

**Masan Group Corporation
and its subsidiaries**

Quarterly financial statements for the
period ended 31 March 2016

Masan Group Corporation Corporate Information

Business Registration Certificate No

0303576603

6 August 2015

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 6 August 2015. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The initial Business Registration Certificate No. 4103002877 was dated 18 November 2004.

Board of Directors

Dr Nguyen Dang Quang	Chairman
Mr. Ho Hung Anh	Vice Chairman (from 17 March 2016)
Mr Ho Hung Anh	Member (until 16 March 2016)
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Nam	Member
Mr Lars Kjaer	Member
Mr Dominic Edward Salter Price	Member

Board of Management

Dr Nguyen Dang Quang	Chief Executive Officer
Mr Nguyen Thieu Nam	Deputy Chief Executive Officer
Mr Michael Hung Nguyen	Deputy Chief Executive Officer
Mr Seokhee Won	Deputy Chief Executive Officer

Legal Representative

Dr Nguyen Dang Quang	Chairman
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Registered Office

Suite 802, Central Plaza
17 Le Duan Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

Masan Group Corporation and its subsidiaries
Balance sheets as at 31 March 2016

Form B 01a – DN/HN

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

	Code	Note	<u>Group</u>		<u>Company</u>	
			31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million
ASSETS						
Current assets						
(100 = 110 + 120 + 130 + 140 + 150)	100		18,304,148	16,709,473	1,508,637	1,779,993
Cash and cash equivalents	110	5	4,686,894	8,324,476	559,295	1,103,659
Cash	111		641,299	918,656	10,520	17,769
Cash equivalents	112		4,045,595	7,405,820	548,775	1,085,890
Short-term financial investments	120	12	6,991,548	293,990	465,048	287,890
Held to maturity investments	123		6,991,548	293,990	465,048	287,890
Accounts receivable	130	6	2,323,051	3,126,527	412,945	316,523
Accounts receivable	131		974,012	878,130	19,248	19,421
Prepayments to suppliers	132		466,942	872,866	699	139,931
Receivables on short-term lending loans	135		-	762,400	-	-
Other receivables	136		910,635	641,598	392,998	157,171
Allowance for doubtful debts	137		(28,541)	(28,589)	-	-
Shortage of assets awaiting for resolution	139		3	122	-	-
Inventories	140	7	3,669,695	4,417,969	-	-
Inventories	141		3,675,204	4,434,592	-	-
Allowance for inventories	149		(5,509)	(16,623)	-	-
Other current assets	150		632,960	546,511	71,349	71,921
Short-term prepayments	151		147,688	79,536	2,394	974
Deductible value added tax	152		467,740	445,579	54,348	52,859
Taxes and other receivables from State Treasury	153		17,532	21,396	14,607	18,088

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

Masan Group Corporation and its subsidiaries
Balance sheets as at 31 March 2016 (continued)

Form B 01a – DN/HN

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

	Code	Note	Group		Company	
			31/3/2016	1/1/2016	31/3/2016	1/1/2016
			VND million	VND million	VND million	VND million
Long-term assets						
(200 = 210 + 220 + 240 + 250 + 260)	200		49,199,580	55,140,227	22,102,057	22,431,116
Accounts receivable – long-term	210	6	2,361,322	10,432,139	7,541,524	7,908,358
Receivables on long-term lending loans	215		909,700	8,563,114	4,250,374	4,773,374
Other long-term receivables	216		1,451,622	1,869,025	3,291,150	3,134,984
Fixed assets	220		26,989,015	26,998,134	2,541	3,626
Tangible fixed assets	221	8	20,107,041	19,965,062	1,530	2,429
Cost	222		23,091,810	22,597,132	20,929	20,899
Accumulated depreciation	223		(2,984,769)	(2,632,070)	(19,399)	(18,470)
Finance lease tangible fixed assets	224	9	28,042	31,407	-	-
Cost	225		67,300	67,300	-	-
Accumulated depreciation	226		(39,258)	(35,893)	-	-
Intangible fixed assets	227	10	6,853,932	7,001,665	1,011	1,197
Cost	228		7,906,956	7,906,859	4,532	4,532
Accumulated amortisation	229		(1,053,024)	(905,194)	(3,521)	(3,335)
Long-term assets in progress	240	11	5,672,305	5,480,035	4,321	-
Construction in progress	242		5,672,305	5,480,035	4,321	-
Long-term financial investments	250	12	10,885,526	9,144,883	14,427,640	14,515,337
Investments in subsidiaries	251		-	-	6,438,408	6,526,105
Investments in associates	252		9,261,921	9,124,149	7,989,232	7,989,232
Investments in other entities	253		1,624,517	21,646	-	-
Allowance for diminution in the value of long-term investments	254		(912)	(912)	-	-
Other long-term assets	260		3,291,412	3,085,036	126,031	3,795
Long-term prepayments	261	13	2,254,991	2,042,622	126,031	3,795
Deferred tax assets	262		235,185	213,737	-	-
Goodwill	269	14	801,236	828,677	-	-
TOTAL ASSETS (270 = 100 + 200)	270		67,503,728	71,849,700	23,610,694	24,211,109

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

Masan Group Corporation and its subsidiaries
Balance sheets as at 31 March 2016 (continued)

Form B 01a – DN/HN

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

	Code Note	Group		Company	
		31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million
RESOURCES					
LIABILITIES (300 = 310 + 330)	300	43,969,571	44,740,654	6,756,572	7,093,306
Current liabilities	310	12,211,221	15,005,196	845,047	3,104,584
Accounts payable	311	1,681,474	2,419,059	248	240
Advances from customers	312	65,458	139,989	-	-
Taxes payable to State Treasury	313 15	440,630	504,532	-	-
Payables to employees	314	235,558	257,716	-	-
Accrued expenses	315 16	2,708,610	2,875,921	187,365	147,891
Other payables	319 17	289,588	398,473	89,474	111,611
Short-term borrowings and finance lease liabilities	320 18	6,752,499	8,366,625	567,960	2,844,842
Bonus and welfare funds	322	37,404	42,881	-	-
Long-term borrowings and liabilities	330	31,758,350	29,735,458	5,911,525	3,988,722
Long-term account payables	331	67,851	75,845	-	-
Other long-term payables	337 17	30,679	97,813	-	-
Long-term borrowings and finance lease liabilities	338 19	29,368,298	27,253,112	5,911,525	3,988,722
Deferred tax liabilities	341	1,664,210	1,692,753	-	-
Provisions – long-term	342	627,312	615,935	-	-

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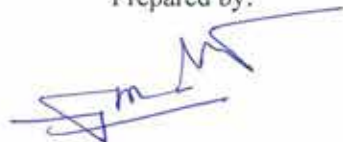
Masan Group Corporation and its subsidiaries
Balance sheets as at 31 March 2016 (continued)

Form B 01a – DN/HN
(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Group		Company	
			31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million
EQUITY (400 = 410)	400		23,534,157	27,109,046	16,854,122	17,117,803
Owners' equity	410	20	23,534,157	27,109,046	16,854,122	17,117,803
Share capital	411	21	7,467,179	7,467,179	7,467,179	7,467,179
<i>Shares with voting rights</i>	411a		7,467,179	7,467,179	7,467,179	7,467,179
Capital surplus	412	21	9,631,106	9,631,106	9,631,106	9,631,106
Other capital	414	22	(9,251,415)	(9,045,049)	(1,695,338)	(1,488,972)
Undistributed profits	421		7,240,563	8,561,380	1,451,175	1,508,490
<i>Undistributed profit brought forward</i>	421a		8,561,303	7,069,066	1,508,490	2,030,845
<i>Undistributed profit/(loss) for the current period</i>	421b		(1,320,740)	1,492,314	(57,315)	(522,355)
Non-controlling interest	429	20	8,446,724	10,494,430	-	-
TOTAL RESOURCES (440 = 300 + 400)	440		67,503,728	71,849,700	23,610,694	24,211,109

29 April 2016

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer




Nguyen Dang Quang
Chairman
Chief Executive Officer

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

Masan Group Corporation and its subsidiaries
Statements of income for the period ended 31 March 2016

Form B 02a – DN/HN

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

Group

	Code	Note	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Total revenue	01	23	9,220,203	3,626,175
Less sales deductions	02	23	451,577	41,797
Net sales (10 = 01 – 02)	10	23	8,768,626	3,584,378
Cost of sales	11	24	6,356,479	2,401,467
Gross profit (20 = 10 – 11)	20		2,412,147	1,182,911
Financial income	21	25	218,023	142,913
Financial expenses	22	26	733,046	519,309
<i>In which: Interest expense</i>	23		688,439	399,634
Share of profit in associates	24	27	143,092	103,256
Selling expenses	25		997,539	431,671
General and administration expenses	26		519,689	319,607
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		522,988	158,493
Other income	31	28	1,896	12,309
Other expenses	32	29	9,606	13,167
Results of other activities (40 = 31 - 32)	40		(7,710)	(858)
Profit before tax (50 = 30 + 40)	50		515,278	157,635
Income tax expense – current	51		171,775	128,664
Income tax benefit – deferred	52		(49,991)	(28,419)
Net profit (60 = 50 - 51 - 52) (carried forward to next page)	60		393,494	57,390

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Masan Group Corporation and its subsidiaries
Statements of income for the period ended 31 March 2016 (continued)

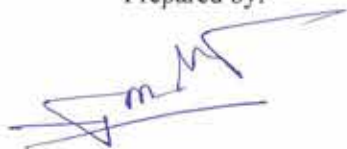
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Group

	Code	Note	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Net profit (60 = 50 - 51 - 52) (brought forward from previous page)	60		393,494	57,390
Attributable to:				
Equity holders of the Company	61		253,342	4,354
Non-controlling interest	62		140,152	53,036
Earnings per share				
Basic earnings per share	70	30	335	6

29 April 2016

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:




Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer

Nguyen Dang Quang
Chairman
Chief Executive Officer

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

Masan Group Corporation and its subsidiaries
Statements of income for the period ended 31 March 2016 (continued)

Group

	Code	Pro forma ⁽¹⁾	
		From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Total revenue	01	9,220,203	3,626,175
Less sales deductions	02	451,577	41,797
Net sales (10 = 01 – 02)	10	8,768,626	3,584,378
Cost of sales	11	6,310,572	2,356,321
Gross profit (20 = 10 – 11)	20	2,458,054	1,228,057
Financial income	21	218,023	142,913
Financial expenses	22	733,046	519,309
Share of profit in associates	24	143,092	103,256
Selling expenses	25	997,539	431,671
General and administration expenses	26	346,857	252,349
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30	741,727	270,897
Other income	31	1,896	12,309
Other expenses	32	9,606	13,167
Results of other activities (40 = 31 - 32)	40	(7,710)	(858)
Profit before tax (50 = 30 + 40)	50	734,017	270,039
Income tax expense – current	51	171,775	128,664
Income tax benefit – deferred	52	(21,434)	(15,271)
Net profit (60 = 50 - 51 - 52) (carried forward to next page)	60	583,676	156,646

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

Masan Group Corporation and its subsidiaries
Statements of income for the period ended 31 March 2016 (continued)

Group

	Code	Pro forma ⁽¹⁾	
		From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Net profit (60 = 50 - 51 - 52) (brought forward from previous page)	60	583,676	156,646
Attributable to:			
Equity holders of the Company	61	395,226	78,515
Non-controlling interest	62	188,450	78,131
Earnings per share			
Basic earnings per share	70	523	105


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

Masan Group Corporation and its subsidiaries
Statements of income for the period ended 31 March 2016 (continued)

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

Company

	Code	Note	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Total revenue	01	23	-	-
Less sales deductions	02	23	-	-
Net sales (10 = 01 – 02)	10	23	-	-
Cost of sales	11	24	-	-
Gross profit (20 = 10 – 11)	20		-	-
Financial income	21	25	170,174	189,848
Financial expenses	22	26	166,913	151,402
<i>In which: Interest expense</i>	23		155,072	149,324
General and administration expenses	26		60,576	35,425
Net operating (loss)/gain {30 = 20 + (21 - 22) - 26}	30		(57,315)	3,021
Other income	31	28	-	3,617
Other expenses	32	29	-	3
Results of other activities (40 = 31 - 32)	40		-	3,614
(Loss)/profit before tax (50 = 30 + 40)	50		(57,315)	6,635
Income tax expense – current	51		-	-
Income tax expense – deferred	52		-	-
Net (loss)/profit (60 = 50 - 51 - 52)	60		(57,315)	6,635

Prepared by:


Doan Thi My Duyen
 Chief Accountant

29 April 2016

Approved by:

 Michael Hung Nguyen
 Deputy Chief Executive Officer
 Chief Financial Officer

Approved by:

 Nguyen Dang Quang
 Chairman
 Chief Executive Officer

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

Masan Group Corporation and its subsidiaries
Statements of cash flow for the period ended 31 March 2016

Form B 03a – DN/HN

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

Code Note	<u>Group</u>		<u>Company</u>		
	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax	01	515,278	157,635	(57,315)	6,635
Adjustments for					
Depreciation and amortisation	02	533,328	347,442	1,114	1,493
Allowances and provisions	03	11,626	31,115	-	-
Net unrealised foreign exchange loss	04	1,892	48,702	173	-
Gain from investing activities	05	(335,506)	(239,614)	(162,467)	(189,596)
Interest and facility expenses	06	688,439	399,634	155,072	149,324
Operating profit/(loss) before changes in working capital	08	1,415,057	744,914	(63,423)	(32,144)
(Increase)/decrease in receivables and other assets	09	(191,461)	(78,529)	(224,817)	36,671
Decrease/(increase) in inventories	10	747,977	(405,966)	-	-
(Decrease)/increase in payables and other liabilities	11	(1,119,571)	78,584	30,066	25,831
(Increase)/decrease in prepayment	12	(189,997)	112,485	10,432	6,634
		662,005	451,488	(247,742)	36,992
Interest paid	14	(493,700)	(855,981)	(90,256)	(264,214)
Corporate income tax paid	15	(305,605)	(723,801)	-	-
Other payments for operating activities	17	(6,662)	(915)	-	-
Net cash flows from operating activities	20	(143,962)	(1,129,209)	(337,998)	(227,222)

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

Masan Group Corporation and its subsidiaries
Statements of cash flow for the period ended 31 March 2016 (continued)

Form B 03a – DN/HN

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

Code Note	<u>Group</u>		<u>Company</u>		
	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for additions to fixed assets and other long-term assets	21	(812,644)	(491,515)	(4,352)	(45)
Proceeds from disposals of fixed assets and other long-term assets	22	56	45	-	-
Payments for granting loan and term deposits at banks	23	(27,097,654)	(2,945,500)	(465,048)	(2,131)
Receipts from collecting loan and term deposits at banks	24	28,815,910	5,570,009	810,890	319,183
Payments for investment in subsidiaries, associates and other entities	25	(19,724,374)	(1,922,079)	-	(1,502,060)
Collections on investments in other entities	26	85,310	1,549,990	79,990	1,499,990
Receipts of interest, dividend and related income from investing activities	27	609,278	120,089	10,133	13,914
Net cash flows from investing activities	30	(18,124,118)	1,881,039	431,613	328,851

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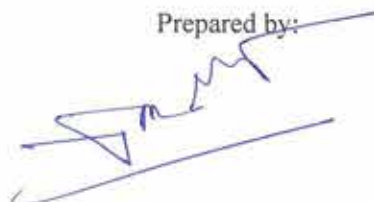
Masan Group Corporation and its subsidiaries
Statements of cash flow for the period ended 31 March 2016 (continued)

Form B 03a – DN/HN

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Code	Note	<u>Group</u>		<u>Company</u>	
		From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
CASH FLOWS FROM FINANCING ACTIVITIES					
	Proceeds from capital contribution in subsidiaries by non-controlling interest	31	14,369,527	-	-
	Payments for equity instruments repurchased	32	(266,927)	(266,927)	-
	Proceeds from short-term and long-term borrowings	33	6,768,539	4,163,111	2,000,000
	Payments to settle borrowings	34	(6,209,714)	(5,328,392)	(2,371,050)
	Payments to settle finance lease liabilities	35	(3,356)	(3,961)	-
	Payment of dividends to non-controlling interest by subsidiaries	36	(26,272)	-	-
	Net cash flows from financing activities	40	14,631,797	(1,169,242)	(637,977)
	Net cash flows during the period (50 = 20 + 30 + 40)	50	(3,636,283)	(417,412)	(544,362)
	Cash and cash equivalents at the beginning of the period	60	8,324,476	5,166,415	1,103,659
	Effect of exchange rate fluctuation on cash and cash equivalents	61	(1,299)	1,078	(2)
	Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	4,686,894	4,750,081	559,295

Prepared by:



Doan Thi My Duyen
Chief Accountant

29 April 2016

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Nguyen Dang Quang
Chairman
Chief Executive Officer

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

Masan Group Corporation and its subsidiaries
Notes to the financial statements for the period ended 31 March 2016

Form B 09a – DN/HN
*(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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

1. Reporting entity

Masan Group Corporation (“the Company”) is a joint stock company incorporated in Vietnam. The principal activity of the Company is in investment holding.

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

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

(a) Subsidiaries

(i) Direct subsidiaries

Number	Name	Principal activity	Percentage of economic interests at	
			31/3/2016	1/1/2016
1	MasanConsumerHoldings Company Limited (“MCH”) (i)	Investment holding	85.7%	100%
2	Masan Horizon Corporation	Investment holding	99.9%	99.9%
3	Masan Nutri-Science Corporation (formerly known as Masan Nutri-Science Company Limited) (“MNS”) (vi)	Investment holding	96.0%	99.9%

(ii) Indirect subsidiaries

Number	Name	Principal activity	Percentage of economic interests at	
			31/3/2016	1/1/2016
1	Masan Brewery Company Limited (“MB”) (i)	Investment holding	57.1%	100%
2	Masan Master Brewer Company Limited	Beer and beverage trading	57.1%	100%
3	Masan Brewery PY One Member Company Limited	Beer and beverage manufacturing	57.1%	100%

Masan Group Corporation and its subsidiaries**Notes to the financial statements for the period ended 31 March 2016 (continued)****Form B 09 – DN/HN***(Issued under Circular No. 200/2014/TT-BTC and No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Number	Name	Principal activity	Percentage of economic interests at	
			31/3/2016	1/1/2016
4	Masan Brewery HG One Member Company Limited	Beer and beverage trading	57.1%	100%
5	Masan Brewery Distribution One Member Company Limited	Beer and beverage trading	57.1%	100%
6	Masan Consumer Corporation (“MSC”) (ii)	Trading and distribution	82.8%	77.8%
7	Masan Food Company Limited	Food Trading	82.8%	77.8%
8	Masan Industrial One Member Company Limited	Food sauce and instant noodle manufacturing	82.8%	77.8%
9	Viet Tien Food Technology One member Company Limited	Food sauce manufacturing	82.8%	77.8%
10	Masan HD One member Company Limited	Food sauce and instant noodle manufacturing	82.8%	77.8%
11	Ma San PQ Corporation	Food sauce manufacturing	78.3%	73.5%
12	VinaCafe Bien Hoa Joint Stock Company (“VCF”) (v)	Beverage manufacturing	49.8%	41.4%
13	Vinh Hao Mineral Water Corporation (“VHC”) (iii)	Beverage manufacturing	69.8%	49.7%
14	Kronfa., JSC	Beverage manufacturing	69.8%	49.7%

Masan Group Corporation and its subsidiaries

Notes to the financial statements for the period ended 31 March 2016 (continued)

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Number	Name	Principal activity	Percentage of economic interests at	
			31/3/2016	1/1/2016
15	Masan Beverage Company Limited (“MSB”)	Beverage trading and manufacturing	82.8%	77.8%
16	Masan DN One Member Company Limited	Food sauce, instant noodle manufacturing and beverage manufacturing	82.8%	77.8%
17	Masan MB One Member Company Limited	Instant noodle and beverage manufacturing	82.8%	77.8%
18	Masan HG One Member Company Limited	Seasonings, convenience food manufacturing and trading	82.8%	77.8%
19	Saigon Nutri Food Joint Stock Company	Convenience food manufacturing	82.8%	77.8%
20	Quang Ninh Mineral Water Corporation	Beverage manufacturing	53.9%	50.6%
21	Mapleleaf Company Limited	Investment holding	99.9%	99.9%
22	Ma San Resources Corporation	Investment holding	72.7%	72.7%
23	Ma San Thai Nguyen Resources Company Limited	Investment holding	72.7%	72.7%
24	Thai Nguyen Trading and Investment Company Limited	Investment holding	72.7%	72.7%
25	Nui Phao Mining Company Limited	Exploring and processing mineral	72.7%	72.7%
26	Nui Phao – H.C. Starck Tungsten Chemicals Manufacturing LLC	Processing mineral	37.1%	37.1%
27	Kenji Company Limited (“Kenji”)	Investment holding	96.0%	99.9%
28	Shika Company Limited (“Shika”)	Investment holding	95.9%	99.9%
29	Meiji Corporation (“Meiji”)	Investment holding	95.9%	99.9%

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Number	Name	Principal activity	Percentage of economic interests at	
			31/3/2016	1/1/2016
30	Agro Nutrition International Joint Stock Company (“Anco”)	Animal protein	67.2%	70.0%
31	Aqua Nutrition International Joint Venture Co., Ltd (“Anco Vinh Long”)	Animal protein	67.2%	70.0%
32	Agro Nutrition International Binh Dinh One Member Limited Company (“Anco Binh Dinh”)	Animal protein	67.2%	70.0%
33	Agro Nutrition International Thai Nguyen Limited Company (“Anco Thai Nguyen”)	Animal protein	67.2%	70.0%
34	Agro Nutrition International Tien Giang One Member Limited Company (“Anco Tien Giang”)	Animal protein	67.2%	70.0%
35	Agro Nutrition International Nghe An Company Limited (“Anco Nghe An”)	Animal protein	67.2%	70.0%
36	Agro Nutrition International Hau Giang One Member Limited Liability Company (“Anco Hau Giang”)	Animal protein	67.2%	70.0%
37	Vietnamese – French Cattle Feed Joint Stock Company (“Proconco”) (iv)	Animal protein	72.1%	68.6%
38	Proconco Can Tho Co., Ltd. (“Proconco Can Tho”)	Animal protein	72.1%	68.6%
39	Con Co Binh Dinh Co., Ltd. (“Proconco Binh Dinh”)	Animal protein	72.1%	68.6%
40	Proconco Hung Yên (formerly known as Toan Loi Manufacturing and Trading Company Limited)	Animal protein	72.1%	68.6%

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- (i) In January 2016, Singha Asia Holdings Pte. Ltd (“Singha”) invested VND13,343,726 million (in which, VND86,100 million had already received in December 2015) and VND1,111,900 million in cash in exchange for primary shares of MCH, and MB respectively, representing an equity interest of 14.3% and 33.3% respectively. As a result of these transactions, equity interest of the Company in MCH decreased from 100% to 85.7% and in MB, an indirect subsidiary of the Company through MCH, decreased from 100% to 57.1%.
- (ii) In January 2016, MCH increased its equity interests in MSC from 77.8% to 96.7% by purchasing from non-controlling interest shares. As a result of this transaction, equity interest of the Company in MSC, an indirect subsidiary of the Company through MCH, increased from 77.8% to 82.8%.
- (iii) In January 2016, MSC’s wholly-owned subsidiary, MSB, acquired additional 2,657,641 shares of VHC. Such transaction resulted in MSB’s equity interest in VHC being increased from 64.0% to 84.2% and the Company’s equity interest in VHC being increased from 49.7% to 69.8%.
- (iv) In January 2016, MNS acquired additional 10,412,088 shares of Proconco. As a result of this transaction, equity interest of the Company in Proconco increased from 68.6% to 75.2% as of 31 January 2016.
- (v) In February 2016, MSB acquired an additional 1,850,000 shares of VCF. Such transaction resulted in MSB’s equity interest in VCF being increased from 53.2% to 60.2% and the Company’s equity interest in VCF being increased from 41.4% to 49.8%.
- (vi) In March 2016, the Company transferred 4.0% equity interest in MNS to non-controlling interest. As a result of this transaction, equity interest of the Company in MNS decreased from 99.9% to 96.0%.

All the subsidiaries are incorporated in Vietnam.

The percentage of economic interests represents the effective percentage of economic interests of the Group both directly and indirectly in the subsidiaries.

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(b) Associates

(i) Direct associate

Number	Name	Principal activity	Percentage of economic interests at	
			31/3/2016	1/1/2016
1	Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") (*)	Banking	19.5%	19.5%

(*) The Group's effective economic interest in Techcombank as of 31 March 2016 is 30.4% (1/1/2016: 30.4%). This effective economic interest includes 15.6% through direct and indirect equity interest (net of dilutive impact of convertible bonds on current equity interest of 19.5%, of which 4.5% is held by an indirect subsidiary of the Group, Mapleleaf Company Limited) and 14.7% through 10 year convertible bonds issued by Techcombank which the Company has agreed to irrevocably and mandatorily convert during the conversion period of the convertible bonds, subject to regulatory and other customary approvals.

(ii) Indirect associates

Number	Name	Principal activity	Percentage of economic interests at	
			31/3/2016	1/1/2016
1	Cholimex Food Joint Stock Company ("Cholimex")	Food sauce manufacturing and trading	32.8%	32.8%
2	Thuan Phat Packing Joint Stock Company ("Thuan Phat")	Packaging manufacturing	25.0%	25.0%
3	Loc Khang Joint Stock Company ("Loc Khang")	Animal protein	26.2%	26.2%
4	Abattoir Long Binh Joint Stock Company ("Abattoir")	Animal protein	25.0%	25.0%
5	Dong Nai Manufacture, Service and Trading Joint Stock Company ("DN Manu")	Animal protein	21.3%	21.3%

The percentage of economic interests in indirect associates represents the percentage of economic interests of indirect subsidiaries in the associates.

(c) Normal operating cycle

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

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2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"). These financial statements are prepared and presented in millions of Vietnam Dong ("VND million").

3. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) *Common-control business combination*

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

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

(ii) *Non-common control business combination*

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

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

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations included any costs directly attributable to the combination, such as professional fees paid to accountants, legal advisers, valuers and other consultants to effect the combination. Transaction costs are capitalised into the cost of business combination. General administrative costs and other costs that cannot be directly attributed to the particular *combination* being accounted for are not included in the cost of the combination; they are recognized as an expense when incurred.

(iii) *Subsidiaries*

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

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(iv) Associate (equity accounted investees)

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

(v) Loss of control

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

(vi) Non-controlling interest

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

The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in other capital under equity.

(vii) Transactions eliminated on consolidation

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

(b) Foreign currency transactions

Transactions in currencies other than VND during the period have been translated into VND at actual rates of exchange ruling at the transaction dates. The actual rates of exchange applied to account for foreign currency transaction are determined as follows:

- Exchange rate applied to buying or selling foreign currency is the exchange rate stipulated in the currency exchange contract between the Company or its subsidiaries and the bank.
- Exchange rate applied to capital contribution transaction is the foreign currency buying rate at the transaction date quoted by the bank through which the investor transfers funds for the capital contribution.

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

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

- For monetary assets (cash on hand and receivables): the foreign currency buying rate at the reporting date quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions. Cash at bank and bank deposits are retranslated using the foreign currency buying rate of the bank where the Company or its subsidiaries deposits the money or maintains those bank accounts.
- For monetary liabilities (payables and borrowings): the foreign currency selling rate at reporting date quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions.

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

(c) Cash and cash equivalents

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

(d) Investments

(i) Held to maturity investments

Held-to-maturity investments are those that the Company and the Group's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank, bonds and receivables on lending loans held to maturity. These investments are stated at costs less allowance for doubtful debts.

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(ii) *Investments in subsidiaries and associates*

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

(iii) *Equity investments in other entity*

Equity investments in other entity are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investment are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Company and the Group's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(e) *Accounts receivable*

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

(f) *Inventories*

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

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

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(g) Tangible fixed assets

(i) Cost

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

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

(ii) Depreciation

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

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

Machinery and equipment of a subsidiary directly related to production activities

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

Others

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

▪ mining properties	15 - 20 years
▪ buildings and structures	4 - 30 years
▪ leasehold improvements	3 - 5 years
▪ office equipment	3 - 10 years
▪ machinery and equipment	3 - 25 years
▪ motor vehicles	3 - 10 years

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(h) Finance lease tangible fixed assets

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

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

(i) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

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

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

(ii) Software

Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 4 and 10 years.

(iii) Brand name

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

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

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(iv) Customer relationships

Customer relationships that are acquired by the Group on the acquisition of subsidiary is capitalised and presented as an intangible asset.

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationship is amortised on a straight line basis ranging from 5 to 20 years.

(v) Mineral water resources

Mineral water resources that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible asset. The fair values of mineral water resources acquired in a business combination are determined using either the direct comparison method or the multi-period excess earnings method. The direct comparison approach estimates the value of mineral resources by comparing recent asking/transacted price of similar interests located in a similar area. In the multi-period excess earnings method, subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of mineral water resources are amortised on a straight line basis over their useful lives ranging from 10 to 37 years.

(vi) Mining rights

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

(vii) Technology

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

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

(viii) Exploitation rights

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

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(j) Construction in progress

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

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

(k) Long-term prepayments

(i) Mining properties

Mining properties comprise:

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

Deferred stripping costs

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore body. Stripping costs incurred in the development phase of a mine (development stripping costs) are capitalised as part of the cost of mine under construction. All capitalised development stripping included in assets under construction is transferred to mining properties.

The costs of removal of the waste material during a mine’s production phase (production stripping costs) are deferred where they give rise to future benefits:

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

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

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

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

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(ii) *Pre-operating expenses*

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

(iii) *Prepaid land costs*

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

(iv) *Land compensation cost*

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

(v) *Printing axles and tools and supplies*

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

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

(vi) *Goodwill from equitisation*

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

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(vii) Borrowing fees and arrangement fees

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

(l) Goodwill

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

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

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

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying value of the investment.

(m) Accounts payable to suppliers and other payables

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

(n) Provisions

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

Mining rights

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

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Mine rehabilitation

The mining, extraction and processing activities of the Group give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of the Ministry of Natural Resources and Environment (“MONRE”) and the Group’s environmental policies based on the Environment Impact Report. The timing of the actual closure and rehabilitation expenditure is dependant on the life and nature of the mine.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in mining properties and depreciated accordingly. The value of the provision is progressively increased over time as the effect of the discounting unwinds, creating an expense recognised in financial expenses.

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

Severance allowance

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more (“eligible employees”) voluntarily terminates their labour contracts, the employer is required to pay the eligible employees severance allowance calculated based on years of service and employees’ compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their current salary level.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Group and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees’ basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of the unemployment insurance scheme, the Group is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to existing eligible employees as of 31 March 2016 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

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(o) Bonds issued

Straight bonds

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

(p) Taxation

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

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

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

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

(q) Equity

(i) *Share capital and capital surplus*

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

(ii) *Other capital*

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

Equity movements resulting from common-control business combination, acquisition or disposal to non-controlling interest that do not result in a loss of control are recorded in undistributed profits after tax under equity.

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(r) Revenue

Goods sold

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

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(s) Financial income and financial expenses

(i) *Financial income*

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

(ii) *Financial expenses*

Financial expenses comprise interest expenses on borrowings, interest costs, losses from disposal of equity interests, foreign exchange losses and realised losses from derivative financial instruments. Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of tangible fixed assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the fixed assets concerned.

(t) Operating lease payments

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

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(u) Earnings per share

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

(v) Segment reporting

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

(w) Related parties

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

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

4. Segment reporting

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

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

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

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(a) Business segments

	Food and beverage		Animal protein		Others		Total	
	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Segment revenue	2,779,380	2,771,539	5,183,063	-	806,183	812,839	8,768,626	3,584,378
Segment gross margin	1,086,425	955,076	1,053,847	-	271,875	227,835	2,412,147	1,182,911
Segment results	282,944	212,208	390,218	-	151,902	16,429	825,064	228,637
Net unallocated expenses							(431,570)	(171,247)
Net profit							393,494	57,390

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	Food and beverage		Animal protein		Others		Total	
	31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million
Segment assets	16,956,548	19,431,822	14,001,782	14,766,478	34,706,540	34,546,124	65,664,870	68,744,424
Unallocated assets							1,838,858	3,105,276
Total assets							67,503,728	71,849,700
Segment liabilities	5,048,514	5,368,413	7,456,276	7,804,983	13,463,470	13,454,736	25,968,260	26,628,132
Unallocated liabilities							18,001,311	18,112,522
Total liabilities							43,969,571	44,740,654
Capital expenditure	334,514	232,352	38,454	-	439,676	259,163	812,644	491,515
Depreciation	114,025	90,147	52,711	-	191,320	189,767	358,056	279,914
Amortisation	83,155	63,580	96,034	-	57,022	56,625	236,211	120,205

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(b) Geographical segments

During the period ended 31 March 2016 and period ended 31 March 2015, the Group view themselves as operating in one geographical segment which is in Vietnam since all the Group's facilities, investments and revenue are in Vietnam. However, the Group's mining and mineral processing business has a global customer base. In addition, the strategic partnership with Singha Asia Holdings Pte Ltd may result in the Group growing its business activities in neighbouring countries such as Thailand, Myanmar, Cambodia and Laos.

5. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	31/3/2016	1/1/2016	31/3/2016	1/1/2016
	VND million	VND million	VND million	VND million
Cash on hand	7,078	8,379	142	150
Cash in bank	628,169	909,225	10,378	17,619
Cash in transit	6,052	1,052	-	-
Cash equivalents	4,045,595	7,405,820	548,775	1,085,890
	<u>4,686,894</u>	<u>8,324,476</u>	<u>559,295</u>	<u>1,103,659</u>

6. Accounts receivable

Other receivables comprised:

	<u>Group</u>		<u>Company</u>	
	31/3/2016	1/1/2016	31/3/2016	1/1/2016
	VND million	VND million	VND million	VND million
Receivables on short-term lending loans				
Receivables from other loan investing activities	-	762,400	-	-
Receivables on long-term lending loans				
Receivables from other loan investing activities	909,700	8,563,114	-	-
Receivables from subsidiaries	-	-	4,250,374	4,773,374

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	<u>Group</u>		<u>Company</u>	
	31/3/2016	1/1/2016	31/3/2016	1/1/2016
	VND million	VND million	VND million	VND million
Other short-term receivables				
Receivables from sales of insurance claims	256,200	256,200	-	-
Non-trade receivables from related companies	142,244	142,244	142,244	142,244
Accrued interest receivable	46,065	11,773	6,780	2,905
Advances	8,620	7,359	158	-
Short-term deposits	51,891	46,820	30	-
Services receivable	11,547	11,547	11,547	11,547
Others	394,068	165,655	232,239	475
	910,635	641,598	392,998	157,171
Other long-term receivables				
Long-term deposit	53,590	45,836	2,312	2,313
Other long-term receivables from related companies	-	-	3,288,838	3,132,671
Other long-term receivables from other loan investing activities	14,661	440,103	-	-
Other (*)	1,383,371	1,383,086	-	-
	1,451,622	1,869,025	3,291,150	3,134,984

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

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Other receivables include the following amounts due from related parties:

	<u>Group</u>		<u>Company</u>	
	31/3/2016	1/1/2016	31/3/2016	1/1/2016
	VND million	VND million	VND million	VND million
Amounts due from Masan Corporation - parent company				
Non-trade – short-term	142,244	142,244	142,244	142,244
Amounts due from other related companies				
Loans – long-term	-	-	4,250,374	4,773,374
Non-trade – long-term	-	-	3,288,838	3,132,671

The short-term non-trade amounts of the Group due from Masan Corporation were unsecured, interest-free and receivable in demand.

Movement of allowance for doubtful debts during the period was as follows:

	<u>Group</u>	
	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Opening balance	28,589	2,064
Allowance utilised during the period	-	(52)
Allowance written back during the period	(48)	(50)
Closing balance	28,541	1,962

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7. Inventories

	<u>Group</u>		<u>Company</u>	
	31/3/2016	1/1/2016	31/3/2016	1/1/2016
	VND million	VND million	VND million	VND million
Goods in transit	75,460	912,443	-	-
Raw materials	1,934,205	1,939,680	-	-
Tools and supplies	712,497	699,637	-	-
Work in progress	178,982	168,151	-	-
Finished goods	698,160	705,969	-	-
Merchandise inventories	9,936	4,453	-	-
Goods on consignment	65,964	4,259	-	-
	3,675,204	4,434,592	-	-
Allowance for inventories	(5,509)	(16,623)	-	-
	3,669,695	4,417,969	-	-

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

	<u>Group</u>	
	From 1/1/2016 to 31/3/2016	From 1/1/2015 to 31/3/2015
	VND million	VND million
Opening balance	16,623	22,318
Increase in allowance during the period	1,039	31,176
Allowance utilised during the period	(11,411)	(18,404)
Allowance written back during the period	(742)	(11)
Closing balance	5,509	35,079

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8. Tangible fixed assets

<u>Group</u>	Buildings and structures VND million	Mining Properties VND million	Leasehold improvements VND million	Office equipment VND million	Machinery and equipment VND million	Motor vehicles VND million	Total VND million
Cost							
Opening balance	3,910,138	5,026,292	25,761	114,168	13,396,141	124,632	22,597,132
Additions	511	-	-	511	369	-	1,391
Transfers from construction in progress	35,666	-	45,653	8,803	403,011	4,188	497,321
Transfers (to)/from long-term prepayments	(1,624)	-	-	-	3,212	-	1,588
Disposals	(343)	-	-	(1,152)	(4,127)	-	(5,622)
Reclassifications	-	-	-	(862)	862	-	-
Closing balance	3,944,348	5,026,292	71,414	121,468	13,799,468	128,820	23,091,810
Accumulated depreciation							
Opening balance	375,659	311,133	23,813	46,448	1,839,939	35,078	2,632,070
Charge for the period	77,483	45,903	1,680	9,562	217,104	6,419	358,151
Disposals	(173)	-	-	(1,152)	(4,127)	-	(5,452)
Reclassifications	564	-	-	242	(766)	(40)	-
Closing balance	453,533	357,036	25,493	55,100	2,052,150	41,457	2,984,769
Net book value							
Opening balance	3,534,479	4,715,159	1,948	67,720	11,556,202	89,554	19,965,062
Closing balance	3,490,815	4,669,256	45,921	66,368	11,747,318	87,363	20,107,041

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	Leasehold improvements	Office equipment	Total
	VND million	VND million	VND million
Cost			
Opening balance	15,140	5,759	20,899
Addition	-	30	30
Closing balance	15,140	5,789	20,929
Accumulated depreciation			
Opening balance	13,777	4,693	18,470
Depreciation for the period	545	384	929
Closing balance	14,322	5,077	19,399
Net book value			
Opening balance	1,363	1,066	2,429
Closing balance	818	712	1,530

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9. Finance lease tangible fixed assets

	Machinery and equipment VND million
Cost	
Opening balance/closing balance	67,300
Accumulated depreciation	
Opening balance	35,893
Charge for the period	3,365
Closing balance	39,258
Net book value	
Opening balance	31,407
Closing balance	28,042

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10. Intangible fixed assets

<u>Group</u>	Land use rights VND million	Software VND million	Brand name VND million	Customer relationships VND million	Mineral water resources VND million	Mining rights VND million	Technology VND million	Exploitation rights VND million	Total VND million
Cost									
Opening balance	307,357	353,793	2,412,583	3,074,214	412,698	588,373	669,433	88,408	7,906,859
Additions	-	97	-	-	-	-	-	-	97
Closing balance	307,357	353,890	2,412,583	3,074,214	412,698	588,373	669,433	88,408	7,906,956
Accumulated amortisation									
Opening balance	26,520	58,273	308,526	373,671	7,594	35,919	92,096	2,595	905,194
Amortisation for the period	2,406	10,913	37,824	51,992	1,766	7,638	34,536	755	147,830
Closing balance	28,926	69,186	346,350	425,663	9,360	43,557	126,632	3,350	1,053,024
Net book value									
Opening balance	280,837	295,520	2,104,057	2,700,543	405,104	552,454	577,337	85,813	7,001,665
Closing balance	278,431	284,704	2,066,233	2,648,551	403,338	544,816	542,801	85,058	6,853,932

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Company

	Software VND million
Cost	
Opening balance/closing balance	4,532
Accumulated amortisation	
Opening balance	3,335
Charge for the period	186
Closing balance	3,521
Net book value	
Opening balance	1,197
Closing balance	1,011

11. Construction in progress

	Group		Company	
	31/3/2016	1/1/2016	31/3/2016	1/1/2016
	VND million	VND million	VND million	VND million
Opening balance	5,480,035	3,811,051	-	-
Addition on business combination	-	223,192	-	-
Additions during the period	787,249	3,825,674	4,321	-
Transfers to tangible fixed assets	(497,321)	(2,118,246)	-	-
Transfers to intangible fixed assets	-	(242,864)	-	-
Transfers from inventories	-	397	-	-
Transfers to long-term prepayments	(95,268)	(17,874)	-	-
Transfers to short-term prepayments	(872)	(449)	-	-
Disposals	-	(825)	-	-
Written off	(1,518)	(21)	-	-
Closing balance	5,672,305	5,480,035	4,321	-

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12. Investments

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND million	1/1/2016 VND million Reclassified	31/3/2016 VND million	1/1/2016 VND million
Long-term financial investments				
Investments in subsidiaries	-	-	6,438,408	6,526,105
Investment in associates (a)	9,261,921	9,124,149	7,989,232	7,989,232
Investments in other entities (c)	1,624,517	21,646	-	-
Allowance for diminution in the value of long-term financial investments	(912)	(912)	-	-
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	10,885,526	9,144,883	14,427,640	14,515,337
	<hr/>	<hr/>	<hr/>	<hr/>
Short-term financial investments (b)	6,991,548	293,990	465,048	287,890

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

Details of the Company's investments in direct subsidiaries are as follows:

	31/3/2016 VND million	1/1/2016 VND million
MasanConsumerHoldings Company Limited	516,600	516,600
Masan Horizon Corporation	3,816,815	3,816,815
Masan Nutri-Science Corporation (formerly known as Masan Nutri-Science Company Limited)	2,104,993	2,192,690
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	6,438,408	6,526,105

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(a) Investment in associates

Group

	31/3/2016		1/1/2016		
	% of equity owned	% of voting rights	Carrying value at equity accounted VND million	Allowance for diminution in value VND million	Fair value VND million
Vietnam Technological and Commercial Joint Stock Bank (“Techcombank”) (*)	19.5%	19.5%	8,977,702	-	(***)
Cholimex Food Joint Stock Company (“Cholimex”)	32.8%	32.8%	252,939	-	(***)
Thuan Phat Packing Joint Stock Company (“Thuan Phat”) (**)	25.0%	25.0%	8,954	-	(***)
Loc Khang Joint Stock Company (“Loc Khang”) (**)	26.2%	26.2%	5,016	-	(***)
Abattoir Long Binh Joint Stock Company (“Abattoir”) (**)	25.0%	25.0%	8,508	-	(***)
Dong Nai Manufacture, Service and Trading Joint Stock Company (“DN Manu”) (**)	21.3%	21.3%	8,802	-	(***)
			9,261,921	-	(***)
			9,124,149	-	(***)

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Movements of investment in associates as at 31 March 2016 were as follows:

	Techcombank VND million	Cholimex VND million	Thuan Phat VND million	Loc Khang VND million	Abattoir VND million	DN Manu VND million	Total VND million
Opening balance – as reclassified	8,838,067	254,802	8,954	5,016	8,508	8,802	9,124,149
Share in post-acquisition profit of associates during the period	139,635	3,457	-	-	-	-	143,092
Other decrease	-	(5,320)	-	-	-	-	(5,320)
Closing balance	8,977,702	252,939	8,954	5,016	8,508	8,802	9,261,921

(*) Investment in Techcombank represents investment in 30.4% (1/1/2016: 30.4%) of the effective economic interest in Techcombank as of 31 March 2016. The Group's effective economic interest includes 15.6% through direct and indirect equity interest (net of dilutive impact of convertible bonds on current equity interest of 19.5%) and 14.7% through 10 year convertible bonds issued by Techcombank which the Company has agreed to irrevocably and mandatorily convert during the conversion period of the convertible bonds, subject to regulatory and other customary approvals.

(**) Proconco holds a 25.0% equity interest in Thuan Phat, 25.0% equity interest in Abattoir, 21.3% equity interest in DN Manu and 26.2% equity interest in Loc Khang.

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

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Company

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

	31/3/2016		1/1/2016				
	% of equity owned	% of voting rights	Cost VND million	Allowance for diminution in value VND million	Cost VND million	Allowance for diminution in value VND million	Fair value VND million
Techcombank	15%	15%	7,989,232	-	7,989,232	-	(*)

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

(b) Short-term financial investments

Mainly term deposits in banks represent deposits with original terms to maturity of more than three months and less than 12 months from their transaction dates.

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(c) Equity investments in other entity

Group

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

	31/3/2016		1/1/2016				
	% of equity owned	% of voting rights	Cost VND million	Allowance for diminution in value VND million	Cost VND million	Allowance for diminution in value VND million	Fair value VND million
PTSC Dinh Vu Port Company	5.9%	5.9%	21,646	(912)	21,646	(912)	(*)
Vietnam Meat Industries Limited Company ("Vissan") (**)	14.0%	14.0%	1,427,328	-	-	-	(*)
Others			175,543	-	-	-	(*)
			1,624,517	(912)	21,646	(912)	(*)

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

(**) In March 2016, Anco, an indirect subsidiary of the Company through MNS, acquired 14.0% of Vissan and became a strategic investor of Vissan.

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13. Long-term prepayments

Group

	Mining properties VND million	Pre-operating expenses VND million	Prepaid land costs VND million	Land compensation costs VND million	Printing axles, tools and supplies VND million	Goodwill from equitisation VND million	Others VND million	Total VND million
Opening balance	1,113,461	47,543	170,505	606,393	49,597	31,344	23,779	2,042,622
Additions	37,622	-	3,655	-	1,959	-	136,394	179,630
Transfer from construction in progress	-	-	-	-	37,609	-	57,659	95,268
Transfers to tangible fixed assets	-	-	-	-	(1,588)	-	-	(1,588)
Amortisation for the period	(20,915)	(4,733)	(2,170)	(8,954)	(9,370)	(784)	(14,013)	(60,939)
Reclassifications	-	(2,570)	-	1,253	9,228	-	(7,911)	-
Disposals	-	-	-	-	(2)	-	-	(2)
Closing balance	1,130,168	40,240	171,990	598,692	87,433	30,560	195,908	2,254,991

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Company

	Service fees VND million	Others VND million	Total VND million
Opening balance	-	3,795	3,795
Additions	134,087	-	134,087
Amortisation for the period	(11,174)	(677)	(11,851)
Closing balance	122,913	3,118	126,031

14. Goodwill

	<u>Group</u> VND million
Cost	
Opening balance and closing balance	1,088,675
Accumulated amortisation	
Opening balance	259,998
Amortisation for the period	27,441
Closing balance	287,439
Net book value	
Opening balance	828,677
Closing balance	801,236

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15. Taxes payable to State Treasury

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million
Corporate income tax	153,958	287,683	-	-
Value added tax	44,933	116,597	-	-
Personal income tax	17,862	31,682	-	-
Special consumption tax	62,094	62,956	-	-
Other taxes	161,783	5,614	-	-
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	440,630	504,532	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

16. Accrued expenses

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million
Accrued interest payable	676,559	481,026	165,362	115,383
Accrual for construction work	150,098	148,815	-	-
Advertising and promotion expenses	647,657	758,820	-	-
Consultant fee	33,219	120,873	20,415	28,040
Bonus and 13 th month salary	34,239	91,612	-	-
Sales discount	366,913	445,632	-	-
Transportation expenses	111,336	62,304	-	-
Accrued withholding tax	8,357	11,363	1,020	2,118
Natural resources taxes and fees	68,332	286,166	-	-
Accruals for inventories purchased	116,985	67,475	-	-
Exhibition and market research expenses	61,104	32,874	-	-
Others	433,811	368,961	568	2,350
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	2,708,610	2,875,921	187,365	147,891
	<hr/>	<hr/>	<hr/>	<hr/>

Masan Group Corporation and its subsidiaries

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17. Other payables

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million
Other short-term payables				
Payables for equitisation of a subsidiary	-	81,605	-	-
Social and health insurance	9,950	10,540	-	-
Short-term deposits from customers	2,116	6,716	-	-
Dividend payables	54,817	54,480	-	-
Obligation to issue shares	-	60,561	-	60,561
Others	222,705	184,571	89,474	51,050
	289,588	398,473	89,474	111,611
Other long-term payables				
Long-term payables	2,585	75,009	-	-
Long-term deposits	28,094	22,804	-	-
	30,679	97,813	-	-

18. Short-term borrowings and finance lease liabilities

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million
Short-term borrowings	5,842,295	5,302,490	-	-
Current portion of long-term borrowings (Note 19)	910,204	3,064,135	567,960	2,844,842
	6,752,499	8,366,625	567,960	2,844,842

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

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million
Bank borrowings:				
VND denominated	3,816,537	3,003,984	-	-
USD denominated	2,025,758	2,298,506	-	-
	5,842,295	5,302,490	-	-

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19. Long-term borrowings and finance lease liabilities

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million
Long-term borrowings (a)	1,252,659	961,867	-	-
Convertible loan	567,960	567,960	567,960	567,960
Secured bonds	28,421,787	28,747,968	5,911,525	6,265,604
Finance lease liabilities	36,096	39,452	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	30,278,502	30,317,247	6,479,485	6,833,564
Repayable within twelve months (Note 18)	(910,204)	(3,064,135)	(567,960)	(2,844,842)
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Repayable after twelve months	29,368,298	27,253,112	5,911,525	3,988,722

(a) Long-term borrowings

	<u>Group</u>		<u>Company</u>	
	31/3/2016 VND million	1/1/2016 VND million	31/3/2016 VND million	1/1/2016 VND million
Bank borrowings:				
▪ VND denominated	1,252,659	961,867	-	-

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20. Changes in owners' equity

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

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Group

	Share capital VND million	Capital surplus VND million	Other capital VND million	Undistributed profits VND million	Equity attributable to equity holders of the Group		Non-controlling interest VND million	Total VND million
					VND million	VND million		
Balance at 1 January 2016	7,467,179	9,631,106	(9,045,049)	8,561,380	16,614,616	10,494,430	27,109,046	
Transaction with non-controlling interest in subsidiaries	-	-	-	(1,574,082)	(1,574,082)	(2,187,055)	(3,761,137)	
Equity instruments repurchased	-	-	(206,366)	-	(206,366)	-	(206,366)	
Net profit for the period	-	-	-	253,342	253,342	140,152	393,494	
Transfer to funds	-	-	-	(77)	(77)	(803)	(880)	
Balance at 31 March 2016	7,467,179	9,631,106	(9,251,415)	7,240,563	15,087,433	8,446,724	23,534,157	

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Company:

	Share capital VND million	Capital surplus VND million	Other capital VND million	(Accumulated loss)/ undistributed profits VND million	Total VND million
Balance at 1 January 2015	7,358,081	9,631,164	(1,488,972)	2,030,845	17,531,118
Issuance of new shares	109,098	(58)	-	-	109,040
Net loss for the year	-	-	-	(522,355)	(522,355)
Balance at 31 December 2015	7,467,179	9,631,106	(1,488,972)	1,508,490	17,117,803
Balance at 1 January 2016	7,467,179	9,631,106	(1,488,972)	1,508,490	17,117,803
Net loss for the period	-	-	-	(57,315)	(57,315)
Equity instruments repurchased	-	-	(206,366)	-	(206,366)
Balance at 31 March 2016	7,467,179	9,631,106	(1,695,338)	1,451,175	16,854,122

21. Share capital and capital surplus

The Company's authorised and issued share capital comprises:

	31/3/2016		1/1/2016	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital	746,717,861	7,467,179	746,717,861	7,467,179
Issued share capital				
Ordinary shares	746,717,861	7,467,179	746,717,861	7,467,179
Capital surplus	-	9,631,106	-	9,631,106

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

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

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

	From 1/1/2016 to 31/3/2016		From 1/1/2015 to 31/12/2015	
	Number of shares	VND million	Number of shares	VND million
Balance at beginning of the period/year	746,717,861	7,467,179	735,808,140	7,358,081
Issuance of new shares	-	-	10,909,721	109,098
Balance at the end of the period/year	746,717,861	7,467,179	746,717,861	7,467,179

22. Other capital

Other capital represents the fair value of the Company's fixed number of shares to be issued at a future date and the reclassification from other reserves. Equity movements resulting from common-control business combination and acquisition of/disposal to non-controlling interest and the excess arising on redemption of other capital over the carrying amount are recorded in other reserves in equity.

23. Total revenue

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

Net sales comprised:

	<u>Group</u>		<u>Company</u>	
	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Total revenue				
▪ Sales of finished goods	9,199,937	3,603,471	-	-
▪ Others	20,266	22,704	-	-
Less sales deductions				
▪ Sales discounts	(431,301)	(34,437)	-	-
▪ Sales returns	(20,276)	(7,360)	-	-
Net sales	8,768,626	3,584,378	-	-

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24. Cost of sales

	<u>Group</u>		<u>Company</u>	
	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Total cost of sales				
▪ Finished goods sold	6,290,196	2,370,302	-	-
▪ Others	65,985	-	-	-
▪ Allowance for inventories	298	31,165	-	-
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	6,356,479	2,401,467	-	-

25. Financial income

	<u>Group</u>		<u>Company</u>	
	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Interest income from:				
▪ Deposits	130,457	136,335	11,769	31,273
▪ Other loan investing activities	78,484	-	2,239	-
▪ Loan to subsidiaries	-	-	156,166	158,323
Dividend income	-	-	-	-
Foreign exchange gains	9,082	6,578	-	252
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	218,023	142,913	170,174	189,848

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26. Financial expenses

	<u>Group</u>		<u>Company</u>	
	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Interest expenses payable to:				
• Banks	62,102	110,008	-	-
• Bondholders and others	626,337	289,626	155,072	149,324
• Subsidiary	-	-	-	-
Foreign exchange losses	12,424	73,733	1,659	705
Losses from investing activities	-	-	7,707	-
Other financial expenses	32,183	45,942	2,475	1,373
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	733,046	519,309	166,913	151,402

27. Share of profit in associates

	<u>Group</u>	
	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Share of profit in associates	143,092	103,256
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28. Other income

	<u>Group</u>		<u>Company</u>	
	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Gain on disposal of fixed assets and long term assets	151	45	-	-
Others	1,745	12,264	-	3,617
	<u>1,896</u>	<u>12,309</u>	<u>-</u>	<u>3,617</u>

29. Other expenses

	<u>Group</u>		<u>Company</u>	
	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Loss from disposal of fixed assets	141	22	-	-
Others	9,465	13,145	-	3
	<u>9,606</u>	<u>13,167</u>	<u>-</u>	<u>3</u>

30. Earnings per share

The calculation of basic earnings per share at 31 March 2016 was based on the profit attributable to ordinary shareholders of VND253,342 million (31 March 2015: VND4,354 million) of the Group and a weighted average number of ordinary shares outstanding of 755,717,861 shares during the period (31 March 2015: 747,258,493 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Net profit attributable to ordinary shareholders	253,342	4,354

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(ii) Weighted average number of ordinary shares

	From 1/1/2016 to 31/3/2016	From 1/1/2015 to 31/3/2015
Issued ordinary shares at the beginning of the period	746,717,861	735,808,140
Effect of shares to be issued solely after the passage of time	9,000,000	11,450,353
	<hr/>	<hr/>
Weighted average number of ordinary shares at the end of the period	755,717,861	747,258,493

31. Significant transactions with related parties

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

Group:

Related Party	Nature of transaction	From 1/1/2016 to 31/3/2016	From 1/1/2015 to 31/3/2015
		VND million	VND million
Associates			
Cholimex	Dividend received	5,320	-
Techcombank	Loan received	781,135	704,256
	Loan paid	792,001	393,455
	Interest expense on loans received	46,515	16,409
Key management personnel			
	Remuneration to Board of Management (*)	26,854	14,344

(*) *No board fees were paid to Board of Directors members in the period ended 31 March 2016 and 31 March 2015.*

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Related Party	Nature of transaction	From 1/1/2016 to 31/3/2016 VND million	From 1/1/2015 to 31/3/2015 VND million
Subsidiaries			
Masan Horizon Corporation	Loan provided to a subsidiary	-	2,131
	Interest income from loans provided to a subsidiary	149,414	131,683
Ma San Resources Corporation	Interest income from loans provided to a subsidiary	-	18,596
Nui Phao Mining Company Limited	Interest income from loan provided to a subsidiary	-	6,698
Masan Brewery Company Limited	Interest income from loan provided to a subsidiary	-	1,346
Shika Company Limited	Interest income from loan provided to a subsidiary	6,753	-
	Collected loan from a subsidiary	523,000	-
Key management personnel	Remuneration to Board of management	6,718	4,423

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32. Explanation of the net profit movement

The Group profit after tax in 1Q2016 is VND393 billion (after amortization related to past M&A transactions) compared to VND57 billion in the last corresponding quarter, mainly due to 145% growth in net revenues across its businesses, gross margin expanding in key categories, higher contribution from Techcombank and consolidation of our animal protein platform.

The Company net loss after tax 1Q2016 is VND57 billion compared with net profit of VND7 billion in the last corresponding quarter, due to lower net financial income.

Prepared by:



Doan Thi My Duyen
Chief Accountant

29 April 2016

Approved by:



Michael Hung Nguyen
*Deputy Chief Executive Officer
Chief Financial Officer*



Nguyen Dang Quang
*Chairman
Chief Executive Officer*

