



**Prepare
for GROWTH**

ANNUAL REPORT 2015





Contents

- 04 Chairman's message
- 06 CEO's message

08 New GROWTH from new categories

- 10 Vision
- 11 Mission
- 12 Board of Directors
- 16 The Supervisory Board
- 17 Executive Management Committee
- 18 Shareholder structure
- 19 Stock transactions

20 Good STRATEGY execution creates competitive advantages

- 22 Business model
- 24 Strategic orientation
- 26 Corporate strategy

30 The ABILITY the edible oil market

- 32 Operating environment
- 34 Financial highlights
- 36 Financial performance
- 38 Stock price performance
- 40 Marketing strategy report

46 New FOUNDATION built on the strengthened platform

- 48 Corporate governance
- 52 Risk management
- 53 Key risk factors
- 55 Corporate social responsibility

60 Commitment to new GROWTH

- 62 General information
- 64 Report of management
- 65 Independent auditors' report
- 67 Consolidated balance sheet
- 69 Consolidated income statement
- 70 Consolidated cash flow statement
- 72 Notes to the consolidated financial statements



2015 has been a transitional year for KIDO as we extended our leadership position in ice cream, and yogurt while successfully launching into cooking oil, instant noodles and seasoning.

Dear Shareholders,

A new chapter of KIDO begun as we transitioned away from the confectionary business and established the KIDO Group in October 2015 as a Food & Flavor company. This change reflects our commitment and drives towards expanding our business in the daily foods category which we have talked about for several years now.

With the continued effort of our team, our business partners, our customers and shareholders, KIDO continues to maintain its position as a leading business in Vietnam. Despite the change in business focus, our core values continue to remain the same which is to continue to “create life’s favors through wholesome, healthy, nutritious products”. To do so our mission remains that we are committed to our consumers, supplier partners, employees, the community in the hopes of providing a return to our shareholders. These have been the key elements that have supported KIDO’s success and will continue to be on the foundation in which we expand our business during this next stage of growth.

The transition of our business focus into daily products continues to be a key theme with the management team and with the guidance and support of the board we have clearly defined the elements and priorities of that change which we have coined the 5C’s: Consumer, Category, Channel, Country and Capital. In summary, the 5C’s are defined as a new stage of our company’s development and a big part of what we are targeting to do is to expand our reach to a higher number of consumers (50 million in Vietnam and 600 million in South East Asia) by entering new categories (daily products), serve each customer more frequently with a broader range of product offering (to be an integral party of each family’s mealtime and their kitchen), realign our channel to deliver these new products categories, more frequently to more customers. This is a significant shift in approach than what we are used to and it will require a strong refocus on how capital is reallocated from value conversation to creation.

This period of change we have entered has been framed as: Preparing for Growth and will be the key theme for KIDO for the next few years. The ultimate goal is that we adjust our existing platform to be able to achieve

the changes in the 5C’s. While we emphasize preparing for growth, we are not neglecting the business and profitability. We continue to be committed to shareholder return and profitability, therefore the management teams are still dedicated to ensuring that the current business and categories we are engaged in are growing and profitable. The task is challenging, as the team must concurrently working on organizational changes while still growing the business profitably but we believe that the management team continued commitment to align itself around the 3P’s: People, Product and Platform will ensure we are successful.

This new market opportunity we are targeting is estimated at VND193,500 billion, and we recognize that the shift away from snacks & confectionary and into Food & Flavor may be difficult in the first few years, we continue to leverage a strong operational foundation to make progress. The drive into the daily food category creates a unique opportunity for KIDO who has both the experience and the infrastructure to be competitive in this space. During this time, we continued to be committed to shareholder return as we always have since we became public in 2004. Since 2004, we have seen a 257.4% change of the share price. This is in contrast to -14.7% in 2015. While this is down from a year ago, we have increased shareholder return with a VND20,000/share dividend and a 29.5 million of share buyback completed in December 2015. This is a total of VND6,257 billion being returned to shareholders in 2015, a 626% increase from 2014.

The year 2015 was a year of change and exceptions and the coming year will be underlined by growth and change. In order to continue to succeed during this period, we will need the support of our consumers, supplier partners, employees, the community and investors to do so. We hope that our commitment to all of you will be reciprocated and your continued trust will be a key success factor for KIDO in the coming years. I would like to thank all of your support and look forward to another year of success.

TRAN KIM THANH
Chairman



During the last year, KIDO has successfully begun its transformation into the daily food categories, and transitioned its focus into value creation.

Dear Shareholders,

We have successfully finished the year 2015 in which the economy made steady progress in terms of growth and begun to find strength in macro-economic stability. Gross Domestic Product (GDP) grew at 6.7%, the highest growth rate over the last five years while inflation remained low at 0.6%. This has helped to provide stability and support to local business but Vietnamese companies are still facing major challenges.

For KIDO, we began our year focused on realigning our platform and preparing for the growth and entry into the daily food categories as defined by our Food & Flavor strategy. I am happy to report that we have now gained entry into three key categories, including edible oils, instant noodles and seasoning. In addition to this, our marketing leading ice cream business has also extended its portfolio of products to include more daily products that includes desserts and frozen yogurts. On the consolidated basis, this meant that KIDO achieved VND3,140 billion in net sales (with only 6 months of the confectionary business consolidated), and gross margins were 37.4% for the full year. Selling expenses represented 28.6% of net revenue, higher than 24.5% in 2014 as we began investment in our new brand Đại Gia Đình. The Đại Gia Đình brand will cover a broad range of products, and therefore the initial investment will become more economical as we continue to add new products and enter new categories. There are plans to launch a number of products in oil, instant noodles and frozen foods in the coming year. These products will help to expand the number of consumers we are targeting and also hopefully serve them more frequently as outlined by the 5C's.

In terms of our operations, 2016 will be heavily influenced by external factors as Vietnam will be joining the ASEAN Economic Community (AEC), and

integrate into the Trans-Pacific Partnership (TPP). This will have opportunities in the long run but more challenges at the offset. We believe that in light of such change, KIDO is well positioned as we have a strong foundation built upon our two decades of experience in producing in Vietnam and exporting globally. Having been aware of the seasonality of our business for many years, we have spent the last few years laying the foundation for creating, manufacturing, and distributing daily food products. Beyond that we have begun to look regionally at what opportunities exist in the broader South East Asia market.

Despite the VND6,257 billion returned to shareholders this year, we have VND3,059 billion of cash remaining on our balance sheet as of December 2015. There are several key M&A projects we are currently exploring that will help to augment our entry into the daily food category. Capital allocation discipline remains a key principle during this period of change and we are looking for good ideas that fit our Food & Flavor theme.

The changes and transitions in 2015 have marked a key turning point for KIDO. The Executive Management Committee has navigated the situation well, including realignment of the platform and successfully launching key products in the target categories. They are focused on delivering more products this year that will help us to reach more consumers more frequently.

I would like to thank the team, consumers, distributors, supplier partners, the community and shareholders for their support over the last year, and look forward to a prosperous 2016.

TRAN LE NGUYEN
Chief Executive Officer

New **GROWTH** from new categories

Moving towards serving more consumers KIDO has moved forward into “Food & Flavor” by launching new products under the Đại Gia Đình brand.



more FLAVOR TO LIFE

Create life's flavors through wholesome, healthy, and nutritious products and be the most recognized company in Vietnam and South East Asia by all stakeholders.



CONSUMERS

Identify and produce affordable food, snacks, beverages and to meet daily needs of consumers. Our products are pioneering market-leading, healthy, satisfying and conveniently available to our consumers.



PARTNERS

To create sustainable value for supply chain partners through innovative food products which address consumer demand trends and exceed consumer expectations. We aim to provide equitable returns for all and also contribute to improving processes both in productivity and qualitative output, for sustainable development.



PEOPLE

To nurture and develop the skills and capabilities of our people to meet the professional demands of their work and satisfy their personal needs. In this way we create a KIDO family that is home to dynamic, creative, and innovative people. KIDO is the company that can elevate an individual's ambitions and professional skills, through a corporate culture based on teamwork and mutual enrichment.



COMMUNITIES

To contribute to the communities in which we operate through sponsorship programs and targeted community development activities. We aim at becoming a leader of progress for Vietnamese society. Our impact is not only commercial, we also embrace a social responsibility.



INVESTORS

To allocate capital in order to maximize shareholder value over the long-term and to manage risk in order to give certainty and confidence that investments in our business can achieve our shareholder's goals.

Board of Directors



Mr. TRAN KIM THANH
Founder, Group Chairman

Mr. Thanh is a prominent entrepreneur with experience in building corporate strategy, insight in business management, prudence in risk management, dedication for training and nurturing human capital, and commitment to social responsibility. He has transformed KIDO Group from a small family business to a leading group in the food industry. Mr. Thanh's leadership strategy for KIDO Group is to create the best company that is home to the best people built around the best processes.

Mr. Thanh is currently the Chairman of KIDO Group and also sits on various boards of many Vietnamese corporations. He is a Member of the Central Committee of the Vietnam Homeland Front and has received several awards and accolades from both the central and local Government of Vietnam for his significant contributions to the socio-economic developments of the country.



Mr. TRAN LE NGUYEN
*Co-Founder, Group Vice Chairman,
Group Chief Executive Officer*

An experienced entrepreneur with a track record of building large and profitable businesses over the last few decades, Mr. Nguyen has been instrumental in the development of KIDO Group as one of its founders and as CEO. Under his management, KIDO has emerged as one of the most well-known brands in Vietnam in addition to a broad portfolio of market dominating products that are the best in their categories. Mr. Nguyen successfully initiated and engineered the acquisition of the Wall's ice cream factory, spear-headed the development of the market for ice cream, and built the business as it is today.

Mr. Nguyen is an active board director of the Vietnam Chamber Commerce and Industry (VCCI) and participates on the boards of several prominent companies in Vietnam.



Ms. VUONG BUU LINH
*Co-Founder, Board Director,
Group Vice President*

Ms. Linh is currently a Board Director and a Vice President of KIDO Group. She is one of the founders, having led KIDO Group through fast and solid expansion as one of the biggest food companies in Vietnam.

Ms. Linh is instrumental in leadership and supply chain management that have helped her make substantial contribution in the growth of KIDO Group through cost reduction, quality assurance, and thus enhancing competitive advantages of the products. With her sharp thinking, Ms. Linh was the architect of deploying ERP system by SAP to KIDO Group, effectively increasing the company's capability in making timely and accurate decisions with the right information.



Ms. VUONG NGOC XIEM
*Co-Founder, Board Director,
Group Vice President*

Ms. Xiem co-founded KIDO Corporation and is a Vice President of the Group. She has been actively participating in the management of the company since she has many years of experience in managing operations and particularly in retailing.

With her experience and hands-on approach, she has been a key part of the management team since the founding of the company and also contributed largely to the growth of the company.

Board of Directors



Mr. WANG CHING HUA

Co-Founder, Board Director,
Group Vice President

Mr. TRAN QUOC NGUYEN

Board Director, Group Vice President,
General Director of KIDO Corporation

Mr. NGUYEN GIA HUY CHUONG

Board Director

Mr. NGUYEN VAN THUAN

Board Director

Mr. NGUYEN DUC TRI

Board Director



Mr. WANG CHING HUA

Co-Founder, Board Director,
Group Vice President

Mr. Wang has over 22 years of experience in the food manufacturing and processing industry and was one of the original founders that helped set up KIDO's manufacturing operations.

He has since been instrumental in helping develop the scale of KIDO's manufacturing footprint in Vietnam. He is also a Vice President at the Group.



Mr. TRAN QUOC NGUYEN

Board Director, Group Vice President,
General Director of KIDO Corporation

Mr. Nguyen has over 19 years of experience managing various member companies within KIDO Group. He has held several key senior management positions at both the group and company level.

He is currently a Board Director, a Group Vice President and the General Director of the KIDO ice cream business.



Mr. NGUYEN GIA HUY CHUONG

Board Director

Mr. Chuong was voted into the Board of Directors of KIDO in 2013. He holds a Master of Law in International Commercial Law from Law University of Bristol (UK). He is currently the consultant lawyer at Luat Viet lawyer office and a General Director/Managing Lawyer of Phuoc & Co. Office.



Mr. NGUYEN VAN THUAN

Board Director

Mr. Thuan is a board director at KIDO Group. He has a Doctorate in Economics and is currently the Dean of Finance - Banking Department at Ho Chi Minh City Open University. He has over 30 years of experience as a lecturer in the field of banking and finance. Besides his academic work at Ho Chi Minh Open University, he is also a financial consultant and advisor for many companies and foreign organizations operating in Vietnam.



Mr. NGUYEN DUC TRI

Board Director

Mr. Tri was voted into the Board of Directors of KIDO in 2013. He holds a PhD in Business Management from Nanyang Technological University - Singapore. He has been working for a sugar company under the Agricultural Ministry and has taught at Trident University (California, US), Faculty of Economics - Risho University (Tokyo, Japan), Ho Chi Minh Economic University and other joint programs in Vietnam.

The Supervisory Board



Mr. LUONG QUANG HIEN
Head of the Supervisory Board

Mr. Hien has more than 15 years of experience in finance, management, and financial transactions. He spent 12 years at KIDO in 1999-2011 during which he was involved in financial management, investor relations, and various M&A transactions and restructuring projects. In addition to his role in the Supervisory Board of KIDO, Mr. Hien sits on the boards of several investment funds and companies such as VEOF Fund, Savico, and Tafoco.

He graduated from Foreign Trade University and holds an MBA from Washington State University.

Ms. LUONG MY DUYEN
Member of the Supervisory Board

Ms. Duyen has worked with KIDO since 1993 and has held several key positions, including Accountant, Deputy Manager of the Accounting Department and Chief Accountant at KIDO. Since 2006, Ms. Duyen has been the Chief Accountant at KIDO Real Estate Joint Stock Company. She holds a degree in Finance and Accounting.

Mr. VO LONG NGUYEN
Member of the Supervisory Board

Mr. Nguyen holds a Bachelor of Economics with a specialization in Business Administration. He is a certified Fund Manager with a certificate issued by the State Securities Commission of Vietnam. He was one of first brokers of the OTC market in Vietnam and has over 12 years of investment and finance experience.

Executive Management Committee



Ms. NGUYEN THI XUAN LIEU
Group Vice President

Ms. Lieu concurrently oversees the cooking oil business as the General Director of Vietnam Vegetable Oil Industry Corporation (Vocarimex). She has over 30 years of work experience in the finance and banking sector, with 20 years in senior positions at Vietnam Bank for Industry and Trade.

Ms. Lieu graduated with honors from Ho Chi Minh City University of Economics and has successfully completed doctoral training at Ho Chi Minh City University of Economics. In addition, she was honored with the Certificate of Merit from the Prime Minister in 2010 and 3rd rank Labor Medal of Merit in 2012 among many others accolades.

Mr. KELLY WONG
Group Chief Financial Officer

Mr. Kelly Wong has lived and worked in Vietnam for over ten years. He joined KIDO Group in 2011 and has managed the group's finance, accounting, treasury and investment activities.

Mr. Wong holds a Bachelor's of Commerce degree from the University of British Columbia in Vancouver, Canada and a Diploma in Asia Pacific Management from the McRae Institute of Management at Capilano University.

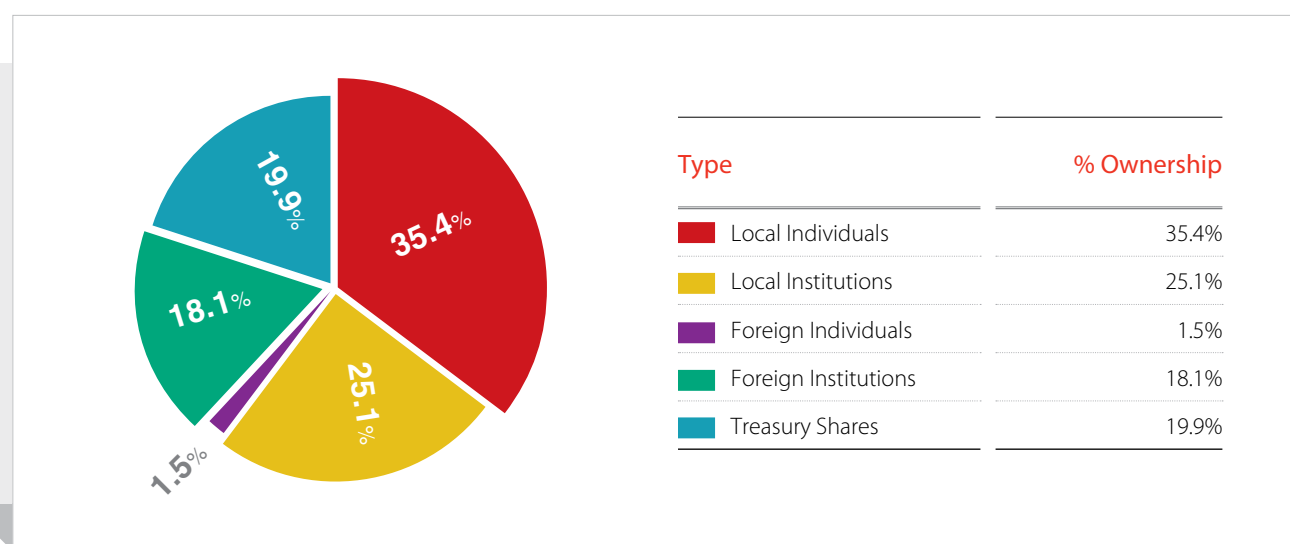
Mr. MA THANH DANH
Group Vice President

Mr. Danh oversees risk management and internal control functions for the group. He has over ten years of experience in financial management, business strategy and brand management consultancy and advisory in mergers and acquisitions.

He holds a Bachelor's of Science in Electrical Engineering, a Degree in Business Administration from the University of Economics, and a Masters of Business Administration with a focus in International Business Strategy and Brand Management from Belgium.

SHAREHOLDER STRUCTURE (As at 01/20/2016)

Type	Shares	% Ownership	% Voting Shares
Local Individuals	90,940,686	35.4%	44%
Local Institutions	64,382,323	25.1%	31%
Foreign Individuals	3,765,495	1.5%	2%
Foreign Institutions	46,572,637	18.1%	23%
Treasury Shares	50,992,256	19.9%	-
Total	256,653,397	100.0%	100.0%



CORPORATE ACTIONS 2015

Date	Type	Action
11/17/2015 - 12/16/2015	Share buyback	Buyback of 29.5 million shares
08/11/2015	Cash dividend	Special cash dividend of VND20,000/share
05/04/2015	Cash dividend	First payment of 2014 dividend: VND1,000/share
12/11/2014 - 01/09/2015	Share buyback	Buyback of 20 million shares

BY INSIDERS

No.	Name	Relationship	Beginning Ownership	Ending Ownership	Action
1	Tran Le Nguyen	Inside Shareholder	14,713,317	25,930,867	Buy
2	Vuong Buu Linh	Inside Shareholder	168,000	2,000,000	Sell, Buy
3	Tran Quoc Viet	Inside Shareholder	80,327	30,327	Sell
4	Vo Long Nguyen	Inside Shareholder	21,300	-	Sell
5	Luong My Duyen	Inside Shareholder	3,000	-	Sell
6	Bui Thanh Tung	Inside Shareholder	45,000	-	Sell
7	Nguyen Thi Xuan Lieu	Inside Shareholder	-	50,000	Buy
8	Tran Tien Hoang	Inside Shareholder	114,000	52,000	Sell
9	Tran Quoc Nguyen	Inside Shareholder	913,207	560,707	Buy, Sell
10	Mai Xuan Tram	Inside Shareholder	45,007	7	Sell
11	Vuong Ngoc Xiem	Inside Shareholder	7,004,403	-	Sell

BY RELATED PARTIES

No.	Name	Relationship	Beginning Ownership	Ending Ownership	Action
1	Vuong Thu Le	Vuong Ngoc Xiem	11,008	6,008	Sell
2	Vuong Ngan Hao	Vuong Ngoc Xiem	12,000	-	Sell
3	Vuong Thu Binh	Vuong Ngoc Xiem	24,000	4,000	Sell
4	Vuong Buu Dinh	Ma Thanh Danh	98,780	105,780	Sell
5	Vuong Buu Ngoc	Vuong Buu Linh	383,468	23,400	Sell
6	Vuong Quoc Tru	Vuong Buu Linh	4,456,286	15,000	Sell
7	Vinh Linh Investment Co. Ltd.	Vuong Buu Linh	-	9,436,908	Buy
8	Kim Gia Han Investment Co. Ltd.	Vuong Ngoc Xiem	-	7,200,000	Buy

Good **STRATEGY** execution creates competitive advantages

KIDO has built a solid foundation for new market penetration while expanding the footprint of the current businesses.



OUR BUSINESS PROCESS VALUE CONVERSION & VALUE CREATION

Our business process is separated into two primary processes, including “Value Conversion” and “Value Creation”. The two distinct parts reflect the primary construct of KIDO’s current business and the evolution of our business model over the last 22 years.

The traditional process of Value Conversion which KIDO was founded upon relies heavily on pricing power and scale. Competitive advantages were defined by the ability to negotiate large discounts for volume and manufacturing in large enough scale to create price competitiveness. The types of products were not highly differentiated and growth required adding new categories or extension of existing products to expand. The market context was that consumers were not overly concerned with variety and choice but relied heavily on the availability of products to satisfy their needs.

KIDO has extended its business model to include Value Creation by investing in the capabilities to create brands, marketing, and distribute products. This Value Creation (intellectual property) process is much less tangible than Value Conversion (plant and equipment) and has taken a much larger investment in time and money to build. The Value Creation process includes investment in knowledge capital (system and processes), human capital (highly skilled professional managers) and intellectual capital (product brands and reputation). It is also a much more fluid

investment which requires a different type of approach in management and is heavily reliant on knowledge capital to keep everything organized. While more complex, Value Creation can be leveraged to create much better returns and to accelerate growth, leading to high improvements in our profitability profile.

As the country develops, Vietnamese consumers have also evolved with increasing demands in terms of product quality and complexity. This resulting change in consumer behavior has changed KIDO’s business model from a push to a pull model connecting us closer to the consumer. This means that the flow of products and information forms a feedback loop that puts consumers at a critical juncture by giving them the ability to tell us what they want (pulling product). This customer centric approach allows us to better react and anticipate trends in the consumer markets.



SUPPLIERS

KIDO is working with over 200 suppliers world-wide to ensure that the best quality materials are sourced for the best price with the objective of having a consistent balance between quality and profitability.



EMPLOYEES

KIDO is working with over 2,100 individuals in manufacturing, distribution, to operate a growth platform to convert raw materials to consumer product, value creation delivery of products to consumers that leverage our marketing and sales knowledge.



DISTRIBUTORS

Reaching through three channels to access 215 distributors to deliver products. Connected through our Distributor Management System allows us to access on a daily basis the inventory and sales volume throughout our channels.



RETAILERS

Serving over 90,000 points of sales and connected to our platform through our mobility platform to manage the sales execution process at a retailer level.



CONSUMERS

Targeting over 50 million Vietnamese consumers with our range of products through three channels in Vietnam.

Strategic Orientation

Our strategic focus has shifted in the last year as we come to the completion of our Transformative Change which we undertook between 2009 and 2014. This strategy included five key stages and we embark on a new stage in our strategy.

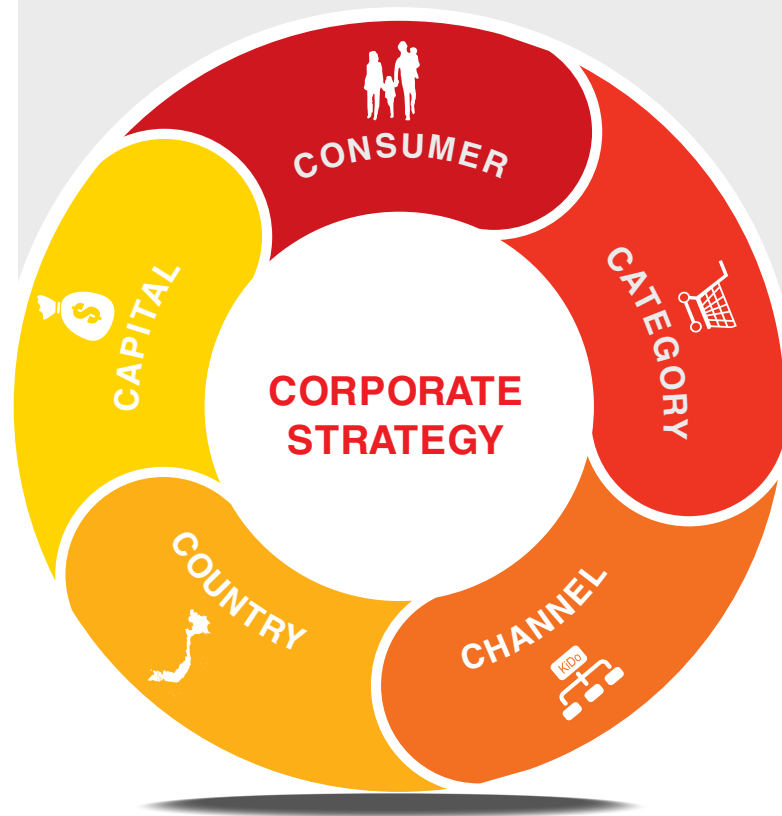


Having completed the Transformational Change, we continued to focus on our goals for a new growth cycle. As such, we narrowed down our strategic focus by featuring 3P's that we believe are pivotal in our success:



We value the attributes that make a family what it is, and we want our products to be part of each Vietnamese family. The products are meant to meet the needs of the consumers and play a supportive role in the family experience by creating life's flavors through wholesome, healthy, nutritious and delicious foods.

Corporate Strategy



CONSUMER Strategy

Creating more opportunities to use our products by having the right products in the right place for the right people.

The Food & Flavor strategy was implemented with the goal of deepening our impact with our consumer base. The intention was to create additional touch point that was beyond seasonal. The Transformative Change was really about creating efficiencies in reach through scale via the consolidation of the entire group operations. In contrast, the new Value Creation strategy based on the 5C's that will focus on leveraging the KIDO platform.

Growth will continue to come from reaching more consumers and creating more opportunities to use our products by having the right products in the right place for the right people.

This is where the Food & Flavor strategy becomes so critical to the fulfillment of the Value Creation strategy and why the 5C's are essential for future growth. The nature of additional product categories lend itself to multiple opportunities for use and as a result will

support better penetration of our products to the large consumer base.

It includes items that are used daily, with increased consumption frequency. The nature of this makes it both attractive and competitive but leveraging KIDO's Corporate Strategy, platform, and pre-existing infrastructure has made entry much easier and helped to drive sales in these new categories.



CATEGORY Strategy

The importance of cross channel coordination and efficiency will begin to become more and more important in our ability to increase KIDO's efficiency.

As we look towards the future, we recognize the dynamics of the Vietnamese consumer have changed and will continue to change as the country evolves. Given the importance of the consumer, we have expanded our strategy to include the next tier of our Category Strategy which we will call "Consumer & Convenience".

coordination and efficiency will begin to become more and more important in our ability to increase KIDO's efficiency.



It will also see that we extend the category beyond this into meal supplies and solutions. Operationally, this will see us leveraging our strength in the frozen and chilled channel to beyond just dairy & desserts. In addition, the importance of cross channel

CHANNEL Strategy

Our platform is about delivery and execution.

While the business model is consumer centric, our platform is about delivery and execution. The entire platform still centered on Strategic Business Units (SBU) which define the categories we compete in but broader than that, we are prioritizing our resources around our channels. These include four different primary distribution channels that are responsible for handling packaged foods, frozen/chilled products, retail and export. These channels currently cover all of Vietnam, and support our consumer goal of delivering daily products, to more consumers more often. This is in stark contrast to the old model which was by in large seasonal.



COUNTRY Strategy

“ We will drive efficiency in our chanel centric organization and keep product portfolio selection at the top of our agenda.

With the rapid integration of regional markets, and reduction in tariffs, we recognize the inevitable competition that is targeted at Vietnam given its attractiveness.

With the creation of the TPP & closer integration

markets, KIDO will need to adjust its world view. The consumer market will expand from 90 million Vietnamese to over 600 million covering South East Asia. With Food & Flavor is the leverage, KIDO will use daily product to connect with more consumers, more often beyond Vietnam.

CAPITAL Strategy

“ The capital allocation process at KIDO has become essential part of our success.

Entering into the Food & Flavor industry has been a critical part of our new direction. Capital allocation defines how, what and why we should enter the market. With the new categories being targeted, KIDO will aim to allocate capital effectively in order to enter, grow, and win in each category.



The **ABILITY** to lead the edible oil market

With plans to increase its stake in Vocarimex, KIDO will be the market leader of the edible oil industry, creating new growth engines for the Group by effectively executing each of the 5C's.



The **ECONOMY** accelerated its **RECOVERY** in 2015

6.7%
Gross Domestic Product (GDP) growth in 2015

The economy accelerated its recovery in 2015 with Gross Domestic Product (GDP) expanding by 6.7% on the year earlier based on improving domestic consumption and strong external demand. The GDP growth surpassed its weak performance in the preceding four years due to a recovery of manufacturing, construction and slight improvements in the service sector. The Purchasing Managers' Index (PMI) stood at more

than 50 in 10 months of the year, indicating expansion of manufacturing activities. Industrial production expanded due to new orders from export markets helping to expand production and reduce domestic pressure on growth. Global inflation remained low which led to lower input costs, coupled with falling fuel prices helped ease the operating conditions and translated into downward price pressure for consumer products.



In the Food and Flavor businesses, companies enjoyed a better environment but competition also intensified as companies tried to compete more aggressively on pricing in a market filled with still-cautious consumers.



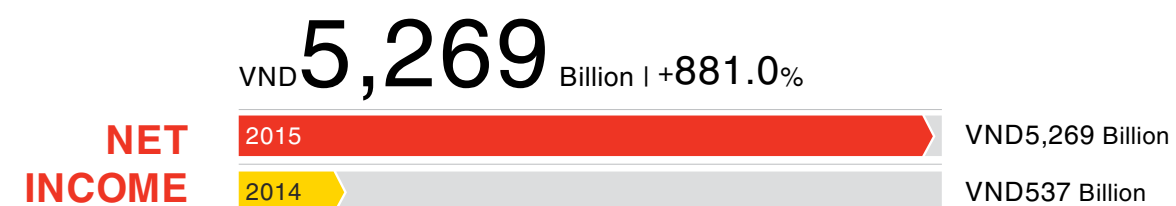
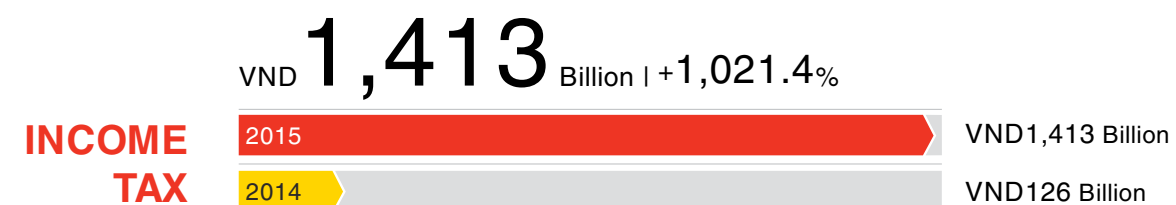
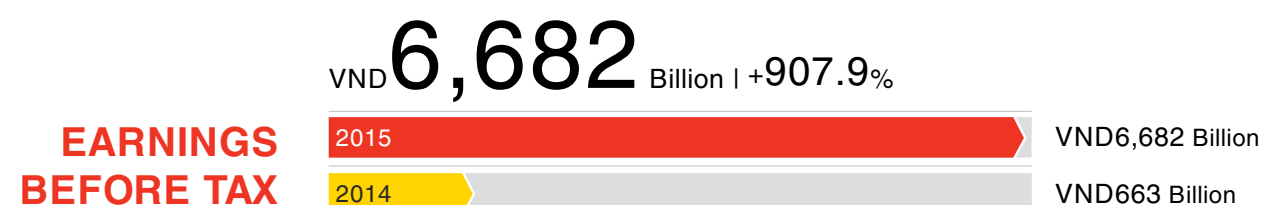
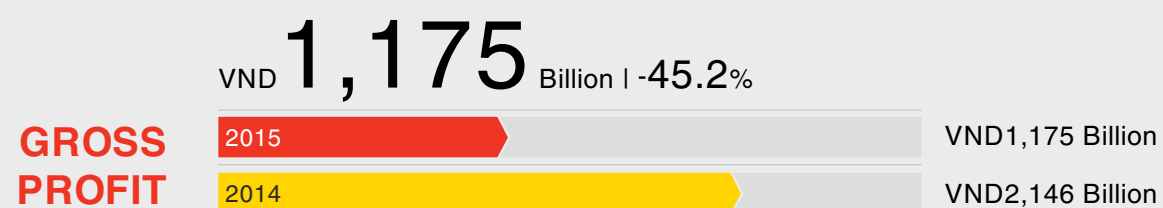
These conditions have facilitated a more sustainable recovery of the economy and therefore spurred higher investment by both the private sector and foreign direct investments. This is illustrated by the peaking of the local business climate index surveyed by the European Chamber of Commerce: the index stayed above 75 throughout the year from its low of 45 during 2012. Total investment increased by 12% to reach 32.6% of GDP compared with 31% in 2014 and 30.4% in 2013 while foreign investors disbursed US\$14.5 billion into the local industries, equivalent to a 17.4% increase.

The macro environment continued to be stable with inflation down to 0.6% year-on-year, the lowest in a decade due to lower commodity prices and falling oil

prices. Low inflation has helped the State Bank maintain its accommodative monetary policy, keeping interest rates steady at a low base. Average lending rate in 2015 stood at 9.5%, also a decade low, which helped to relieve the financial burden and supported consumption by providing meaningful and low cost leverage. Despite this, low inflation and downward price pressure creates concern over incomes. The Ministry of Labor reported an 8% increase in average salary in 2015. The slow rise in incomes is reflected in consumer opinions that are prioritizing savings and investment over consumption in the short-term, resulting in a challenging consumer market. Accordingly, inflation-adjusted retail sales grew by 8.4% in 2015, slightly higher than 8.1% of 2014 but still lower than that the peak in 2011.

Financial Highlights

VND billion	2014	2015	Change	% Change
Net Revenue	4,953	3,140	(1,813)	-36.6%
Gross Profit	2,146	1,175	(971)	-45.2%
Gross Profit Margin	43.3%	37.4%	-6%	-13.6%
Operating Profit/Loss	514	(24)	(537)	-104.6%
Earnings Before Tax	663	6,682	6,019	907.9%
Income Tax	126	1,413	1,287	1,021.4%
Net Income	537	5,269	4,732	881.0%
Net Margin	10.8%	167.8%	157%	1,447.3%
Return on Equity	9.7%	90.4%	81%	832.0%



Financial Performance

Overall operating margins were impacted as we began initial investments into the new products and the Đại Gia Đình brand.

VND **3,140** Billion
NET REVENUE



VND **1,175** Billion
GROSS PROFIT



VND **3,059** Billion
CASH & CASH EQUIVALENTS



Rising competition has created significant challenges for companies in the Food & Flavor space. Last year marked significant changes in our group structure as we completed the Transformative Change and begun focusing on expanding our presence in the ice cream, dairy, noodle, oil and seasoning space. The results were positive. We continued to dominate our positions in single serve ice cream and made meaningful progress by extending our products in the dairy space. The noodle, oil and seasoning products showed good promise as we finished the test phase of the products and begin to move more aggressively in 2016 leveraging our initial successes.

KIDO reached VND3,140 billion in net revenue, with only half year of the confectionery business included. Gross profit for the year was VND1,175 billion, equivalent to gross margin of 37.4%. Excluding the effect of the confectionery consolidation, the results are quite promising with good volume improvements in the ice cream business and only slight impact due to the new products during the initial phases of growth. The formulation and approach have been refined and we anticipate less drag on gross profits as we begin to gain more scale.

Selling expenses were 28.6% revenue compared with 24.5% in 2014. This is primarily due to the expansion of the cold chain for the frozen business. We also began to invest in the Đại Gia Đình brand as part of the positioning of the new products. There were also one-time expenses that included the restructuring costs associated with the confectionery business during the first part of the year.

Financial income was VND6,706 billion during the year, mainly due to the proceeds from the 80% transfer of equity of Kinh Do Binh Duong. Net Profit After Tax reached VND5,269 billion.

The financial position of the company remains solid as the company maintains a strong cash positions with low

VND **4,935** billion in dividends

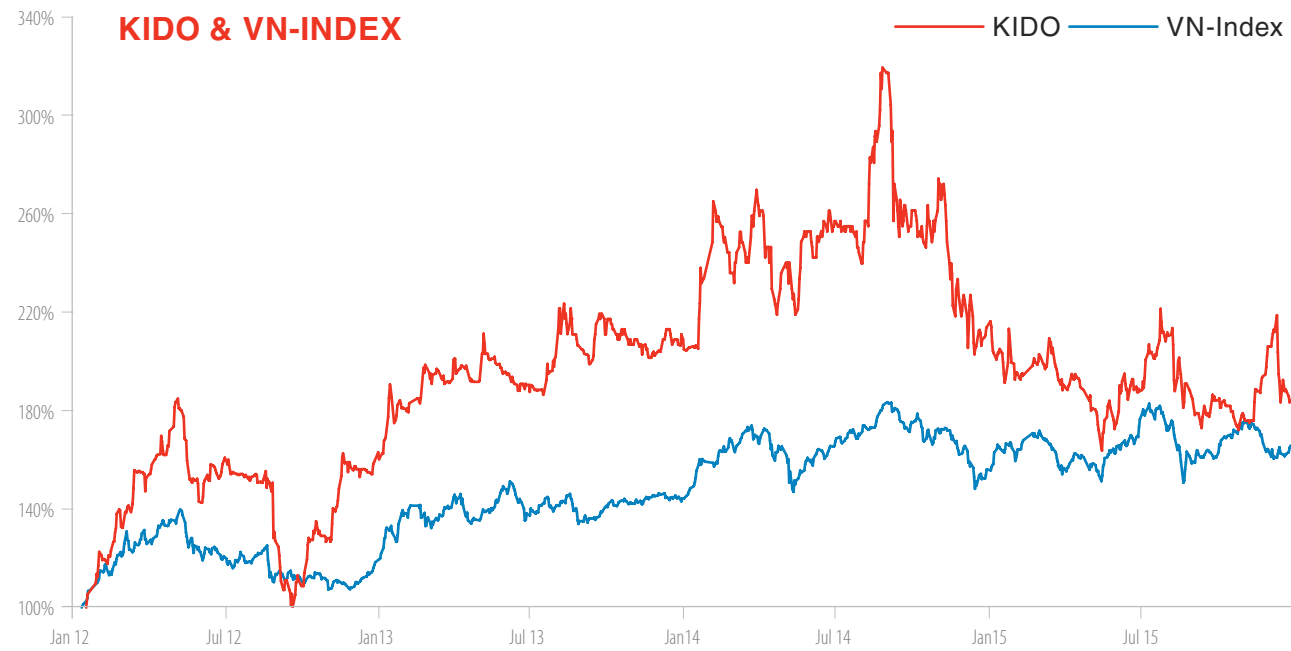
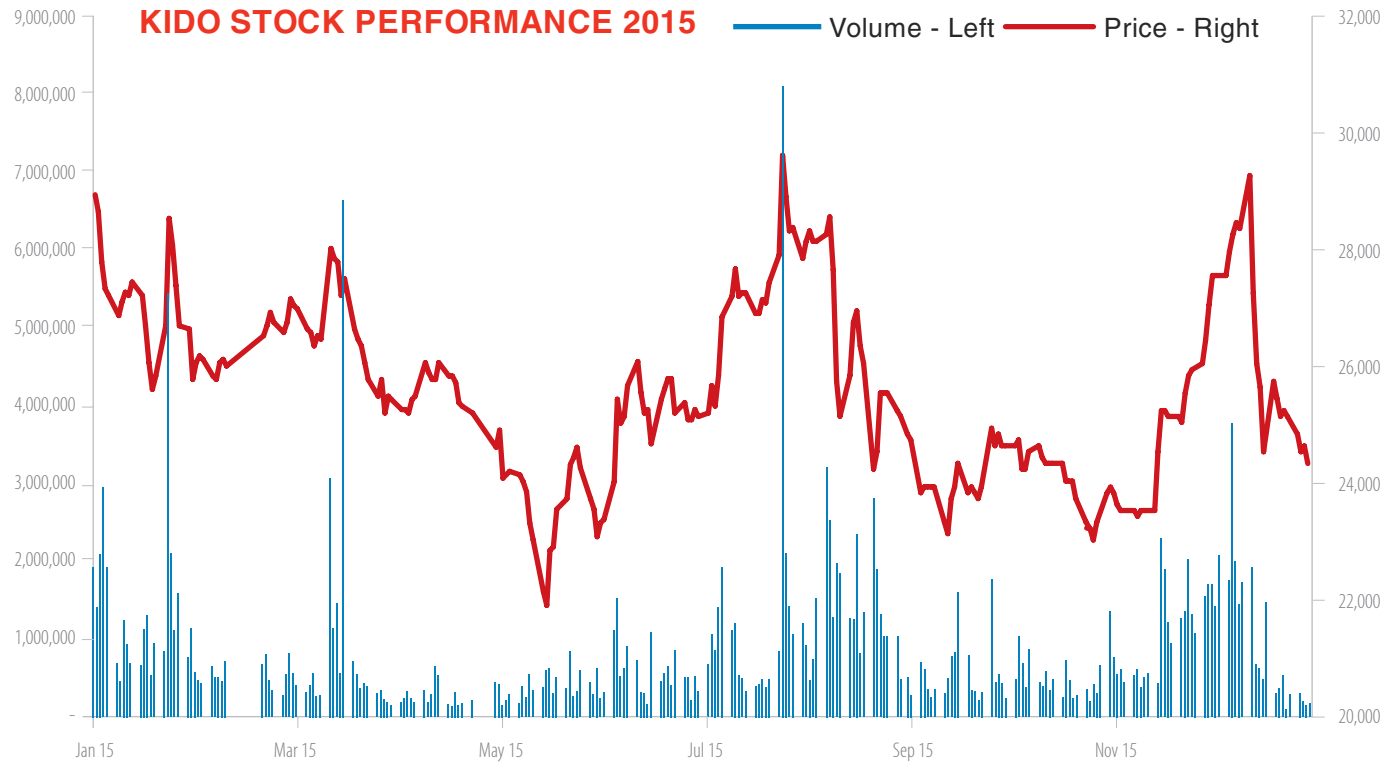
VND **1,322** billion for share buyback



leverage. The company maintains over VND3,000 billion in cash equivalents and bank deposits as at the end of 2015, or 45% of total assets compared with 40% in 2014. The primary expenditures during the year were the one-time cash dividend and share buyback program.

Overall, the company paid out VND 4,935 billion in dividends and used VND1,322 billion for buybacks. The remaining cash balances form an important part of our overall strategy of capital allocation. It will be used to support the growth of the Đại Gia Đình brand and also enter new product categories.

Stock Price Performance



POSITIONING & BRAND VISIONS



From the cool taste of ice-cream, creamy yogurt goodness, to the authentic flavors of instant noodle, seasonings, and cooking oil, KIDO's products have satisfied the needs of Vietnamese consumer throughout the day and found a home in kitchens across Vietnam, bringing happiness and a better life to families.

Leveraging on its extensive marketing experience, in 2015, KIDO introduced a series of initiatives to position and grow our brands, including maintaining and improving our market leading position in ice-cream and dairy while gaining in Food and Flavor business.

POSITIONING THE Đại Gia Đình Brand

 **VISION**
of the Đại Gia Đình brand



 **MISSIONS**
of the Đại Gia Đình brand

A FOOD AND FLAVOR BRAND that brings quality and unique products that are close to the heart of every Vietnamese family.

THE BRAND WITH THE BROADEST PRODUCTS OFFERING to the kitchens and living rooms of 50 millions Vietnamese households, meeting their needs all day long.

IS

THE BRAND THAT CONNECTS THE FAMILY through well prepared home-cooked meals while sharing moments of love.

FAMILY: a family at home, a family at work, a family of friends, and a family of everyone you care about, and share a moment with through a meal.



FACTS
Only 30%-40% of urban Vietnamese families have dinner with all its members. This fact shows a loss of opportunity to share moments of love and enjoy during the meal experience.



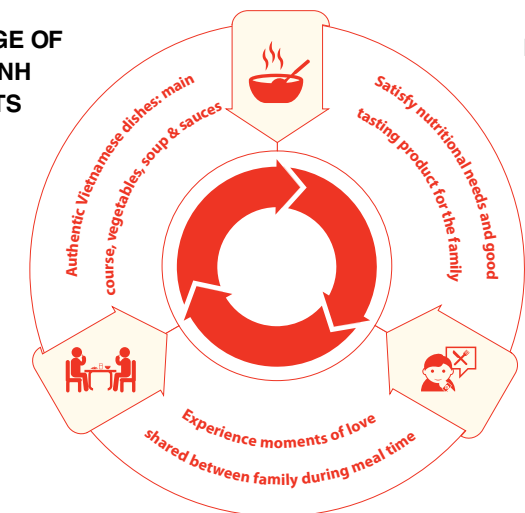
BRAND MISSION
Đại Gia Đình Brand aims to connect the Vietnamese family through meal experiences and moments of love.

THE "ĐẠI GIA ĐÌNH" MEAL

THE ĐẠI GIA ĐÌNH BRAND is committed to connecting the Vietnamese family through home cooked meals while sharing an experience which is defined by love. The meal includes qualitative, healthy, and savory products that are authentic to Vietnamese tastes adding to that modern lifestyle of 50 million Vietnamese consumers. We believe that nothing is more important than the family and nothing is better than a home cooked meal while sharing an experience defined by love.

BROAD RANGE OF ĐẠI GIA ĐÌNH PRODUCTS

PRODUCT VALUE



QUALITY VALUE

Highlights of ĐẠI GIA ĐÌNH PRODUCTS

COMMUNICATION STRATEGY 2015

Two media campaigns for
“FAMILY FIRST, HOME MEAL IS THE BEST” (06/2015) &
“THANK YOU MOM, THE WOMAN OF THE YEAR” (12/2015)
that emphasized two meaningful messages of the family meal;
helping to increase the brand awareness for Đại Gia Đình products
and family values.



Marketing Strategy Report (cont.)

ICE-CREAM DIARY BRANDS POSITIONING

 <p>THE ENDLESS FUN</p> <p>POSITIONING</p> <p>To active teens who like to make friends to share joy and styles to create and discover new things. MERINO is the ice-cream brand that has many delicious flavours that youth likes most. Bringing you ENDLESS FUN alone, with friends or relatives at everywhere and anytime.</p>	 <p>MY STYLE, MY INSPIRATION</p> <p>POSITIONING</p> <p>To active teens and moms, who are stylish and different, wanting to enjoy the busy modern life. CELANO is the brand of premium ice cream that is INSPIRING you, refreshing differently through YOUR STYLE.</p>	 <p>LIVE LIFE FULL</p> <p>POSITIONING</p> <p>To moms with active children, who demand the best for the development of their kids and beauty for themselves. WEL YO is the Yogurt brand that best delivers on this demands.</p>
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HIGHLIGHTS OF ICE-CREAM AND DAIRY PRODUCTS

TASTY ICE-CREAM, JOYFUL MINIONS GIFTS

The biggest promotion campaign of the year for our ice-cream business was the "Tasty ice-cream, joyful Minions gifts" which featured the Minion characters from the Hollywood Illumination Studio "Minions" (2015). The campaign was deployed for Merino and Celano products which featured the Minion characters and linked with several TV appearances and summer parties.



<p>15,000 people attended Minions Summer Party</p>	<p>2.5 MILLION views on digital channels</p>	<p>14,873 TV appearances on TV and cinemas</p>	<p>115,000 likes and shares on social media</p>
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(Source: TVC media placement and Facebook report 2015).

FAN PAGE FOR THE CHARACTER ICE-CREAM & BEAR

The Merino brand features two characters Ice-Cream & Bear which targets teenagers through its' colorful, youthful and original design. The character is a good fit with the Merino brand and was created to cater to the younger consumers. The fan page for Ice Cream & Bear has reached 115,000 likes and shares with provides a strong interactive experience with consumers.



CELANO SWEETIE



WEL YO ICE YOGURT

Wel Yo ice yogurt was inspired by the idea "childhood snacks" and was initially launched in early 2015 with great success. The launch started with three flavours: Tự nhiên (Natural), Cam

(Orange), Chanh Dây (Passion) and was expanded 6 more flavours so far which include Mít (Jack-fruit), Thơm Dứa (Pineapple) and Vải (Lychee), Xoài (Mango), Chanh (Lemon), Dưa Lưới (Lemon Dew).



New **FOUNDATION** built on the strengthened platform

For the new phase of growth, we leverage our expertise and accelerate investment in our platform to make KIDO a simpler, more flexible, and capable of expansion and global reach.



KIDO views each stakeholder as a customer, including consumers of our products, suppliers to our business, distributors, retailers, investors and employees.

POLICY FOUNDATION

We recognize that each group of stakeholders is not mutually exclusive and, therefore, it is critical for us to be consistent in our communication to them to ensure that all parties understand our strategic orientation and direction.

We always ensure that our corporate activities and initiatives meet the expectation of different groups of stakeholders and to enable us to meet the dynamics of a constantly changing business environment. Therefore, we prioritize the need to enhance the corporate governance structure and as a result our management capability. This will enable us to build trust through transparency and social responsibility with our stakeholders.

FEATURES OF OUR CORPORATE GOVERNANCE STRUCTURE

KIDO has undergone a significant transformation over the last six years and throughout the process our goal has been to create a strong foundation of systems and processes to execute and deliver sustainable business results. Thus, we have put foremost the mission to simplify our corporate structure to improve corporate transparency and enable efficiency enhancements across all activities.

We have also adopted a cross functional Executive Management Committee (EMC) structure that has helped to improve communication across the group and facilitate fast and timely decision making. This cross-functional structure relies on transparency between functions and throughout the group to facilitate discussion and decision making that enhance efficiency.

We have already introduced Strategic Business Units operational model for some time to manage the commercial aspects of our business.

However, after the most recent restructuring SBUs now report directly to the EMC and we have also aligned the SBUs within the Corporate Companies (Business Units) to better align responsibility with accountability.

BOARD OF DIRECTORS

The Board of Directors consists of nine directors, including three independent members. Independent directors are chosen from a pool of candidates that are screened based on their experience and background.



Corporate Governance (cont.)

MEETINGS OF THE BOARD OF DIRECTORS

No.	Board Director	Attendance	% Attendance
1	Tran Kim Thanh	8/8	100%
2	Tran Le Nguyen	8/8	100%
3	Vuong Buu Linh	8/8	100%
4	Vuong Ngoc Xiem	8/8	100%
5	Wang Ching Hua	8/8	100%
6	Tran Quoc Nguyen	8/8	100%
7	Nguyen Gia Huy Chuong	8/8	100%
8	Nguyen Van Thuan	8/8	100%
9	Nguyen Duc Tri	8/8	100%

BOARD OF DIRECTOR MEETING CONTENTS

No.	Date	Meeting Agenda
1	01/26/2014	Approve the plan to seek shareholder resolution in written form
2	02/02/2015	Approve the tender offer for Vocarimex
3	04/14/2015	Approve the first payment of 2014 dividend
4	06/11/2015	Approve the meeting agenda for the 2015 annual general meeting of shareholders
5	07/27/2015	Approve special dividend of VND20,000/share
6	09/22/2015	Approve the share buyback of 40 million shares
7	09/24/2015	Approve amendment to the overall share buyback program
8	10/13/2015	Approve the share buyback of 29.5 million shares, replacing the approved plan of 40 million shares.

RESOLUTIONS OF THE BOARD OF DIRECTORS

No.	Resolution No.	Date	Content
1	01/2015/NQ - HDQT	01/26/2014	Ex-right date for shareholder resolution in written form
2	02/2015/NQ - HDQT	02/02/2015	Tender offer for Vocarimex
3	03/2015/NQ - HDQT	04/14/2015	First payment of 2014 dividend
4	04/2015/NQ - HDQT	06/11/2015	Agenda for the 2015 annual general meeting
5	05/2015/NQ - HDQT	07/27/2015	Special dividend of VND20,000/share
6	19/2015/NQ - HDQT	09/22/2015	Share buyback of 40 million shares
7	22/2015/NQ - HDQT	09/24/2015	Amendment to the overall share buyback program
8	24/2015/NQ - HDQT	10/13/2015	Share buyback of 29.5 million shares in replacement of the previously approved plan of 40 million shares.

BOARD OF DIRECTORS' ACTIVITIES TOWARD BOARD OF MANAGEMENT

The Board of Director closely supervised the management through quarterly reports of Board of Management in quarterly meetings.

BOARD OF DIRECTOR'S COMMITTEES ACTIVITIES

Until the end of 2015, KIDO Group has not formed any board committee.



RISK MANAGEMENT INTERNAL CONTROL PROCESS

The SBU's and BU's conduct ongoing risk identification which is then consolidated at the Risk Management Sub-Committee to monitor risks across the group.



These reports are presented to the EMC who discusses and deliberates on the potential impact and probability in order to determine which ones need to be addressed.

Risk factors are categorized through a grading system from Unlikely to Highly Probably and scored against potential impact that ranges from Marginal to Major with potential monetary values assigned. If a potential risk factor is identified to have the likelihood of "Probable" and with a potential impact of Significant, it is sent to the Risk Management Sub-Committee to work with Internal Control to come up with a control activity to monitor and mitigate the risk. For all risk and impact levels that have control activities created around them, they are returned to the SBU's and BU's to continue to monitor the situation to ensure that any increase or change is promptly reported to the Sub-Committee.

These policies and procedures are updated into our management system and made available on the company intranet. The Internal Control department will follow up to audit the process and review its implementation on a regular basis.

On an annual basis, controls and risk management monitoring systems are audited by internal control and any changes needed are implemented following the audit. Post reviews, new policies are adopted and implemented and the cycle starts again to ensure that risk management is active vs. passive in nature which is more suitable for a dynamic business environment like Vietnam.

STRATEGIC RISKS

Growth in the consumer goods space (particularly in the food and beverage category) is highly dependent on consumer spending, sentiment and confidence.

MACRO-ECONOMIC, SOCIO-POLITICAL AND REGULATORY RISKS

Economic downturns and socio-political issues negatively impact consumer spending as individuals reduce discretionary spending. KIDO monitors the regional economic and socio-political environment closely to anticipate changes in consumer sentiment. We also maintain conservative policies in product purchasing, working capital management and cost controls to ensure sensitivity to demand changes are minimized.

and also processes to deliver those products to market. The mitigation here is that we have created a robust platform that we believe has the ability to plug and play.

DEPENDENCY RISK

Risk associated with a dependence on a particular supplier, customer, business partner, or product. An over reliance on a particular supplier, customer or product makes KIDO vulnerable to sales reductions and margin pressures. To mitigate this risk, KIDO works with a broad network of suppliers both domestically and internationally to ensure not only stability in the supply chain but also the best quality. KIDO manages the distribution network in the same manner, ensuring that no one customer in any geography is over 10% of our total sales volume.

In addition, the strength and loyalty of our networks has given us the ability to minimize the execution risk in and around new product/category launches.

CONSUMER DEMAND RISK

Being able to anticipate changes in consumer sentiment and demand is a critical success factor and failure to do so represents a significant risk to KIDO. In order to mitigate this, KIDO leverages its Value Creation process in order to proactively manage the feedback process in order to minimize the risk of consumer demand risk.

EXECUTION RISK

The recent shift of KIDO's strategic direction has the potential to increase execution risk as we add new products



Key Risk Factors (cont.)

Having strong retailer and distributor relationships is a critical success factor for ensuring product reach, penetration and sales growth.

OPERATIONAL RISKS

CUSTOMER RELATIONSHIP RISK

Failure to maintain these relationships represents a potential risk factor to KIDO and in order to mitigate this, we are committed to delivering outstanding customer service which is supported by our technological infrastructure that enables us to connect closer to our value chain downstream. This includes the ability to monitor inventory levels, sales process, and also consumer feedback; creating a robust system that enhances customer relationships.

VOLATILITY OF RAW MATERIAL PRICES

Changes in raw material prices pose a significant risk to our profitability and margins.

In order to mitigate this risk, we share the responsibility of managing this risk with our suppliers. We provide them with a clear forward looking materials demand plan and secure fixed pricing for a period of time in order to have stability and certainty in our production costs.

COMMODITY PRICE RISK FINANCIAL RISK

CURRENCY RISKS

Currency risks are a direct result of our foreign exchange inflows and also foreign exchange denominated

borrowing. To the extent possible, we ensure a natural hedge to ensure that the inflows are sufficient to cover the outflows of US dollar in order to mitigate the currency risks. When that is not possible, KIDO will hedge USD exposure as it is created.

FINANCING AND LIQUIDITY RISKS

Changes in the global and regional financial markets may have a significant impact on interest rates, which may lead to risks associated to profitability, liquidity and financing. In order to mitigate this risk, we actively monitor the markets and also the duration of our debt positions to ensure that we have enough cash flows and cash balances to meet our obligations.

In the event that markets contract and liquidity is scarce, causing rates to rise, we reduce our debt positions using our cash balances and supplement working capital financing with cash on hand.



CORPORATE  Social
Responsibility
AS ONE OF OUR COMPANY'S
CORE VALUES

Our Vision

THROUGHOUT THE HISTORY OF
DEVELOPMENT

KIDO Group has considered
**CORPORATE SOCIAL
RESPONSIBILITY**
as one of our company's core values.

“Our entire team has put forward our best efforts to achieve this in all of our day-to-day operations, from manufacturing, product development, to employee welfare and social contribution.

Such efforts have been manifested in our safe and high-quality products, dedicated and trustworthy sales service, as well as timely support for natural disaster victims, sponsoring eye surgeries and health insurance cards for the poor, Tết's gifts to the orphans, support for educational programs and talent development, and the list goes on. All of these are proof of our strong commitment to the community and society, which has helped us establish trust with our partners, improve customer satisfaction, maintain solid relation with suppliers and gain consumer's confidence.



Our Commitments

PRODUCT QUALITY

To KIDO, the definition of product quality entails producing not only tasty but also healthy products for consumers. By continuously searching for stable sources of raw materials that are safe and of high quality, as well as putting investment in R&D, we have been making many new outstanding products that are delicious, healthy and nutritious to meet and exceed the rising expectations of consumers.

SUSTAINABILITY

KIDO believes that an organization will only be able to have sustainable growth when operating in a sustainable environment. We have always emphasized awareness in abiding by the requirements for producing environmentally-friendly products. Our effort in protecting the environment has been recognized and praised by local authorities and local community.

- ✓ Operations management in accordance with international standards such as ISO 14001-2005, OHSAS 18001-2008, ISO 9001-2008, ISO 22000-2010...
- ✓ Aligning environmental protection standards to the KPIs of each individuals; regular training for employees to develop awareness about the environment and practice environmental incidents response drills.
- ✓ Strictly observing environmental protection regulations and standards (maintaining grade-A waste water, good environmental monitoring, eco-friendly fuel such as diesel or natural gas with low levels of pollutants, investing in inverters for high-power equipment, replacing lighting equipment by solar-powered LED lights, reducing waste water and reusing processed waste water, etc.)

SOCIAL CONTRIBUTION

Proud success of KIDO is not only reflected in the positive financial performance with sustainable growth but also in having been able to create a positive impact on society, having ongoing trust and support from partners, shareholders, consumers and employees throughout our journey.

Consumers trust and use products of KIDO because we have always proved ourselves as high quality and society responsibility through our active participation in community service and contribution for a better society. Partners and investors believe in KIDO because we always operate with ethics as a core value.



Corporate Social Responsibility (cont.)

Corporate SOCIAL ACTIVITIES IN 2015

6 In 2015, KIDO Group contributed more than VND6.7 billion to the Community

VND 750 MILLION FOR TẾT CELEBRATION TO THE CHILDREN AND LOW-INCOME HOUSEHOLDS

In January and February 2015, KIDO in association with Red Cross Ho Chi Minh City, Ho Chi Minh City Women Charity Organization, Veteran Association, Vu A Dinh Scholarship Fund and other organizations, visited and presented 5,000 gifts to poor children and households, teachers and students, ethnic people living in provinces of border areas such as Kien Giang, Kon Tum, Binh Phuoc, etc.

In addition, Management of KIDO together with the Fatherland Front Committee of Ho Chi Minh City visited and donated cash and gifts to underprivileged kids, disabled and elderly in 11 centers and nursing homes in Ho Chi Minh City and Binh Duong Province.

VND 2 BILLION TO "BUILD A BRIDGE" CAMPAIGN IN SOUTH-WESTERN AREA

KIDO and its employees have contributed VND2 billion for replacing poorly constructed makeshift bridges with concrete ones, as part of "Build a Bridge" campaign. After careful investigation, design and construction procedures, five bridges in total have been completed and open for use: Mot Thuoc Bridge, Sinh Chanh 1&2 Bridge, Loi Trinh Bridge (Tien Giang Province), Thuy Tan Bridge (Ca Rang Point) and TD 15-7 Bridge (Long An Province).

2,000 HEALTH INSURANCE CARDS WORTH VND500 MILLION TO POOR HOUSEHOLDS IN HO CHI MINH CITY

At the beginning of 2015, KIDO and the Sponsoring Association for Poor

Patients gave 2,000 health insurance cards to the poor households in District 4, Tan Binh District and Tan Phu District. This has been our annual activity since 2010 during our 18 years of cooperation with the Sponsoring Association for Poor Patients in community service.

VND100 MILLION AND A TOTAL OF 500 BOXES OF ĐẠI GIA ĐÌNH NOODLE TO QUANG NINH PEOPLE

By the end of July 2015, people in Quang Ninh province severely suffered from the losses inflicted by the historic floods. Together with Provincial Youth Committee of Quang Ninh Province, KIDO provided immediate support by donating VND100 million of cash and 500 boxes of Đại Gia Đình instant noodle to the flood victims.

VND 3 BILLION SPONSORING "VIETNAM MISS UNIVERSITY 2015"

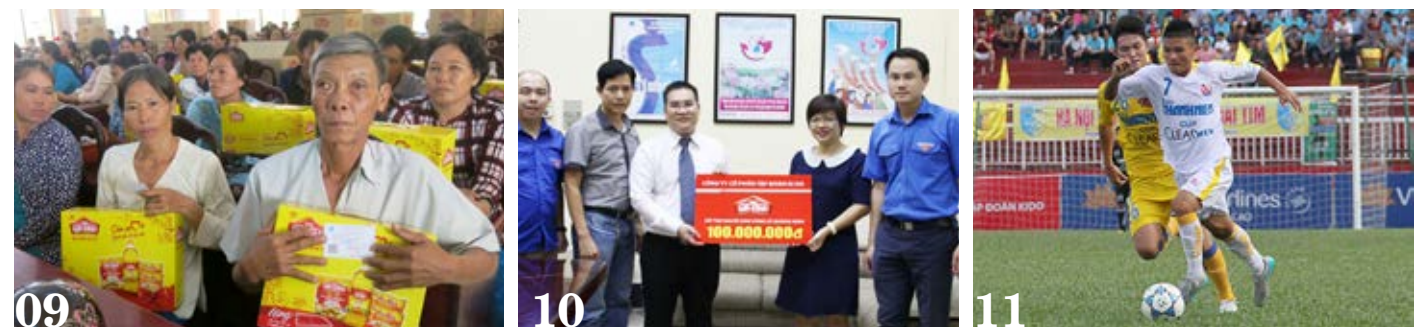
For the third consecutive year, KIDO provided sponsorship to "Vietnam Miss University" contest in 2015 as a way to create more opportunities for female students all over the nation.

OTHER ACTIVITIES

500 gifts to the households in need in District 4 (Ho Chi Minh City); Sponsoring U21 National Football Cup (Thanh Nien Newspaper); jointly with Enterprise Association giving 700 gifts to ethnic minorities people in Gia Lai Province; VND200 million to renovate Trieu Hoa town's health station (Quang Tri Province); VND100 million to build Tinh Cach village's communal house (Hai Duong Province), and so on.



1. Inauguration and handover of Mot Thuoc Bridge.
2. Inauguration of Thuy Tan Bridge in Thanh Hoa, Long An.
3. Inauguration of TD 15-7 Bridge.
4. KIDO contributed to the Foundation for the Poor by HCM Fatherland Front
- 5,9. KIDO gave out 2,000 gift sets and health insurance cards for the poor families.
- 6,7,8. KIDO sponsored the poor in remote areas.
10. KIDO donated to help the flood victims in Quang Ninh.
11. KIDO sponsored U21 National Football Contest.



Commitment to new **GROWTH**

We are committed to identifying and capitalizing on new growth opportunities in the Food & Flavor categories. We aim to achieve sustained growth in these areas by leveraging our platform, people and products.



GENERAL INFORMATION

THE COMPANY

KIDO Group Corporation, formerly known as Kinh Do Corporation, (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate (“BRC”) No. 4103001184 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City on 6 September 2002 and the subsequent amended BRCs.

The Company’s shares were listed on the Ho Chi Minh Stock Exchange in accordance with the License No. 39/UBCK-GPNY issued by the State Securities Commission on 18 November 2005.

The current principal activities of the Company are to wholesale of food products; sell and purchase agricultural products and foods.

The Company’s head office of the Company is located at No 138 - 142 Hai Ba Trung, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr Tran Kim Thanh	Chairman
Mr Tran Le Nguyen	Vice Chairman
Mr Wang Ching Hua	Member
Ms Vuong Buu Linh	Member
Ms Vuong Ngoc Xiem	Member
Mr Tran Quoc Nguyen	Member
Mr Nguyen Van Thuan	Member
Mr Nguyen Gia Huy Chuong	Member
Mr Nguyen Duc Tri	Member

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Mr Luong Quang Hien	Head	appointed on 26 June 2015
Mr Le Cao Thuan	Head	resigned on 26 June 2015
Ms Luong My Duyen	Member	
Mr Vo Long Nguyen	Member	

MANAGEMENT

Members of the management during the year and at the date of this report are:

Mr Tran Le Nguyen	General Director
Ms Vuong Buu Linh	Deputy General Director
Ms Vuong Ngoc Xiem	Deputy General Director
Mr Wang Ching Hua	Deputy General Director
Mr Nguyen Xuan Luan	Deputy General Director
Mr Mai Xuan Tram	Deputy General Director
Mr Bui Thanh Tung	Deputy General Director
Mr Tran Quoc Nguyen	Deputy General Director
Mr Tran Quoc Viet	Deputy General Director
Mr Tran Tien Hoang	Deputy General Director
Mr Kelly Yin Hon Wong	Deputy General Director
Mr Ma Thanh Danh	Deputy General Director
Ms Nguyen Thi Xuan Lieu	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Tran Kim Thanh. Mr Tran Le Nguyen is authorized by Mr Tran Kim Thanh to sign the accompanying consolidated financial statements for the year ended 31 December 2015.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

Management of KIDO Group Corporation, formerly known as Kinh Do Corporation, ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2015.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, 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 consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2015, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of management:



Tran Le Nguyen
General Director

29 March 2016

Reference: 60752643/17794978-HN

To: The Shareholders of KIDO Group Corporation

We have audited the accompanying consolidated financial statements of KIDO Group Corporation, formerly known as Kinh Do Corporation, and its subsidiaries (collectively referred to as "the Group") as prepared on 29 March 2016 and set out on pages 72 to 115 which comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement and consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

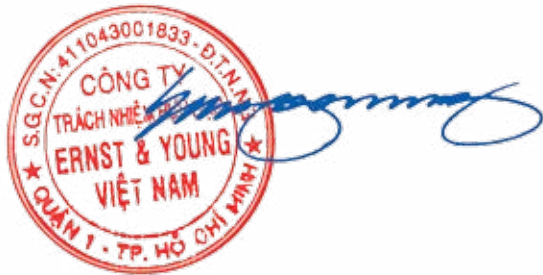
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (Cont.)

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2015, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited



Ernest Yoong Chin Kang
Deputy General Director
Audit Practicing Registration Certificate
No.1891-2013-004-1

Ho Chi Minh City, Vietnam

29 March 2016

Doan Thi Thu Thuy
Auditor
Audit Practicing Registration Certificate
No.1070-2013-004-1

B01 - DN/HN

CONSOLIDATED BALANCE SHEET

as at 31 December 2015

		VND		
Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		4,093,457,988,546	4,303,376,822,799
110	I. Cash and cash equivalents	5	1,151,036,779,095	2,467,177,548,607
111	1. Cash		120,536,779,095	621,395,548,607
112	2. Cash equivalents		1,030,500,000,000	1,845,782,000,000
120	II. Short-term investments	13.1	1,908,782,914,101	700,100,705,600
121	1. Held-for-trading securities		3,953,207,644	8,299,143
122	2. Provision for held-for-trading securities		(268,293,543)	(5,593,543)
123	3. Held-to-maturity investments		1,905,098,000,000	700,098,000,000
130	III. Current accounts receivable	6	893,540,890,433	768,190,237,623
131	1. Short-term trade receivables		239,150,094,374	179,621,469,269
132	2. Short-term advances to suppliers		78,210,591,658	48,574,973,685
135	3. Short-term loan receivables		8,000,000,000	8,000,000,000
136	4. Other short-term receivables		591,097,167,264	543,211,380,882
137	5. Provision for doubtful short-term receivables		(22,916,962,863)	(11,217,586,213)
140	IV. Inventories	7	94,935,620,376	333,740,449,970
141	1. Inventories		95,435,479,673	345,171,757,188
149	2. Provision for obsolete inventories		(499,859,297)	(11,431,307,218)
150	V. Other current assets		45,161,784,541	34,167,880,999
151	1. Short-term prepaid expenses	8	7,682,949,541	19,009,034,891
152	2. Value-added tax deductible		36,547,776,266	13,217,668,176
153	3. Tax and other receivables from the State	15	931,058,734	1,941,177,932
200	B. NON-CURRENT ASSETS		2,630,651,053,841	3,572,499,687,664
210	I. Long-term receivables	9	27,173,813,506	33,887,914,522
212	1. Long-term advance to supplier		19,604,707,562	20,754,707,562
216	2. Other long-term receivables		7,569,105,944	13,133,206,960
220	II. Fixed assets		662,259,512,810	1,590,504,825,269
221	1. Tangible fixed assets	10	260,223,477,234	943,619,841,486
222	Cost		434,244,877,646	1,903,912,064,965
223	Accumulated depreciation		(174,021,400,412)	(960,292,223,479)
227	2. Intangible assets	11	402,036,035,576	646,884,983,783
228	Cost		439,243,824,854	778,091,532,845
229	Accumulated amortization		(37,207,789,278)	(131,206,549,062)
230	III. Investment property		-	18,871,519,542
231	1. Cost		-	34,524,970,816
232	2. Accumulated depreciation		-	(15,653,451,274)
240	IV. Long-term assets in progress		86,912,543,211	22,878,158,403
242	1. Construction in progress	12	86,912,543,211	22,878,158,403
250	V. Long-term investments		1,740,600,933,084	1,480,145,599,984
252	1. Investments in associates and a jointly controlled entity	13.2	1,736,233,933,084	1,471,505,599,984
253	2. Investment in other entity	13.3	4,367,000,000	8,640,000,000
260	VI. Other long-term assets		113,704,251,230	426,211,669,944
261	1. Long-term prepaid expenses	8	83,911,151,926	109,761,473,819
262	2. Deferred tax assets	27.3	29,793,099,304	35,823,601,560
269	3. Goodwill	4.3	-	280,626,594,565
270	TOTAL ASSETS		6,724,109,042,387	7,875,876,510,463

CONSOLIDATED BALANCE SHEET (Cont.)

as at 31 December 2015

B01 - DN/HN

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		1,358,536,776,057	1,588,185,320,865
310	I. Current liabilities		1,302,221,009,501	1,535,881,366,903
311	1. Short-term trade payables	14	148,144,817,026	278,038,773,915
312	2. Short-term advances from customers		4,272,596,174	37,066,122,475
313	3. Statutory obligations	15	862,351,636,378	50,654,459,117
314	4. Payables to employees		28,315,019,674	72,187,442,899
315	5. Short-term accrued expenses	16	100,106,352,319	309,731,144,714
318	6. Short-term unearned revenues		742,424,242	-
319	7. Other short-term payables	17	16,419,606,267	186,263,372,486
320	8. Short-term loans	18.1	116,390,507,109	553,318,491,711
322	9. Bonus and welfare fund		25,478,050,312	48,621,559,586
330	II. Non-current liabilities		56,315,766,556	52,303,953,962
337	1. Other long-term liabilities		10,190,291,846	13,263,005,860
338	2. Long-term loans	18.2	36,500,000,000	-
342	3. Other long-term provisions		9,625,474,710	39,040,948,102
400	D. OWNERS' EQUITY	19	5,365,572,266,330	6,287,691,189,598
410	I. Capital		5,365,572,266,330	6,287,691,189,598
411	1. Share capital	19.1	2,566,533,970,000	2,566,533,970,000
411a	- Shares with voting rights		2,566,533,970,000	2,566,533,970,000
412	2. Share premium	19.1	3,192,083,261,700	3,274,294,092,589
415	3. Treasury shares	19.1	(1,958,652,945,062)	(805,826,191,900)
418	4. Investment and development fund	19.1	51,162,916,267	51,162,916,267
420	5. Other funds belonging to owners' equity	19.1	15,909,752,661	15,909,752,661
421	6. Undistributed earnings		1,398,947,279,604	1,084,533,422,015
421a	- Accumulated undistributed earnings up to the end of prior year		-	548,087,782,906
421b	- Undistributed earnings of the current year		1,398,947,279,604	536,445,639,109
429	7. Non-controlling interests	19.6	99,588,031,160	101,083,227,966
440	TOTAL LIABILITIES AND OWNERS' EQUITY		6,724,109,042,387	7,875,876,510,463

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2015

B02 - DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	20.1	3,234,107,464,606	5,125,718,821,077
02	2. Deductions	20.1	(93,982,717,729)	(181,648,371,391)
10	3. Net revenue from sale of goods and rendering of services	20.1	3,140,124,746,877	4,944,070,449,686
11	4. Cost of goods sold and services rendered	21	(1,964,677,341,321)	(2,806,830,526,554)
20	5. Gross profit from sale of goods and rendering of services		1,175,447,405,556	2,137,239,923,132
21	6. Finance income	20.2	6,706,586,247,768	144,327,090,430
22	7. Finance expenses	22	(90,894,051,049)	(26,185,496,926)
23	<i>In which: Interest expense</i>		<i>(21,787,939,086)</i>	<i>(20,731,742,626)</i>
24	8. Shares of profit of joint venture and associate	13.2	132,729,226,486	-
25	9. Selling expenses	23	(897,210,836,169)	(1,206,020,159,379)
26	10. General and administrative expenses	24	(350,964,178,986)	(417,538,749,182)
30	11. Operating profit		6,675,693,813,606	631,822,608,075
31	12. Other income	26	11,148,941,897	53,342,742,087
32	13. Other expenses	26	(4,540,604,033)	(22,206,887,935)
40	14. Other profit	26	6,608,337,864	31,135,854,152
50	15. Profit before tax		6,682,302,151,470	662,958,462,227
51	16. Current income tax expense	27.1	(1,414,098,973,037)	(121,010,750,584)
52	17. Deferred tax income (expense)	27.1	1,479,650,345	(4,823,411,040)
60	18. Net profit after tax		5,269,682,828,778	537,124,300,603
61	19. Net profit after tax attributable to shareholders of the parent		5,269,944,960,501	536,445,639,109
62	20. Net (loss) profit after tax attributable to non-controlling interests	19.6	(262,131,723)	678,661,494
70	21. Basic earnings per share	19.5	22,581	2,296
71	22. Diluted earnings per share	19.5	22,581	2,296

Tran Minh Nguyet
Preparer

Nguyen Thi Oanh
Chief Accountant

Tran Le Nguyen
General Director

Tran Minh Nguyet
Preparer

Nguyen Thi Oanh
Chief Accountant

Tran Le Nguyen
General Director

29 March 2016

29 March 2016

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2015

B03 - DN/HN

VND

Code	ITEMS	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Profit before tax		6,682,302,151,470	662,958,462,227
	<i>Adjustments for:</i>			
02	Depreciation and amortization		174,976,445,311	228,177,812,126
03	Provisions		12,072,052,844	(3,645,632,092)
04	Foreign exchange differences arisen from revaluation of monetary accounts denominated in foreign currency		(226,608,917)	1,088,936,313
05	Profits from investing activities		(6,800,099,171,435)	(164,123,838,658)
06	Interest expense	22	21,787,939,086	20,731,742,626
08	Operating profit before changes in working capital		90,812,808,359	745,187,482,542
09	(Increase) decrease in receivables		(271,186,392,163)	256,401,523,404
10	Decrease (increase) in inventories		31,715,749,858	(27,541,874,716)
11	Increase in payables		127,127,690,448	223,307,678,845
12	Decrease in prepaid expenses		2,848,141,549	4,101,698,273
13	Increase in held-for-trading securities		(3,944,908,501)	-
14	Interest paid		(23,078,866,372)	(21,282,447,042)
15	Corporate income tax paid		(81,862,133,219)	(133,990,327,246)
17	Other cash outflows for operating activities		(27,085,699,862)	(24,120,482,181)
20	Net cash flows (used in) from operating activities		(154,653,609,903)	1,022,063,251,879
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase and construction of fixed assets		(226,856,370,191)	(68,551,321,859)
22	Proceeds from disposals of fixed assets		13,361,223,668	34,756,383,243
23	Loans to other entities and term bank deposits		(1,935,000,000,000)	(986,000,000,000)
24	Collections from borrowers and term bank deposits		730,000,000,000	321,700,000,000
25	Payments for investments in other entities		(93,020,570,683)	(888,517,220,554)
26	Proceeds from sale of investments in other entities		7,299,890,797,742	13,803,141,557
	Tax paid for disposal of investments		(500,000,000,000)	-
27	Dividends and interest received		177,726,288,982	490,438,131,635
30	Net cash flows from (used in) investing activities		5,466,101,369,518	(1,082,370,885,978)

VND

Code	ITEMS	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Issuance of shares		-	1,820,236,643,412
32	Purchase of treasury shares		(1,322,183,110,162)	(483,843,631,000)
33	Borrowings received	18	1,783,168,184,628	1,091,009,194,315
34	Borrowings repaid	18	(2,153,596,169,230)	(1,479,176,474,561)
36	Dividends paid to equity holder of the parent company	19.4	(4,935,049,035,030)	(378,105,677,007)
	Dividends paid to non-controlling interests	19.6	(92,001,259)	(920,240,481)
40	Net cash flows (used in) from financing activities		(6,627,752,131,053)	569,199,814,678
50	Net (decrease) increase in cash and cash equivalents		(1,316,304,371,438)	508,892,180,579
60	Cash and cash equivalents at beginning of year	5	2,467,177,548,607	1,958,064,548,124
61	Impact of exchange rate fluctuation		163,601,926	220,819,904
70	Cash and cash equivalents at end of year	5	1,151,036,779,095	2,467,177,548,607

Tran Minh Nguyet
Preparer

Nguyen Thi Oanh
Chief Accountant



Tran Le Nguyen
General Director

29 March 2016

1. CORPORATE INFORMATION

The Group consists of KIDO Group Corporation ("KIDO" or "the Company") and its subsidiaries, associates and a jointly controlled entity as follows:

Company

KIDO Group Corporation, formerly known as Kinh Do Corporation, is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 4103001184 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 6 September 2002 and the subsequent amended BRCs.

The Company's shares were listed on the Ho Chi Minh Stock Exchange in accordance with the License No. 39/UBCK-GPNY issued by the State Securities Commission on 18 November 2005.

The current principal activities of the Group are to wholesale food products; sell and purchase agricultural products and foods, industrial products, and fabric; produce and trade all kinds of food and drink products such as ice, ice cream, milk and other dairy products; and to operate in the real estate industry.

The Company's head office is located at No. 138 - 142 Hai Ba Trung, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

The number of the Group's employees as at 31 December 2015 was 1,293 (31 December 2014: 7,318).

Subsidiaries

KIDO Company Limited ("KIDO")

KIDO holds a 100% equity interest in KIDO which is a one member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4103001557 issued by the DPI of Ho Chi Minh City on 14 April 2003, as amended. The registered head office and factory of KIDO are located at Cu Chi Northwest Industrial Park, Cay Sop Village, Tan An Hoi Ward, Cu Chi District, Ho Chi Minh City, Vietnam.

Tan An Phuoc Company Limited ("TAP")

KIDO holds a 80% equity interest in TAP which is a limited liability company with two and more members incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0309403269 issued by the Ho Chi Minh City Department of Planning and Investment on 24 September 2009. The registered office of TAP is located at No. 6/134 National Road No. 13, Hiep Binh Phuoc Ward, Thu Duc District, Ho Chi Minh City, Vietnam.

Hanoi Trading and International Cooperation ("HTIC")

KIDO holds a 75,73% equity interest in HTIC which is currently a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0103000347 issued by the DPI of Ha Noi City on 11 May 2001. The registered office of HTIC is located at No 534 - 536, Bach Mai Street, Truong Dinh Ward, Hai Ba Trung District, Ha Noi, Vietnam.

KIDO Trading and Service Company Limited ("KDT")

KIDO holds a 100% equity interest in KDT which is one member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0313172800 issued by the DPI of Ho Chi Minh City on 23 March 2015. The registered head office of KDT is located at 11th Floor, Empress Tower, No 138 - 142 Hai Ba Trung, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

1. CORPORATE INFORMATION (continued)

Subsidiaries (continued)

KIDO Food Company Limited ("KDF")

KIDO holds a 100% equity interest in KDF, which is a one member limited liability incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0106681285 issued by the DPI of Hanoi City on 3 November 2014 and the subsequent amended BRCs. The registered head office of KDF is located at 10th Floor, Vinaconex Tower, No. 34 Lang Ha, Lang Ha Ward, Dong Da District, Hanoi, Vietnam.

Associates

Vietnam Vegetable Oils Industry Corporation ("Vocarimex")

KIDO holds a 24% equity interests in Vocarimex, originally a State-owned enterprise established pursuant to the Decision No. 452/CN-TCLD dated 6 June 1992 issued by the Ministry of Industry (i.e. currently known as Ministry of Industry and Trade), is currently a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0300585984 issued by the DPI of Ho Chi Minh City on 31 December 2014.

Its current principal activities are to produce and trade all kinds of vegetables and animal oils and fats, essential oils, aromas, cosmetics, toiletries, coconut shell charcoal and products from oil plants.

The registered head office of Vocarimex is located at No. 58 Nguyen Binh Khiem, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

Mondelez Kinh Do Vietnam Joint Stock Company ("MKD")

KIDO holds a 20% equity interests in MKD, formerly known as Binh Duong Kinh Do Corporation, which is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4603000129 issued by the DPI of Binh Duong Province on 13 October 2004 and the subsequent amended BRCs.

Its current principal activities are to process agricultural products and foods, produce confectionery, purified water, and fruit juice, and sell and purchase agricultural products and foods, industrial products and fabric.

The registered head office and factory of MKD is located at Vietnam – Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam.

North Kinh Do One Member Company Limited ("NKD")

KIDO holds indirectly a 20% equity interest in NKD which is a subsidiary wholly-owned by MKD incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0900178525 issued by the DPI of Hung Yen Province on 25 January 2011 and the subsequent amended BRCs.

Its current principal activities are to process agricultural products and foods, produce confectionery, purified water, and fruit juice, and sell and purchase agricultural products and foods, industrial products and fabric.

The registered head office of NKD is located at Ban Yen Nhan Town, My Hao District, Hung Yen Province, Vietnam.

Jointly controlled entity

Lavenue Investment Corporation ("Lavenue")

KIDO holds a 50% equity interest in Lavenue which is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0310306044 issued by the DPI of HCM City on 10 September 2010.

The principal activity of Lavenue is to operate in the real estate industry.

The registered office of Lavenue is located at 3rd Floor, May Flower Tower, No. 12 Le Thanh Ton, District 1, Ho Chi Minh City, Vietnam.

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The consolidated financial statements of the Company and its subsidiaries (the "Group"), expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per the:

- Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Group's applied accounting documentation system is the General Journal system.

2.3 Fiscal year

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

2.4 Accounting currency

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

2.5 Basis of consolidation

The Group's consolidated financial statements comprise the financial statements of the Company ("the parent company") and the financial statements of its subsidiaries for the year ended 31 December 2015.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings/accumulated loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Change in accounting policies and disclosures

The accounting policies adopted by the Group in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the changes in the accounting policies in relation to the followings:

3.1.1 Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system ("Circular 200") replacing Decision No. 15/2006/QĐ-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is effective for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting policies in accordance with Circular 200 to the Group are applied on a prospective basis as Circular 200 does not require for retrospective application. The Group also reclassified certain corresponding figures of prior year following the presentation of the current year's consolidated financial statements in accordance with Circular 200 as disclosed in Note 31.

3.1.2 Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements

On 22 December 2014, the Ministry of Finance also issued the Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202") replacing Section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is effective for the preparation and presentation of consolidated financial statements for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment in accordance with Circular 202 are applied on a prospective as this Circular does not require for retrospective application.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.3 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realizable value.

Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, consumables and goods for resale.	actual cost on a weighted average basis.
Finished goods and work in process.	cost of direct materials and labor plus attributable overhead based on the normal level of activities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories (continued)

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date. Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.4 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful receivables.

The provision for doubtful receivables represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded into general and administration expense account in the consolidated income statement.

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

Land use rights

Land use rights are recorded as intangible assets representing the value of the right to use the lands acquired or leased by the Group. The useful lives of land use rights are assessed as either finite or indefinite. Accordingly, land use right with finite lives representing the land lease are amortized over the term of lease while the land use right with indefinite useful lives are not amortized.

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and land use right certificate being issued, are recorded as intangible asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Depreciation and amortization

Depreciation of tangible fixed assets and amortization of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	10 years
Machinery and equipment	5 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years
Land use rights	46 years
Brand name	10 - 20 years
Computer software	3 - 12 years
Land lease advantage	20 - 55 years
Customer relationship	16 years
Others	8 years

3.8 Construction in progress

Construction in progress represents tangible fixed assets under construction and is stated at cost. This includes costs of construction of plant, installation of equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operation.

3.9 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds and are recorded as expense during the year in which they are incurred.

3.10 Prepaid expenses

Prepaid expenses are reported as short-term prepaid expenses or long-term prepaid expenses on the consolidated balance sheet and amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Starting from 10 June 2013, according to Circular 45, the prepaid rental related to land lease contract with effectiveness after 2003 is not qualified for recognition as intangible asset. Accordingly, the unamortized balances of prepaid rental made in accordance with the lease contract with effectiveness after 2003 are reclassified from intangible assets to long-term prepaid expenses and allocated to the consolidated income statement over the remaining lease term.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Business combination and goodwill

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less accumulated amortization. Amortization of goodwill is calculated on a straight-line basis over ten (10) years during which the source embodying economic benefits are recovered by the Group. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

3.12 Investments

Investment in associates

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. The Group generally deems they have significant influence if they have at least 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortized and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associates is presented on the face of the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend or profit sharing received or receivable from associates reduce the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Investments (continued)

Investment in jointly controlled entity

The Group's investment in jointly controlled entity is accounted for using the equity method of accounting. Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the jointly controlled entity. The consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity.

The share of profit (loss) of the jointly controlled entity is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend or profit sharing received or receivable from jointly controlled entity reduces the carrying amount of the investment.

The financial statements of the jointly controlled entity are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Held-for-trading securities and investment in other entity

Held-for-trading securities and investment in other entity are stated at their acquisition costs.

Provision for held-for-trading securities and investment in other entity

Provision is made for any diminution in value of the held-for-trading securities and investment in capital of other entity at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 26 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded into finance expense account in the consolidated income statement.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognized as expense in the consolidated financial statements and deducted against the value of such investments.

3.13 Payables and accruals

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.14 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labor Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increases and decreases to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labor contracts following Article 48 of the Labor Code.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currency at year-end are taken to the consolidated income statement.

3.16 Treasury shares

Own equity instruments which are reacquired by the Group (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss upon purchase, sale, re-issue or cancellation of the Group's own equity instruments.

3.17 Earnings per share

Basic earnings per share is computed by dividing net profit after tax for the year attributable to ordinary shareholders (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year, where applicable.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all potential dilutive ordinary shares into ordinary shares.

3.18 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

3.19 Appropriation of net profit

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' meeting, and after making appropriation to reserve funds in accordance with the Company's charter and Vietnamese regulatory requirements.

The Group maintains the following reserve funds which are appropriated from its net profit after tax as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting:

Investment and development fund

This fund is set aside for use in the Group's expansion of its operations or in-depth investments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Appropriation of net profit (continued)

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

Dividends

Final dividends proposed by the Board of Directors are classified as a separate allocation of undistributed earnings within the equity section of the consolidated balance sheet, until they have been approved by the shareholders at the Annual General Meeting. When these dividends have been approved by the shareholders and declared, they are recognized as a liability in the consolidated balance sheet.

3.20 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Revenue is recognized when service is rendered and completed.

Interest

Revenue is recognized as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognized when the Group's entitlement as an investor to receive dividends is established.

3.21 Taxation

Current income tax

Current income tax assets and liabilities for current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case it is also dealt with in the equity account.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Taxation (continued)

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purpose.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- » where deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss;
- » in respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized, except:

- » where deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss;
- » in respect of deductible temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of deferred tax asset to be utilized. Previously unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred income tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case it is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends to either settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. BUSINESS COMBINATION AND GOODWILL

4.1 Disposals of equity interests in Mondelez Kinh Do Vietnam Joint Stock Company ("MKD")

On 30 June 2015, the Group completed the transfer of 79.92% equity interests in MKD, formerly known as Binh Duong Kinh Do, Corporation to Cadbury Enterprises Pte. Ltd., ("Cadbury"), a subsidiary of Mondelez International, as approved by the shareholders in the 2014 Extraordinary General Meeting ("EGM") Resolution dated 1 December 2014. The transfer reduced the ownership of the Group in MKD from 99.92% to 20%. Accordingly, the Group no longer has a control over MKD and recognized its remaining investment in MKD as an investment in associate. As a result, the Group also lost control over NKD, a subsidiary of MKD.

Total sale price of VND 7,595,745,608,326 from the said transfer was agreed by the Group and Cadbury. Accordingly, the gain of VND 6,521,334,602,304 from the transfer was recognized in the Group's consolidated financial statements for the year ended 31 December 2015.

4.2 Merger of Vinabico Confectionery Joint Stock Company ("Vinabico")

On 26 February 2015, Vinabico was fully merged into the Group in accordance with the Merger Contract dated 31 January 2015 and the 19th amended BRC dated 26 February 2015. After merger, Vinabico ceased its operations as a legal entity. Accordingly, all rights and obligations of Vinabico was transferred to the Group. The carrying value of goodwill, land lease advantage and the increase in fair value of other assets totaling VND 36,923,655,663 arising from the acquisition of Vinabico before were recognized into general and administrative expense account in the Group's consolidated income statement for the year ended 31 December 2015.

4.3 Goodwill

Goodwill is amortized on a straight line basis over ten (10) years from acquisition date. Details were as follows:

	VND
Cost	
Beginning balance	454,779,126,272
Disposal of subsidiaries	(392,255,562,815)
Merger of a subsidiary	(59,876,245,528)
Ending balance	2,647,317,929
Accumulated amortization	
Beginning balance	174,152,531,707
Amortization for the year	20,609,090,571
Disposal of subsidiaries	(161,748,359,892)
Merger of a subsidiary	(30,365,944,457)
Ending balance	2,647,317,929
Net carrying amount	
Beginning balance	280,626,594,565
Ending balance	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

5. CASH AND CASH EQUIVALENTS

	VND	
	Ending balance	Beginning balance
Cash on hand	1,414,888,014	9,362,694,558
Cash in banks	119,121,891,081	610,501,854,049
Cash in transit	-	1,531,000,000
Cash equivalents	1,030,500,000,000	1,845,782,000,000
TOTAL	1,151,036,779,095	2,467,177,548,607

Cash equivalents represented term deposits at the commercial banks with the original maturity of less than three months and earned the interest at the rates ranging from 4.7% to 6.0% per annum.

6. CURRENT ACCOUNTS RECEIVABLE

	VND	
	Ending balance	Beginning balance
Short-term trade receivables	239,150,094,374	179,621,469,269
<i>In which:</i>		
Due from related parties (Note 28)	13,266,679,104	30,568,767,234
Dat Toan Phu Company Limited	115,760,235,352	-
Dat Toan Phat Company Limited	90,194,488,110	-
Other customers	19,928,691,808	149,052,702,035
Short-term advances to suppliers	78,210,591,658	48,574,973,685
<i>In which:</i>		
Due from a related party (Note 28)	-	13,755,048,742
Quoc Thuan Phat Company Limited	16,862,488,213	-
Tan Viet Tin Construction Co., Ltd.	10,000,000,000	-
GEA Processing Engineering Pte. Ltd.	9,113,758,080	-
Teknoice S.R.L	8,728,204,091	15,529,728,700
Other suppliers	33,506,141,274	19,290,196,243
Short-term loan receivables - TRIBECO Binh Duong Company Limited	8,000,000,000	8,000,000,000
Other short-term receivables	591,097,167,264	543,211,380,882
<i>In which:</i>		
Advance for investment in Vocarimex (*)	473,750,573,417	467,750,573,417
Advance for re-structuring and investment consulting services	62,685,833,794	29,604,096,321
Interest receivable	27,793,194,444	28,713,004,976
Due from related parties (Note 28)	17,834,096,824	1,450,000
Others	9,033,468,785	17,142,256,168
Provision for doubtful short-term receivables	(22,916,962,863)	(11,217,586,213)
NET	893,540,890,433	768,190,237,623

6. CURRENT ACCOUNTS RECEIVABLE (continued)

(*) In accordance with the EGM Resolution dated 1 December 2014, the Group's shareholders approved a plan for purchasing shares to increase the Group's ownership rate in Vietnam Vegetable Oils Industry Corporation ("Vocarimex") up to more than 51%. The ending balance represents the advances made for the said additional purchase. Details are as follow:

	VND	
	Ending balance	Beginning balance
Rong Viet Securities Corporation	187,635,222,000	187,635,222,000
Vien Dong Securities Corporation	134,743,665,932	134,743,665,932
VPBank Securities Company Limited	110,107,200,000	110,107,200,000
Others	41,264,485,485	35,264,485,485
TOTAL	473,750,573,417	467,750,573,417

Details of movement of provision for doubtful short-term receivables:

	VND	
	Current year	Previous year
Beginning balance	11,217,586,213	11,287,129,493
Provision created during the year	22,916,962,863	3,217,586,213
Utilization and reversal of provision during the year	(11,217,586,213)	(3,287,129,493)
Ending balance	22,916,962,863	11,217,586,213

7. INVENTORIES

	VND	
	Ending balance	Beginning balance
Raw materials	34,045,311,297	187,640,895,041
Finished goods	28,065,993,519	55,542,223,591
Tools and supplies	20,524,083,515	39,815,078,721
Merchandise goods	10,661,923,380	16,761,055,797
Others	2,138,167,962	45,412,504,038
TOTAL	95,435,479,673	345,171,757,188
Provision for obsolete inventories	(499,859,297)	(11,431,307,218)
NET	94,935,620,376	333,740,449,970

The inventories of the Group with a carrying amount of VND 70,894,939,824 were placed as collateral for the Group's short-term loans from the bank. Details of such loans are presented in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

7. INVENTORIES (continued)

Details of movement of provision for obsolete inventories:

	VND	
	Current year	Previous year
Beginning balance	11,431,307,218	13,916,436,529
Provision created during the year	3,615,519,634	11,431,307,218
Reversal of provision during the year	(11,431,307,218)	(13,916,436,529)
Disposal of subsidiaries	(3,115,660,337)	-
Ending balance	499,859,297	11,431,307,218

8. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Short-term		
Insurance fees	4,415,355,154	3,815,982,201
Tools and equipment	2,850,293,320	13,304,421,757
Others	417,301,067	1,888,630,933
	7,682,949,541	19,009,034,891
Long-term		
Prepaid land rental	59,697,963,166	60,994,973,604
Tools and equipment	20,599,004,714	42,209,715,252
Others	3,614,184,046	6,556,784,963
	83,911,151,926	109,761,473,819
TOTAL	91,594,101,467	128,770,508,710

The land use rights of the Group with carrying amounts of VND 8,416,329,715 were placed as collateral for the Company's short-term loans from the bank. Details of such loans are presented in Note 18.

9. LONG-TERM RECEIVABLES

	VND	
	Ending balance	Beginning balance
Long-term advance to supplier		
Advance for office rental to Hoang Trieu Co., Ltd.	19,604,707,562	20,754,707,562
Other long-term receivable		
Long-term deposits	7,569,105,944	13,133,206,960
TOTAL	27,173,813,506	33,887,914,522

10. TANGIBLE FIXED ASSETS

	VND				
	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
Cost					
Beginning balance	412,544,285,669	1,277,638,485,564	137,689,356,205	76,039,937,527	1,903,912,064,965
New purchase	-	12,207,902,504	25,914,692,323	12,796,002,644	50,918,597,471
Transfer from construction in progress	7,166,654,824	25,901,990,448	5,452,665,907	1,245,283,000	39,766,594,179
Reclassifications	(5,408,660,937)	4,975,870,527	283,055,146	149,735,264	-
Disposal during the year	(9,539,180,318)	(23,109,580,567)	(13,715,690,544)	(3,259,030,674)	(49,623,482,103)
Disposal of subsidiaries	(330,862,808,359)	(1,057,020,373,129)	(55,610,398,337)	(63,838,728,427)	(1,507,332,308,252)
Merger of a subsidiary	-	(3,396,588,614)	-	-	(3,396,588,614)
Ending balance	73,900,290,879	237,197,706,733	100,013,680,700	23,133,199,334	434,244,877,646
<i>In which:</i>					
<i>Fully depreciated</i>	989,349,132	11,460,279,968	6,068,646,519	8,873,226,244	27,391,501,863
Accumulated depreciation					
Beginning balance	139,160,046,993	699,406,128,913	72,160,757,289	49,565,290,284	960,292,223,479
Depreciation for the year	14,948,098,867	61,411,617,949	13,676,752,570	6,620,565,936	96,657,035,322
Reclassifications	(4,678,879,484)	2,475,200,399	(65,983,414)	2,269,662,499	-
Disposal during the year	(7,456,999,316)	(21,752,361,147)	(9,217,418,811)	(1,249,355,119)	(39,676,134,393)
Disposal of subsidiaries	(123,343,521,812)	(638,026,543,667)	(35,762,141,959)	(43,013,654,736)	(840,145,862,174)
Merger of a subsidiary	-	(3,105,861,822)	-	-	(3,105,861,822)
Ending balance	18,628,745,248	100,408,180,625	40,791,965,675	14,192,508,864	174,021,400,412
Net carrying amount					
Beginning balance	273,384,238,676	578,232,356,651	65,528,598,916	26,474,647,243	943,619,841,486
Ending balance	55,271,545,631	136,789,526,108	59,221,715,025	8,940,690,470	260,223,477,234

The buildings and structures, machinery and equipment of the Group with a carrying amount of VND 35,510,411,442 and VND 121,114,564,416, respectively were placed as collateral for the Group's short-term and long-term loans from the banks. Details of such loans are presented in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

11. INTANGIBLE ASSETS

								VND
	Brand name	Land use rights	Computer software	Land lease advantage	Customer relationship	Others	Total	
Cost								
Beginning balance	16,591,966,348	351,278,278,770	75,338,149,382	55,268,061,157	277,615,077,188	2,000,000,000	778,091,532,845	
New purchase	-	-	6,080,002,989	-	-	-	6,080,002,989	
Transfer from construction in progress	-	-	4,620,000,000	-	-	-	4,620,000,000	
Reclassification	-	-	2,000,000,000	-	-	(2,000,000,000)	-	
Disposal during the year	-	-	(457,000,000)	-	-	-	(457,000,000)	
Disposal of subsidiaries	-	(1,277,630,720)	(37,517,732,689)	(47,120,861,247)	(255,027,286,414)	-	(340,943,511,070)	
Merger of a subsidiary	-	-	-	(8,147,199,910)	-	-	(8,147,199,910)	
Ending balance	16,591,966,348	350,000,648,050	50,063,419,682	-	22,587,790,774	-	439,243,824,854	
<i>In which:</i>								
Fully amortized	-	-	638,852,260	-	-	-	638,852,260	
Accumulated amortization								
Beginning balance	6,636,786,540	1,088,867,175	41,219,858,701	10,857,267,350	69,403,769,296	2,000,000,000	131,206,549,062	
Amortization for the year	1,659,196,634	10,106,832	7,679,827,610	769,498,539	9,381,339,625	-	19,499,969,240	
Reclassification	-	-	2,000,000,000	-	-	(2,000,000,000)	-	
Disposal during the year	-	-	(50,777,778)	-	-	-	(50,777,778)	
Disposal of subsidiaries	-	(950,843,160)	(29,143,917,892)	(10,602,193,779)	(71,726,424,305)	-	(112,423,379,136)	
Merger of a subsidiary	-	-	-	(1,024,572,110)	-	-	(1,024,572,110)	
Ending balance	8,295,983,174	148,130,847	21,704,990,641	-	7,058,684,616	-	37,207,789,278	
Net carrying amount								
Beginning balance	9,955,179,808	350,189,411,595	34,118,290,681	44,410,793,807	208,211,307,892	-	646,884,983,783	
Ending balance	8,295,983,174	349,852,517,203	28,358,429,041	-	15,529,106,158	-	402,036,035,576	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

12. CONSTRUCTION IN PROGRESS

	VND	
	Ending balance	Beginning balance
Construction of new plants	58,982,459,761	2,331,277,842
Installation of machinery	26,927,666,141	4,304,457,182
Others	1,002,417,309	16,242,423,379
TOTAL	86,912,543,211	22,878,158,403

The Group has pledged the associated with land to be formed in future estimated at VND 48,587,260,108 as collateral for the Group's short-term loans from the banks. Details of such loans are presented in Note 18.

13. INVESTMENTS

13.1 Short-term investments

	Ending balance		Beginning balance	
	Number	Amount VND	Number	Amount VND
Held-for-trading securities, net		3,684,914,101		2,705,600
Listed shares	124,285	3,953,207,644	206	8,299,143
Provision for held-for-trading securities		(268,293,543)		(5,593,543)
Held-to-maturity investments		1,905,098,000,000		700,098,000,000
Short-term deposit		1,905,000,000,000		700,000,000,000
<i>In which:</i>				
Vietnam Export Import Commercial Joint Stock Bank		1,905,000,000,000		-
Vietnam Prosperity Joint Stock Commercial Bank		-		700,000,000,000
Others		98,000,000		98,000,000
NET		1,908,782,914,101		700,100,705,600

13.2 Investments in associates and a jointly controlled entity

Name of associates and jointly controlled entity	Carrying value			
	Interest	Ending balance	Interest	Beginning balance
	%	VND	%	VND
Lavenue	50.0	1,041,034,233,886	50.0	1,050,000,000,000
Vocarimex	24.0	481,798,294,599	24.0	421,505,599,984
MKD	20.0	213,401,404,599	-	-
TOTAL		1,736,233,933,084		1,471,505,599,984

13. INVESTMENTS (continued)

13.2 Investments in associates and a jointly controlled entity (continued)

Details of the carrying values of these investments in associates and a jointly controlled entity as at 31 December 2015 were as follows:

	VND			
	Lavenue	Vocarimex	MKD	Total
Cost of investment				
Beginning balance	1,050,000,000,000	421,505,599,984	-	1,471,505,599,984
Increase	-	-	131,999,106,614	131,999,106,614
Ending balance	1,050,000,000,000	421,505,599,984	131,999,106,614	1,603,504,706,598
Accumulated share in post-acquisition profit (loss) of the associates and a jointly controlled entity				
Share in post-acquisition profit (loss) for the year	(8,965,766,114)	60,292,694,615	81,402,297,985	132,729,226,486
Ending balance	(8,965,766,114)	60,292,694,615	81,402,297,985	132,729,226,486
Carrying amount				
Beginning balance	1,050,000,000,000	421,505,599,984	-	1,471,505,599,984
Ending balance	1,041,034,233,886	481,798,294,599	213,401,404,599	1,736,233,933,084

13.3 Investment in other entity

	VND	
	Ending balance	Beginning balance
Fund certificated of Viet Capital Healthcare Fund	4,367,000,000	8,640,000,000

14. SHORT-TERM TRADE PAYABLES

	VND	
	Ending balance	Beginning balance
Due to related parties (Note 28)	23,784,848,083	12,092,229,596
WPP Media Company Limited	42,143,562,686	-
Other suppliers	82,216,406,257	265,946,544,319
TOTAL	148,144,817,026	278,038,773,915

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

15. STATUTORY OBLIGATIONS

	VND				
	Beginning balance	Payable for the year	Payment made in the year	Disposal of subsidiaries	Ending balance
Corporate income tax (Note 27.2)	30,883,324,704	1,414,098,973,037	(581,862,133,219)	(5,905,758,270)	857,214,406,252
Value-added tax	11,574,291,311	170,923,706,244	(173,584,629,394)	(5,955,351,801)	2,958,016,360
Other taxes	6,255,665,170	51,903,984,683	(56,404,998,088)	(506,496,733)	1,248,155,032
TOTAL	48,713,281,185	1,636,926,663,964	(811,851,760,701)	(12,367,606,804)	861,420,577,644
<i>In which:</i>					
Tax overpaid	(1,941,177,932)				(931,058,734)
Tax payables	50,654,459,117				862,351,636,378

16. SHORT-TERM ACCRUED EXPENSES

	VND	
	Ending balance	Beginning balance
Marketing expenses	45,786,222,262	148,046,257,305
Tax on changing of purpose for use of land	34,594,000,000	34,594,000,000
13 th month salary and bonus	9,023,620,580	56,109,633,177
Transportation fees	759,827,047	22,207,185,365
Interest expense	90,133,226	1,381,060,512
Others	9,852,549,204	47,393,008,355
TOTAL	100,106,352,319	309,731,144,714

17. OTHER SHORT-TERM PAYABLES

	VND	
	Ending balance	Beginning balance
Dividends payable	5,516,049,750	2,181,123,780
Social, health and unemployment insurance	2,292,784,980	2,628,923,759
Payable for purchase of treasury shares	-	169,356,357,000
Others	8,610,771,537	12,096,967,947
TOTAL	16,419,606,267	186,263,372,486
<i>In which:</i>		
Payables to related parties (Note 28)	4,064,093,052	-
Others	12,355,513,215	186,263,372,486

18. LOANS

	VND				
	Beginning balance	Drawdown	Repayment	Disposal of subsidiaries	Ending balance
Loans from banks	553,318,491,711	1,783,168,184,628	(2,153,596,169,230)	(30,000,000,000)	152,890,507,109
<i>In which:</i>					
Short-term loans (Note 18.1)	553,318,491,711				116,390,507,109
Long-term loans (Note 18.2)	-				36,500,000,000

18.1 Short-term loans

	VND	
	Ending balance	Beginning balance
Short-term loans from banks (i)	116,390,507,109	502,273,638,213
Current portion of long-term loans	-	51,044,853,498
TOTAL	116,390,507,109	553,318,491,711

(i) Details of short-term loan from banks to finance for working capital requirements are as follows:

Bank	Ending balance VND	Interest rate % p.a.	Maturity date	Collateral
Military Commercial Joint Stock Bank	62,635,169,033	5.1 - 5.2	From 13 March 2016 to 28 May 2016	Machinery, equipment and building of Phu Dong Project, valued at VND 141,715,529,893; land use right with carrying amounts of VND 8,416,329,715 at Tay Bac Cu Chi Industrial Zone; and inventories valued at VND 70,894,939,824
Bank for Investment and Development of Vietnam	38,674,962,436	6.0	From 2 March 2016 to 16 March 2016	Unsecured
Hongkong and Shanghai Bank Corporation	10,588,647,960	4.9	24 March 2016	Unsecured
Vietnam International Bank	4,491,727,680	6.0	18 March 2016	Unsecured
TOTAL	116,390,507,109			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

18. LOANS (continued)

18.2 Long-term loans

	Ending balance	Beginning balance
Long-term loans from bank	36,500,000,000	-

Details of long-term loans from bank to finance for working capital requirements are as follows:

Bank	Ending balance VND	Interest rate % p.a.	Maturity date	Collateral
CTBC Bank Co., Ltd. - Ho Chi Minh City Branch	7,000,000,000	7.0	12 February 2018	Machinery, equipment, building construction and cold warehouse valued at VND 63,496,706,073
	29,500,000,000	6.5	From 26 October 2018 to 30 December 2018	
TOTAL	36,500,000,000			

19. OWNERS' EQUITY

19.1 Increase and decrease in owners' equity

	Issued share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Other funds belonging to owners' equity	Undistributed earnings	Total
Previous year:								
Beginning balance	1,676,282,700,000	2,344,308,719,177	(152,626,203,900)	25,370,280,515	25,792,635,752	15,909,752,661	946,605,704,726	4,881,643,588,931
Issuance of new shares to employees	65,000,000,000	52,000,000,000	-	-	-	-	-	117,000,000,000
Issuance of new shares for strategic investors	400,000,000,000	1,303,236,643,412	-	-	-	-	-	1,703,236,643,412
Issuance of bonus shares for existing shareholders	425,251,270,000	(425,251,270,000)	-	-	-	-	-	-
Purchase of treasury shares	-	-	(653,199,988,000)	-	-	-	-	(653,199,988,000)
Net profit for the year	-	-	-	-	-	-	536,445,639,109	536,445,639,109
Dividends declared	-	-	-	-	-	-	(378,772,028,000)	(378,772,028,000)
Transferred to funds	-	-	-	-	-	-	(14,817,893,820)	(14,817,893,820)
Board of Directors' allowance	-	-	-	-	-	-	(4,928,000,000)	(4,928,000,000)
Ending balance	2,566,533,970,000	3,274,294,092,589	(805,826,191,900)	25,370,280,515	25,792,635,752	15,909,752,661	1,084,533,422,015	6,186,607,961,632
Current year:								
Beginning balance (previously presented)	2,566,533,970,000	3,274,294,092,589	(805,826,191,900)	25,370,280,515	25,792,635,752	15,909,752,661	1,084,533,422,015	6,186,607,961,632
Reclassification (Note 31)	-	-	-	25,792,635,752	(25,792,635,752)	-	-	-
Beginning balance (reclassified)	2,566,533,970,000	3,274,294,092,589	(805,826,191,900)	51,162,916,267	-	15,909,752,661	1,084,533,422,015	6,186,607,961,632
Purchase of treasury shares	-	-	(1,152,826,753,162)	-	-	-	-	(1,152,826,753,162)
Net profit for the year	-	-	-	-	-	-	5,269,944,960,501	5,269,944,960,501
Disposal of subsidiaries	-	(82,210,830,889)	-	-	-	-	-	(82,210,830,889)
Transferred to funds	-	-	-	-	-	-	(6,285,141,912)	(6,285,141,912)
Board of Directors' allowance	-	-	-	-	-	-	(10,862,000,000)	(10,862,000,000)
Dividends declared	-	-	-	-	-	-	(4,938,383,961,000)	(4,938,383,961,000)
Ending balance	2,566,533,970,000	3,192,083,261,700	(1,958,652,945,062)	51,162,916,267	-	15,909,752,661	1,398,947,279,604	5,265,984,235,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

19. OWNERS' EQUITY (continued)

19.2 Capital transactions with owners

	VND	
	Current year	Previous year
Issued share capital		
Beginning balance	2,566,533,970,000	1,676,282,700,000
Increase	-	890,251,270,000
Ending balance	2,566,533,970,000	2,566,533,970,000

19.3 Shares

	Share	
	Ending Balance	Beginning Balance
Ordinary shares authorized to be issued	256,653,397	256,653,397
Ordinary shares issued and fully paid	256,653,397	256,653,397
Treasury shares held by the Group	(50,992,335)	(14,468,287)
<i>In which: held by the Company</i>	<i>(50,992,256)</i>	<i>(14,468,208)</i>
Ordinary outstanding shares	205,661,062	242,185,110

19.4 Dividends

	VND	
	Current year	Previous year
Dividends declared during the year	4,938,383,961,000	378,772,028,000
In which:		
<i>Final dividends for 2014: VND 1,000 per share (2013: VND 1,000 per shares)</i>	<i>235,161,141,000</i>	<i>378,772,028,000</i>
<i>Special dividend: VND 20,000 per share</i>	<i>4,703,222,820,000</i>	<i>-</i>
Dividends paid to equity holder of the parent company	4,935,049,035,030	378,105,677,007

In accordance with the EGM Resolution dated 12 March 2015, the Group's shareholders approved a plan to pay special dividend for existing shareholders in 2015 at 200% par value per share by cash.

On 31 July 2015, the Group obtained the Decision No. 788/TB-SGDHCM issued by the Ho Chi Minh Stock Exchange approving the payment schedule for said payment on 21 August 2015.

As at the balance sheet date, the Group has completed the submitting the Report of Payment Dividend to State Securities Commission.

19. OWNERS' EQUITY (continued)

19.5 Earnings per share

Basic and diluted earnings per share are calculated as follows:

	Current year	Previous year
Net profit attributable to the Company's shareholders (VND)	5,269,944,960,501	536,445,639,109
<i>Less: Bonus and welfare fund (VND)</i>	<i>(6,285,141,912)</i>	<i>-</i>
Net profit after tax attributable to ordinary shares (VND)	5,263,659,818,589	536,445,639,109
Weighted average number of ordinary shares	233,105,116	233,608,225
Basic and diluted earnings per share (<i>Par value: VND 10,000 per share</i>)	22,581	2,296

There are no potential dilutive ordinary shares as at the balance sheet date.

19.6 Non-controlling interests

	VND	
	Current year	Previous year
Beginning balance	101,083,227,966	1,571,612,339
Increase from business combination	-	99,535,883,601
(Loss) profit during the year	(262,131,723)	678,661,494
Dividends paid	(92,001,259)	(920,240,481)
Disposals of subsidiaries	(1,141,063,824)	-
Others	-	217,311,013
Ending balance	99,588,031,160	101,083,227,966

20. REVENUES

20.1 Revenues from sale of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	3,234,107,464,606	5,125,718,821,077
<i>In which:</i>		
<i>Sale of finished goods</i>	<i>2,598,063,094,381</i>	<i>5,027,197,963,283</i>
<i>Sale of merchandise goods</i>	<i>631,411,708,473</i>	<i>95,277,259,191</i>
<i>Rendering of services</i>	<i>4,632,661,752</i>	<i>3,243,598,603</i>
<i>In which:</i>		
<i>Related parties</i>	<i>392,634,524</i>	<i>26,280,035,428</i>
<i>Others</i>	<i>3,233,714,830,082</i>	<i>5,099,438,785,649</i>
Less	(93,982,717,729)	(181,648,371,391)
<i>In which:</i>		
<i>Sales discounts</i>	<i>(68,213,415,455)</i>	<i>(102,808,662,844)</i>
<i>Sales returns</i>	<i>(25,769,302,274)</i>	<i>(78,839,708,547)</i>
NET REVENUE	3,140,124,746,877	4,944,070,449,686

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

20. REVENUES (continued)

20.2 Finance income

	VND	
	Current year	Previous year
Gains from disposal of investments	6,523,061,602,306	1,456,767,250
Interest income	176,753,273,339	138,966,526,733
Foreign exchange difference gains	6,460,697,985	3,183,710,423
Others	310,674,138	720,086,024
TOTAL	6,706,586,247,768	144,327,090,430

21. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of finished goods sold	1,526,676,879,150	2,750,536,925,604
Cost of merchandise sold	432,392,992,690	54,532,662,240
Cost of service rendered	1,286,694,514	2,573,389,029
Reversal of provision for obsolete inventories	(7,815,787,584)	(2,485,129,311)
Others	12,136,562,551	1,672,678,992
TOTAL	1,964,677,341,321	2,806,830,526,554

22. FINANCE EXPENSES

	VND	
	Current year	Previous year
Finance consulting fees	51,609,786,406	-
Loan interest	21,787,939,086	20,731,742,626
Foreign exchange difference losses	14,337,635,683	4,861,725,544
Others	3,158,689,874	592,028,756
TOTAL	90,894,051,049	26,185,496,926

23. SELLING EXPENSES

	VND	
	Current year	Previous year
Labor cost	272,010,578,232	386,806,764,412
Advertising and promotion	299,559,730,302	235,224,095,021
External services	158,286,853,600	214,020,844,024
Trademark license fees	60,404,832,599	71,613,740,724
Depreciation and amortization	38,844,551,267	59,409,323,232
Others	68,104,290,169	238,945,391,966
TOTAL	897,210,836,169	1,206,020,159,379

24. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	Current year	Previous year
Labor cost	120,295,832,495	169,242,436,017
Depreciation and amortization	82,617,380,977	77,033,125,346
External services	71,172,395,743	88,892,324,149
Maintenance and rental fees	44,390,199,645	65,152,154,097
Provision for doubtful receivables	18,263,938,891	3,217,586,213
Others	14,224,431,235	14,001,123,360
TOTAL	350,964,178,986	417,538,749,182

25. PRODUCTION AND OPERATING COSTS

	VND	
	Current year	Previous year
Raw materials cost	1,340,474,918,160	2,186,929,212,008
Labor costs	574,035,172,194	797,399,900,824
External services	541,844,193,320	683,503,647,577
Cost of merchandise goods	432,392,992,690	54,532,662,240
Depreciation and amortization	174,976,445,311	228,177,812,126
Others	149,128,634,801	479,846,200,340
TOTAL	3,212,852,356,476	4,430,389,435,115

26. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year
Other income	11,148,941,897	53,342,742,087
Sale of scrap materials	4,014,426,108	12,150,033,146
Gains on disposal of fixed assets	3,007,653,736	24,767,239,718
Others	4,126,862,053	16,425,469,223
Other expenses	(4,540,604,033)	(22,206,887,935)
Disposal of scrap materials	(3,079,558,961)	(8,495,782,014)
Others	(1,461,045,072)	(13,711,105,921)
NET	6,608,337,864	31,135,854,152

27. CORPORATE INCOME TAX

During the year, the Company and its subsidiaries have the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits.

The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

27. CORPORATE INCOME TAX (continued)

27.1 CIT expense

	VND	
	Current year	Previous year
Current income tax expense	1,414,098,973,037	121,010,750,584
Deferred income tax (income) expense	(1,479,650,345)	4,823,411,040
TOTAL	1,412,619,322,692	125,834,161,624

27.2 Current tax

The current CIT payable is based on taxable profit for the current year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

A reconciliation between the taxable profit and accounting profit as reported in the consolidated income statement is presented below:

	VND	
	Current year	Previous year
Accounting profit before tax	6,682,302,151,470	662,958,462,227
<i>Adjustments:</i>		
Payments not related to taxable income	82,895,955,613	31,233,884,848
Amortization of goodwill	20,609,090,571	46,414,951,874
Amortization of revalued intangible assets	12,243,246,275	21,626,470,878
Gain from disposal subsidiaries	(108,224,726,202)	-
Shares of profit of joint venture and associates	(132,729,226,486)	-
Stock dividends from a subsidiary	(200,000,000,000)	-
Other adjustments	23,629,950,415	6,223,666,986
Taxable profit before tax loss carried forward	6,380,726,441,656	768,457,436,813
Utilization of tax losses carried forward	-	(2,526,796,680)
Estimated current taxable income	6,380,726,441,656	765,930,640,133
<i>In which:</i>		
Taxable profit	6,388,865,953,113	766,529,934,550
Tax loss	(8,139,511,457)	(599,294,417)
Estimated current CIT	1,401,731,118,174	143,957,671,174
CIT exemption	(4,101,711,124)	(26,423,755,242)
Estimated CIT expense	1,397,629,407,050	117,533,915,932
Under-accrued CIT in previous years	16,469,565,987	3,476,834,652
CIT expense	1,414,098,973,037	121,010,750,584
CIT payable at beginning of year	30,883,324,704	43,862,901,366
Disposal of subsidiaries	(5,905,758,270)	-
CIT paid during the year	(581,862,133,219)	(133,990,327,246)
CIT payable at end of year	857,214,406,252	30,883,324,704
<i>In which:</i>		
CIT payable	857,214,406,252	32,596,893,838
CIT overpaid	-	(1,713,569,134)

27. CORPORATE INCOME TAX (continued)

27.3 Deferred income tax

The Group recognized deferred tax assets as at the balance sheet date as follows:

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Accrued expense	26,181,389,754	26,431,040,676	3,850,261,468	1,227,187,968
Severance allowance	1,925,094,942	6,811,318,348	(1,625,797,704)	(2,277,743,483)
Provision for short-term loan receivables	1,600,000,000	1,760,000,000	(160,000,000)	-
Others	86,614,608	821,242,536	(584,813,419)	(3,772,855,525)
TOTAL	29,793,099,304	35,823,601,560	1,479,650,345	(4,823,411,040)

Details of movement of deferred tax assets during the year:

	VND	
	Current year	Previous year
Beginning balance	35,823,601,560	40,647,012,600
Disposal of subsidiaries	(7,510,152,601)	-
Deferred income tax expense	1,479,650,345	(4,823,411,040)
Ending balance	29,793,099,304	35,823,601,560

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

28. TRANSACTIONS WITH RELATED PARTIES

Related parties transactions include all transactions undertaken with other companies to which the Group is related, either through the investor/investee relationship or because they share a common investor and thus are considered to be a part of the same corporate group.

Significant transactions with related parties during the year were as follows:

				VND	
Related party	Relationship	Transaction	Current year	Previous year	
KIDO Saigon Bakery Joint Stock Corporation ("KDS")	Related party	Sale of finished goods	388,094,524	25,784,989,038	
		License fees	(60,077,763,508)	(44,201,853,036)	
KIDO Investment Co., Ltd. ("KDI")	Related party	Loan collection	-	286,000,000,000	
		Short term loan to	-	(286,000,000,000)	
Tung Yoan Co., Ltd. ("Tong Yoan")	Related party	Purchase of packaging	-	(32,667,011,738)	
Mondelez Kinh Do Vietnam Joint Stock Company ("MKD")	Associate	Rental and maintenance fees	2,411,371,893	-	
KIDO Land Corporation ("KDL")	Related party	Office rental income	2,227,272,727	2,227,272,727	
North Kinh Do Co., Ltd. ("NKD")	Associate	Purchase of finished goods	(27,107,324,069)	-	
		Purchase of raw materials and merchandise	(165,583,676,230)	-	
Vocarimex	Associate	Processing fees	(6,158,610,410)	-	
		Purchase merchandise	(3,236,511,446)	-	
Golden Hope Nha Be Cooking Oil Co. ("GHC")	Related party	Purchase raw materials	(73,215,544,000)	-	
		Processing fees	(2,164,329,253)	-	

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the balance sheet date were as follows:

				VND	
Related party	Relationship	Transaction	Ending balance	Beginning balance	
Short-term trade receivables					
KDS	Related party	Sale of finished goods, materials and supplies	13,237,762,029	29,093,260,440	
NKD	Associates	Sales of finished goods	28,917,075	-	
KDL	Related party	Sale of finished goods	-	1,475,506,794	
			13,266,679,104	30,568,767,234	
Other short-term receivables					
MKD	Associate	Disposal of fixed assets	910,644,505	-	
		Payment on behalf	460,247,772	-	
KDS	Related party	Payment on behalf	16,462,654,547	-	
NKD	Associate	Payment on behalf	550,000	-	
KDI	Related party	Payment on behalf	-	1,450,000	
			17,834,096,824	1,450,000	
Short-term advance to supplier					
KDI	Related party	Advance for license fees	-	13,755,048,742	
Short-term trade payables					
Vocarimex	Associate	Purchase of raw materials	(11,627,814,504)	-	
GHC	Related party	Purchase of raw materials and processing fees	(6,886,916,908)	-	
NKD	Associate	Purchase of merchandise	(5,177,066,842)	-	
KDS	Related party	Purchase of finished goods	(90,721,430)	(803,412,007)	
MKD	Associate	Purchase of finished goods	(2,328,399)	-	
Tong Yuan	Related party	Purchase of packing	-	(11,288,817,589)	
			(23,784,848,083)	(12,092,229,596)	
Other short-term payables					
MKD	Associate	Payment on behalf	(982,441,368)	-	
KDI	Related party	License fees	(3,081,651,684)	-	
			(4,064,093,052)	-	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HH

as at and for the year ended 31 December 2015

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of the Board of Directors, management and the Board of Supervision during the year was as follows:

	VND	
	Current year	Previous year
Salary and benefit in kind	28,994,381,810	44,103,825,316

29. COMMITMENTS

Operating lease commitment

The Group leases land, offices and warehouses under operating lease arrangements. The minimum lease commitment as at the balance sheet date under the operating lease agreements is as follows:

	VND	
	Ending balance	Beginning balance
Within 1 year	56,889,724,624	54,810,143,295
From 1 to 5 years	125,387,350,339	168,147,573,881
More than 5 years	67,052,173,336	170,712,526,759
TOTAL	249,329,248,299	393,670,243,935

Capital contribution obligation

As at the balance sheet date, the Group had outstanding capital contribution obligation to subsidiaries amounting to VND 380,895,943,000.

30. SEGMENT INFORMATION

The Group's principal activities are to process agricultural products and foods which include purified drinks and dairy products. The Group views these activities as a business segment. However, the Group manages its geographical segments based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

The Group's geographically segments comprise South and North of Vietnam. The following tables present revenue, profit and certain asset information regarding the Group's geographical segments:

	VND		
	South segment	North segment	Total
Current year			
Segment revenue			
Sales to external customers	2,006,613,807,372	1,227,493,657,234	3,234,107,464,606
Sales deductions	(59,858,341,957)	(34,124,375,772)	(93,982,717,729)
Inter-segment sales	510,821,332,656	3,550,161,529	514,371,494,185
	2,457,576,798,071	1,196,919,442,991	3,654,496,241,062
<i>Reconciliation:</i>			
Elimination of inter-segment sales			(514,371,494,185)
Revenue for the year			3,140,124,746,877
Segment results	6,452,866,767,550	95,079,140,238	6,547,945,907,788
<i>Reconciliation:</i>			
Interest income			176,753,273,339
Interest expense			(21,787,939,086)
Amortization of goodwill			(20,609,090,571)
Profit before tax			6,682,302,151,470
Other segment information			
Depreciation and amortization	145,995,554,660	28,980,890,651	174,976,445,311
Provision (reversal of provision) for doubtful receivables	18,292,158,022	(28,219,131)	18,263,938,891
Reversal of provision for obsolete inventories	(7,320,572,518)	(495,215,066)	(7,815,787,584)
Provision for investments diminution	262,700,000	-	262,700,000
Segment assets	6,906,919,650,333	2,049,213,908	6,908,968,864,241
<i>Reconciliation:</i>			
Elimination of inter-segment receivables			(184,859,821,854)
Total assets			6,724,109,042,387
Segment liabilities	1,358,157,500,528	185,239,097,383	1,543,396,597,911
<i>Reconciliation:</i>			
Elimination of inter-segment payables			(184,859,821,854)
Total liabilities			1,358,536,776,057

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

30. SEGMENT INFORMATION (continued)

The following tables present revenue, profit and certain asset information regarding the Group's geographical segments: (continued)

	VND		
	South segment	North segment	Total
Previous year			
Segment revenue			
Sales to external customers	3,309,096,191,869	1,816,622,629,208	5,125,718,821,077
Sales deductions	(140,017,192,110)	(41,631,179,281)	(181,648,371,391)
Inter-segment sales	286,691,409,728	20,723,910,718	307,415,320,446
	3,455,770,409,487	1,795,715,360,645	5,251,485,770,132
<i>Reconciliation:</i>			
Elimination of inter-segment sales			(307,415,320,446)
Revenue for the year			4,944,070,449,686
Segment results	300,940,302,272	290,198,327,722	591,138,629,994
<i>Reconciliation:</i>			
Interest income			138,966,526,733
Interest expense			(20,731,742,626)
Amortization of goodwill			(46,414,951,874)
Profit before tax			662,958,462,227
Other segment information			
Depreciation and amortization	165,706,923,684	62,470,888,442	228,177,812,126
(Reversal of provision) provision for doubtful receivables	(1,350,343,280)	1,280,800,000	(69,543,280)
(Reversal of provision) provision for obsolete inventories	(4,194,582,724)	1,709,453,413	(2,485,129,311)
Reversal of provision for investments diminution	(1,090,959,501)	-	(1,090,959,501)
Segment assets	6,898,163,907,442	866,195,831,152	7,764,359,738,594
<i>Reconciliation:</i>			
Elimination of inter-segment receivables			(169,109,822,696)
Unallocated assets			280,626,594,565
Total assets			7,875,876,510,463
Segment liabilities	1,365,918,146,207	391,376,997,354	1,757,295,143,561
<i>Reconciliation:</i>			
Elimination of inter-segment payables			(169,109,822,696)
Total liabilities			1,588,185,320,865

31. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the consolidated financial statements for the year ended 31 December 2014 have been reclassified to reflect the presentation of the current year's consolidated financial statements in accordance with Circular 200. Details were as follows:

31. RECLASSIFICATION OF CORRESPONDING FIGURES (continued)

	VND		
	Beginning balance (previously present- ed)	Impact of reclassification	Beginning balance (reclassified)
CONSOLIDATED BALANCE SHEET			
Short-term investments	708,106,299,143	(708,106,299,143)	-
Held-for-trading securities	-	8,299,143	8,299,143
Held-to-maturity investments	-	700,098,000,000	700,098,000,000
Short-term loan receivables	-	8,000,000,000	8,000,000,000
Provision for short-term investment	(8,005,593,543)	8,005,593,543	-
Provision for held-for-trading securities	-	(5,593,543)	(5,593,543)
Provision for doubtful receivables	(3,217,586,213)	(8,000,000,000)	(11,217,586,213)
Other short-term receivables	538,297,499,600	4,913,881,282	543,211,380,882
Other current assets	4,913,881,282	(4,913,881,282)	-
Advance to suppliers	69,329,681,247	(69,329,681,247)	-
Short-term advance to suppliers	-	48,574,973,685	48,574,973,685
Long-term advance to suppliers	-	20,754,707,562	20,754,707,562
Other long-term receivables	-	13,133,206,960	13,133,206,960
Other long-term assets	13,133,206,960	(13,133,206,960)	-
Other long-term liabilities	52,303,953,962	(39,040,948,102)	13,263,005,860
Other long-term provisions	-	39,040,948,102	39,040,948,102
Investment and development fund	25,370,280,515	25,792,635,752	51,162,916,267
Financial reserve fund	25,792,635,752	(25,792,635,752)	-
			VND
	Previous year (previously present- ed)	Impact of reclassification	Previous year (reclassified)
CONSOLIDATED INCOME STATEMENT			
Sales deductions	(173,055,897,638)	(8,592,473,753)	(181,648,371,391)
Selling expenses	(1,214,612,633,132)	8,592,473,753	(1,206,020,159,379)
Other income	63,331,885,612	(9,989,143,525)	53,342,742,087
Other expenses	(32,196,031,460)	9,989,143,525	(22,206,887,935)
CONSOLIDATED CASH FLOW			
Decrease in receivables	256,736,002,655	(334,479,251)	256,401,523,404
Other cash inflows from operating activities	2,141,984,214	(2,141,984,214)	-
Other cash outflows for operating activities	(26,596,945,646)	2,476,463,465	(24,120,482,181)
Loans to other entities and term bank deposit	(286,000,000,000)	(700,000,000,000)	(986,000,000,000)
Payment for investments in other entities	(1,588,517,220,554)	700,000,000,000	(888,517,220,554)

32. OFF BALANCE SHEET ITEM

	Ending balance	Beginning balance
Foreign currency - United States dollar (USD)	89,808	2,762,321

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

B09 - DN/HN

as at and for the year ended 31 December 2015

33. SIGNIFICANT EVENTS DURING THE YEAR

a. Transferring the confectionery segment

On 30 June 2015, the Group completed the transfer of 79.92% equity interests in MKD to Cadbury Enterprises Pte. Ltd., ("Cadbury") as approved by the shareholders in the 2014 EGM Resolution dated 1 December 2014. The transfer reduced the ownership of the Group in MKD from 99.92% to 20%. Accordingly, the Group no longer has a control over MKD and recognized its investment in MKD as an investment in an associate. As a result, the Group also lost control over NKD, a subsidiary of MKD.

b. Merger of Vinabico Confectionery Joint Stock Company ("Vinabico")

On 26 February 2015, Vinabico was merged with KIDO in accordance with merger contract dated 31 January 2015 and the 19th amended BRC dated 26 February 2015. Accordingly, all rights and obligations of Vinabico were transferred to KIDO.

c. The repurchase of treasury shares

In accordance with the EGM Resolution dated 1 December 2014, the Company's shareholders approved a plan to repurchase treasury shares up to 30% of the Company's issued ordinary shares for the purpose of decreasing the number of existing shares being circulated.

On 9 January 2015, the Company completed additional purchase of 7,024,048 treasury shares amounting to VND 347,657,251,200. Accordingly, the Company completed the purchase of 20,000,000 treasury shares totaling VND 1,000,857,239,200 for the said plan. The Company also submitted the Report of Treasury Shares Purchasing Result to the State Securities Commission.

On 17 December 2015, the Company completed additional purchase of 29,500,000 treasury shares amounting to VND 805,169,501,962 for the said plan. The Group also submitted the Report of Treasury Shares Purchasing Result to the State Securities Commission.

d. Change of the Company's name

In accordance with 2015 Annual General Meeting Resolution dated 26 June 2015, the Company's shareholders approved to the change of the Company's name from Kinh Do Corporation to KIDO Group Corporation with the aim of achieving outstanding results from the new business strategic orientation of the Company.

On 1 October 2015, the Company obtained the 22nd amended BRC from DPI of Ho Chi Minh City for the aforementioned change.

e. Establishment a new subsidiary - KIDO Trading and Services Company Limited

On 25 March 2015, the Group obtained the BRC No. 0313172800 from DPI of Ho Chi Minh City approving the establishment of a subsidiary – KIDO Trading and Services Company Limited.

KIDO Trading and Services Company Limited is a one member limited liability company under the Law on Enterprise of Vietnam with the charter capital of VND 50,000,000,000. Its principal activities are to wholesale food products and provide other food services. At the date of this report, the Group had not contributed its committed investment to the subsidiary.

34. EVENTS AFTER THE BALANCE SHEET DATE

There has been no significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.

Tran Minh Nguyet
Preparer

29 March 2016

Nguyen Thi Oanh
Chief Accountant



Tran Le Nguyen
General Director



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