares representing 68.24%; and 331 foreign shareholders holding 237,131,166 shares, representing 31.76%.

Change of the charter capital

In 2015, the Company increased its charter capital from VND7,358,081,400,000 to VND7,467,178,610,000. The new shares were issued under the ESOP.

Masan Group has no treasury shares.

Masan Corporation

Masan Corporation was incorporated on 13 September 2000. Its registered activities cover market research, technology transfer, commercial promotion, investment consulting, construction and management of investment projects, office leasing, real estate business, and management consulting.

Sunflower Construction Company Limited

Sunflower Construction Company Limited was incorporated on 10 August 2009. Its registered activities cover civil construction work, construction and mining materials, equipment and machinery trading, goods consignee agent, market research, commercial promotion, management and investment consulting (excluding financial and accounting consulting).

Significant Foreign Shareholders

Masan Group's significant foreign institutional shareholders are Private Equity New Markets II K/S (PENM Partners) and Orchid Capital Investments Pte. Ltd. (Clermont Group, formerly named Chandler Corporation).

Private Equity New Markets II K/S (PENM Partners, formerly managed by BankInvest)

PENM Partners is an independent fund management company which, until 2012, was a part of BankInvest Group, one of the largest asset management firms in Scandinavia. PENM Partners was established in 2006 and manages the Private Equity New Markets (PENM) funds in Vietnam. PENM Partners provides capital and business know-how to its investee companies. Currently PENM Partners manages three PENM funds with assets under management of approximately US\$400 million.

Orchid Capital Investments Pte. Ltd. (Clermont Group, formerly named Chandler Corporation)

The Clermont Group is a multibillion dollar private investment group founded by New Zealand entrepreneur Richard Chandler. Since 1986, it has invested globally in public and private equity across a range of industries, including energy, financial services, consumer, and healthcare.

SHAREHOLDINGS AND CHANGES IN SHAREHOLDINGS OF THE BOARD OF DIRECTORS DURING 2015

	31 December 2015	31 December 2014	Increase/ Decrease
Dr. Nguyen Dang Quang, Chairman	0.00%	0.00%	0.00%
Mr. Ho Hung Anh, Member	0.00%	0.00%	0.00%
Mr. Nguyen Thieu Nam, Member	0.69%	0.29%	0.40%
Ms. Nguyen Hoang Yen, Member	3.51%	3.56%	-0.05%
Mr. Lars Kjaer, Member	0.00%	0.00%	0.00%
Mr. Dominic Edward Salter Price, Member	0.00%	0.00%	0.00%

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

INFORMATION RELATED TO TRADING AND TRANSFER OF SHARES OF INTERNAL SHAREHOLDERS

In 2015, there were transactions in Masan Group shares conducted by internal shareholders. The table below sets out such transactions:

No.	Internal shareholders and their related persons	Number of shares owned as of 1 January 2015		Number of shares owned as of 31 December 2015		Reason for the increase, decrease (transfer, purchase, conversion, ...)
		Number of shares	Percent	Number of shares	Percent	
1	Mr. Dang Ngoc Ca	24,490	0.00%	19,467 ¹	0.00%	Transfer
2	Ms. Doan Thi My Duyen	50,000	0.01%	17,096 ²	0.00%	Transfer
3	Orchid Capital Investments Pte. Ltd.	77,079,384	10.48%	47,777,719	6.4%	Transfer

1. This number includes new shares issued under the ESOP.

2. This number includes new shares issued under the ESOP.

EQUITY INFORMATION

	As of 31 December 2015
Charter capital (VND billion)	7,467
Share price (VND)	77,500
52-week high share price (VND)	96,500
52-week low share price (VND)	68,000
Number of shares issued (share)	746,717,861
Number of ordinary shares (share)	746,717,861
Number of preference shares (share)	0
Number of treasury shares (share)	0
Dividend yield (%)	N/A

All statements contained in this report that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms, such as “anticipate”, “believe”, “can”, “could”, “estimate”, “anticipate”, “project”, “expect”, “intend”, “may”, “plan”, “aim”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), planned projects and other matters discussed in this document regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this report involve known and unknown risks, uncertainties and other factors that may cause our actual financial results, performance or achievements to be materially different from any future financial results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Forward-looking statements are based on our beliefs and assumptions, which in turn are based on currently available information. We are in the business of acquiring, actively building, managing and investing in market-leading businesses in several of the fastest growing areas of the Vietnamese economy. Our outlook is predominantly based on our interpretation of what we consider to be the key economic factors affecting our business, the Vietnamese economy and the sectors we operate in. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors, many of which are beyond our control. Accordingly, investors are cautioned not to place undue reliance on the forward-looking statements in this report. These statements speak only as of the date of this report or the respective dates indicated in this report, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

GLOSSARY OF TERMS

ANCO	Agro Nutrition Company JSC	Masan Thai Nguyen Resources	Ma San Thai Nguyen Resources Company Limited
ATM	Automatic Teller Machine	MNC	Multinational Company
CEO	Chief Executive Officer	Mount Kellett	Mount Kellett Capital Management L.P., affiliates and/or investment funds it manages
CFO	Chief Financial Officer		
CSR	Corporate Social Responsibility	Nui Phao	Nui Phao Mining Limited Company, restructured from Nui Phao Mining Joint Venture Company Ltd as the result of the Nui Phao acquisition
Dr.	Doctor		
ESOP	Employee Share Ownership Plan	NPL	Non-performing Loan
FMCG	Fast-moving Consumer Goods	Phu Yen Beer or Pybeco	Phu Yen Beer and Beverage JSC or Masan Brewery PY One Member Company Limited
GDP	Gross Domestic Product		
GSO	Government Statistics Office (Vietnam)	Proconco	Vietnamese-French Cattle Feed JSC.
H.C. Starck	H.C. Starck Group	Quang Hanh	Quang Ninh Natural Mineral Water Limited Company (to refer to both the company and its main brand)
IFC	International Finance Corporation		
Inland ASEAN	A geographical region comprising Vietnam, Thailand, Myanmar, Cambodia, and Laos	Saigon NutriFood or SNF	Saigon NutriFood Corporation
JSC	Joint Stock Company	SBV	State Bank of Vietnam
KKR	Kohlberg Kravis Roberts & Co. L.P., affiliates and/or investment funds it manages	SG&A	Selling, General and Administration expenses
M&A	Mergers and Acquisitions	Singha	Singha Asia Holding Pte Ltd.
Masan	A term referring to Masan Group, inclusive of subsidiaries and affiliates, as a whole	SME	Small and Medium Sized Enterprises
Masan Beverage or MSB	Masan Beverage Company Limited	SOE	State-owned Enterprise
Masan Brewery or MB	Masan Brewery Company Limited	Techcombank, the Bank, or TCB	Vietnamese Technological and Commercial Joint Stock Bank
Masan Consumer or MSC	Masan Consumer Corporation	The Board	The Board of Directors
Masan Consumer Holdings or MCH	MasanConsumerHoldings Company Limited	TPG	Texas Pacific Group, affiliates and/or investment funds it manages
Masan Group or the Group	Masan Group Corporation	TPP	Trans Pacific Partnership
Masan Horizon or MH	Masan Horizon Corporation	UPCoM	Unlisted Public Company Market, part of the Hanoi Stock Exchange
Masan Nutri-Science or MNS	Masan Nutri-Science JSC	US\$	U.S. Dollar
Masan Resources or MR	Ma San Resources Corporation	Vinacafe Bien Hoa	Vinacafé Bien Hoa Joint Stock Company
		Vinacafé	Coffee brand owned by Vinacafé Bien Hoa Joint Stock Company
		Vinh Hao	Vinh Hao Mineral Water Corporation
		VND	Vietnamese Dong
		WTO	World Trade Organization

Marty McFly:

Hey, Doc, we better back up. We don't have enough road to get up to 88.

Dr. Emmett Brown: Roads?

Where we're going,
we don't need roads.

Back to the Future (1985)