



**Masan Consumer Corporation
(formerly known as “Ma San Consumer
Corporation”) and its subsidiaries**

Consolidated and Separate Financial Statements
for the year ended 31 December 2015



**Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”)
Corporate Information**

Business Registration Certificate No. 0302017440

31 May 2000

The Company’s Business Registration Certificate has been amended several times, the most recent of which is dated 6 August 2015. The Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Dr Nguyen Dang Quang	Chairman
Mr Ho Hung Anh	Member
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Quang	Member
Mr Seokhee Won	Member
Mr Lu Ming	Member (until 27 January 2016)
Mr David Tan Wei Ming	Member (from 25 April 2015 to 27 January 2016)
Mr Stephen W. Golsby	Member (until 25 April 2015)

Board of Management

Mr Seokhee Won	Chief Executive Officer
Ms Nguyen Hoang Yen	Deputy Chief Executive Officer
Mr Pham Hong Son	Deputy Chief Executive Officer
Mr Pham Dinh Toai	Deputy Chief Executive Officer
Mr Le Trung Thanh	Deputy Chief Executive Officer
Mr Nguyen Anh Nguyen	Deputy Chief Executive Officer (from 25 February 2015)

Registered Office

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

Auditor

KPMG Limited
Vietnam

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries
Statement of the Board of Management

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


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

- (a) the financial statements set out on pages 5 to 98 give a true and fair view of the separate and consolidated financial positions of the Company and the Group as at 31 December 2015, and of the separate and consolidated results of operations and their separate and consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company and the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management

Seokhee Won
Chief Executive Officer

Ho Chi Minh City, 7 March 2016 



KPMG Limited Branch
10th Floor, Sun Wah Tower
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District 1, Ho Chi Minh City
The Socialist Republic of Vietnam

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”)

We have audited the accompanying financial statements of Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) (“the Company”) and its subsidiaries (together referred to as “the Group”), which comprise the separate and consolidated balance sheets as at 31 December 2015, the separate and consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 7 March 2016, as set out on pages 5 to 98.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

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

Auditor's Opinion

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

KPMG Limited's Branch in Ho Chi Minh City
Vietnam

Audit Report No.: 15-01-582



Hà Vũ Đình

Practicing Auditor Registration
Certificate No. 0414-2013-007-1
Deputy General Director

Ho Chi Minh City, 7 March 2016

Chang Hung Chun

Practicing Auditor Registration
Certificate No. 0863-2013-007-1

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Separate and consolidated balance sheets as at 31 December 2015

Form B 01 – DN/HN

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

	Code	Note	Group		Company	
			31/12/2015 VND'000	1/1/2015 VND'000 Reclassified	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified
ASSETS						
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		4,736,863,861	9,180,555,940	3,490,098,963	6,376,293,640
Cash and cash equivalents	110	7	3,366,663,622	3,595,756,093	1,448,427,905	1,647,716,542
Cash	111		262,513,622	195,720,951	21,127,905	13,216,542
Cash equivalents	112		3,104,150,000	3,400,035,142	1,427,300,000	1,634,500,000
Short-term financial investments	120		-	3,717,598,214	-	2,337,900,000
Held-to-maturity investments	123	8(a)	-	3,717,598,214	-	2,337,900,000
Accounts receivable – short-term	130		524,172,872	928,165,336	1,959,248,300	2,323,060,949
Accounts receivable from customers	131	9	204,488,052	774,327,649	235,284,661	220,365,545
Prepayments to suppliers	132		293,268,257	85,448,323	13,677,115	1,955,493
Other short-term receivables	136	10(a)	27,198,708	69,861,243	1,710,262,867	2,100,739,911
Allowance for doubtful debts	137	11	(805,802)	(2,063,748)	-	-
Shortage of assets awaiting resolution	139		23,657	591,869	23,657	-
Inventories	140	12	790,231,722	912,218,131	74,417,177	64,893,541
Inventories	141		806,854,623	934,536,317	74,417,177	64,930,447
Allowance for inventories	149		(16,622,901)	(22,318,186)	-	(36,906)
Other current assets	150		55,795,645	26,818,166	8,005,581	2,722,608
Short-term prepaid expenses	151		12,528,673	15,453,879	8,005,581	2,722,608
Deductible value added tax	152		43,109,758	9,243,378	-	-
Taxes receivables from State Treasury	153	21(b)	157,214	2,120,909	-	-

The accompanying notes are an integral part of these financial statements

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Separate and consolidated balance sheets as at 31 December 2015 (continued)

Form B 01 – DN/HN

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

	Code	Note	Group		Company	
			31/12/2015 VND'000	1/1/2015 VND'000 Reclassified	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		12,853,782,649	14,776,047,816	11,204,779,099	13,013,600,094
Accounts receivable – long-term	210		7,123,035,720	9,655,240,536	7,122,192,702	9,707,589,215
Receivables on long-term lending loans	215	13	6,729,614,068	9,619,772,870	6,729,614,068	9,669,772,870
Other long-term receivables	216	10(b)	393,421,652	35,467,666	392,578,634	37,816,345
Fixed assets	220		4,047,507,546	3,323,436,866	247,958,046	12,734,240
Tangible fixed assets	221	14	2,592,621,285	2,185,212,679	21,663,329	11,776,917
Cost	222		3,743,546,719	3,028,334,189	55,023,313	39,986,287
Accumulated depreciation	223		(1,150,925,434)	(843,121,510)	(33,359,984)	(28,209,370)
Intangible fixed assets	227	15	1,454,886,261	1,138,224,187	226,294,717	957,323
Cost	228		2,052,630,728	1,578,980,315	252,094,429	11,018,903
Accumulated amortisation	229		(597,744,467)	(440,756,128)	(25,799,712)	(10,061,580)
Long-term work in progress	240		719,382,303	719,169,776	58,811,350	192,320,297
Construction in progress	242	16	719,382,303	719,169,776	58,811,350	192,320,297
Long-term financial investments	250		254,802,293	388,075,056	3,689,300,009	3,062,244,316
Investments in subsidiaries	251	8(b)	-	-	3,689,300,009	2,918,944,316
Investments in associates	252	8(b)	254,802,293	244,025,056	-	-
Held-to-maturity investments	255	8(a)	-	144,050,000	-	143,300,000
Other long-term assets	260		709,054,787	690,125,582	86,516,992	38,712,026
Long-term prepaid expenses	261	17	126,947,338	187,616,376	2,754,250	3,381,423
Deferred tax assets	262	18	117,078,882	117,484,368	83,762,742	35,330,603
Goodwill	269	19	465,028,567	385,024,838	-	-
TOTAL ASSETS (270 = 100 + 200)	270		17,590,646,510	23,956,603,756	14,694,878,062	19,389,893,734

The accompanying notes are an integral part of these financial statements

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Separate and consolidated balance sheets as at 31 December 2015 (continued)

Form B 01 – DN/HN

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

	Code	Note	Group		Company	
			31/12/2015 VND'000	1/1/2015 VND'000 Reclassified	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified
RESOURCES						
LIABILITIES (300 = 310 + 330)	300		4,775,199,506	11,064,868,554	3,236,974,822	7,888,265,678
Current liabilities	310		4,149,379,994	6,957,254,781	3,236,974,822	4,878,821,565
Accounts payable to suppliers – short-term	311	20	888,714,669	550,485,687	1,668,709,011	2,028,927,617
Advances from customers	312		33,942,871	23,684,483	18,176,167	5,488,976
Taxes payable to State Treasury	313	21(a)	277,975,492	826,956,095	120,793,427	367,561,529
Payables to employees	314		16,179,342	252,649	8,615	13,693
Accrued expenses	315	22	864,961,703	895,243,472	463,366,355	223,087,394
Other short-term payables	319	23(a)	104,479,000	249,586,246	12,480,468	6,230,748
Short-term borrowings	320	24(a)	1,928,631,096	4,386,028,263	953,440,779	2,247,511,608
Bonus and welfare funds	322		34,495,821	25,017,886	-	-
Long-term liabilities	330		625,819,512	4,107,613,773	-	3,009,444,113
Accounts payable to suppliers – long-term	331	20	75,845,316	-	-	-
Other long-term payables	337	23(b)	22,803,868	24,297,318	-	135,132,041
Long-term borrowings	338	24(b)	319,890,280	3,884,741,532	-	2,874,312,072
Deferred tax liabilities	341	18	205,232,110	195,885,789	-	-
Provisions – long-term	342		2,047,938	2,689,134	-	-
EQUITY (400 = 410)	400		12,815,447,004	12,891,735,202	11,457,903,240	11,501,628,056
Owners' equity	410	25	12,815,447,004	12,891,735,202	11,457,903,240	11,501,628,056
Share capital	411	26	5,351,601,170	5,313,263,220	5,351,601,170	5,313,263,220
Share premium	412	26	5,088,056,395	5,088,056,395	5,088,056,395	5,088,056,395
Other capital	414		(265,775,657)	(265,775,657)	-	-
Treasury shares	415	26	(1,640,252,631)	(1,640,252,631)	(1,640,252,631)	(1,640,252,631)
Investment and development fund	418		22,731,973	22,731,973	-	-
Undistributed profits after tax	421		2,984,708,427	3,245,457,981	2,658,498,306	2,740,561,072
Non-controlling interests	429		1,274,377,327	1,128,253,921	-	-
TOTAL RESOURCES (440 = 300 + 400)	440		17,590,646,510	23,956,603,756	14,694,878,062	19,389,893,734

Prepared by:


Huynh Viet Thang
Chief Accountant

7 March 2016


Pham Dinh Toai
Chief Financial Officer

Approved by:


Seokhee Won
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Separate and consolidated statements of income for the year ended 31 December 2015

Form B 02 – DN/HN

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

	Code	Note	Group		Company	
			2015 VND'000	2014 VND'000 Reclassified	2015 VND'000	2014 VND'000 Reclassified
Revenue from sales of goods and provision of services	01	29	13,395,193,258	13,356,824,174	10,174,195,101	10,140,183,005
Revenue deductions	02	29	183,268,214	230,015,088	71,832,320	135,702,569
Net revenue (10 = 01 - 02)	10	29	13,211,925,044	13,126,809,086	10,102,362,781	10,004,480,436
Cost of sales	11	30	7,264,239,572	7,522,653,011	7,947,121,126	9,095,226,430
Gross profit (20 = 10 - 11)	20		5,947,685,472	5,604,156,075	2,155,241,655	909,254,006
Financial income	21	31	1,151,095,980	2,171,360,512	3,521,239,018	3,662,294,974
Financial expenses	22	32	483,121,283	511,088,556	297,519,766	417,057,517
<i>In which: Interest expense</i>	23		335,761,169	374,716,188	274,251,035	416,663,186
Share of profit in associates	24		14,377,237	73,608,418	-	-
Selling expenses	25	33	2,451,004,233	2,533,483,012	1,900,021,436	900,761,844
General and administration expenses	26	34	743,978,471	646,663,608	321,988,981	236,966,493
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		3,435,054,702	4,157,889,829	3,156,950,490	3,016,763,126
Other income	31		4,260,888	21,794,910	1,176,582	10,157,289
Other expenses	32		12,772,931	25,610,788	38,017	9,582,039
Results of other activities (40 = 31 - 32)	40		(8,512,043)	(3,815,878)	1,138,565	575,250
Accounting profit before tax (50 = 30 + 40)	50		3,426,542,659	4,154,073,951	3,158,089,055	3,017,338,376
Income tax expense – current	51	35	550,865,520	964,014,338	207,173,461	391,791,038
Income tax benefit– deferred	52	35	(25,040,546)	(234,866,100)	(48,432,139)	(203,758,809)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		2,900,717,685	3,424,925,713	2,999,347,733	2,829,306,147

The accompanying notes are an integral part of these financial statements

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Separate and consolidated statements of income for the year ended 31 December 2015 (continued)

Form B 02 – DN/HN

(Issued under Circulars 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>	
			2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Net profit after tax (brought forward from previous page)	60		2,900,717,685	3,424,925,713	2,999,347,733	2,829,306,147
Attributable to:						
Equity holders of the Company	61		2,822,340,170	3,267,259,785	2,999,347,733	2,829,306,147
Non-controlling interests	62		78,377,515	157,665,928	-	-

	Code	Note	<u>Group</u>		<u>Company</u>	
			2015 VND	2014 VND	2015 VND	2014 VND
Earnings per share						
Basic earnings per share	70	36	5,479	6,171	N/A	N/A

7 March 2016

Prepared by:


Huynh Viet Thang
Chief Accountant

Approved by:


Pham Dinh Toai
Chief Financial Officer


Seokhee Won
Chief Executive Officer



The accompanying notes are an integral part of these financial statements

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries
Separate and consolidated statements of cash flows for the year ended 31 December 2015
(Indirect method)

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

	Code	<u>Group</u>		<u>Company</u>	
		2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Accounting profit before tax	01	3,426,542,659	4,154,073,951	3,158,089,055	3,017,338,376
Adjustments for					
Depreciation and amortisation	02	569,089,789	471,594,821	21,052,382	4,250,060
Allowances and provisions	03	92,508,921	64,374,710	-	249,776
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04	(6,522,337)	49,069,492	91,955	(77,964)
Losses/(gains) on disposals and written-off of fixed assets and construction in progress	05	10,684,116	8,476,464	(50,000)	35,985
Interest income, dividend income and other income from investing activities	05	(1,137,715,592)	(2,147,064,742)	(3,520,829,570)	(3,661,760,069)
Loss on disposal of an associate	05	1,800,000	-	-	-
Share of profit in an associate	05	(14,377,237)	(73,608,418)	-	-
Interest expense	06	335,761,169	374,716,188	274,251,035	416,663,186
Operating profit/(loss) before changes in working capital	08	3,277,771,488	2,901,632,466	(67,395,143)	(223,300,650)
Change in receivables	09	(27,888,378)	(7,820,916)	18,323,298	(7,154,374)
Change in inventories	10	63,301,972	(380,064,843)	(9,523,636)	(35,848,441)
Change in payables and other liabilities	11	475,841,761	188,673,368	(52,033,936)	(406,004,346)
Change in prepaid expenses	12	20,190,849	18,508,191	(3,512,557)	1,947,304
		3,809,217,692	2,720,928,266	(114,141,974)	(670,360,507)
Interest paid	14	(203,807,082)	(259,493,639)	(401,850,265)	(56,250,272)
Income tax paid	15	(1,122,692,334)	(560,426,360)	(490,036,236)	(49,415,125)
Other payments for operating activities	17	(6,429,605)	(18,025,218)	-	(2,801,812)
Net cash flows from operating activities	20	2,476,288,671	1,882,983,049	(1,006,028,475)	(778,827,716)

The accompanying notes are an integral part of these financial statements

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Separate and consolidated statements of cash flows for the year ended 31 December 2015 (Indirect method – continued)

Form B 03 – DN/HN

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

	Code	<u>Group</u>		<u>Company</u>	
		2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for additions to fixed assets and other long-term assets	21	(1,154,673,054)	(748,070,962)	(164,853,280)	(179,189,759)
Proceeds from disposals of fixed assets and construction in progress	22	2,542,788	4,644,502	16,404,545	359,858
Loans provided	23	(8,285,000,000)	(735,000,000)	(8,285,000,000)	(785,000,000)
Collections of loans	24	11,175,158,802	248,322,907	11,225,158,802	248,322,907
Placement of term deposits to banks	23	(34,267,508,727)	(25,420,917,662)	(22,536,056,000)	(14,764,330,400)
Withdrawal of term deposits	24	38,129,156,941	24,685,669,448	25,017,256,000	15,300,730,400
Payments for investments in subsidiaries and an associate	25	(354,108,064)	(43,635,954)	(1,979,496,221)	(863,104,701)
Acquisition of subsidiaries, net of cash acquired (Note 6)	25	(236,743,058)	-	-	-
Receipt of proceeds from disposals of interests in subsidiaries and an associate	26	501,800,000	-	1,209,140,528	470,693,780
Disposal of a subsidiary, net of cash disposed off	26	-	(18,940,028)	-	-
Receipts of interest, dividends and profits distributed	27	840,336,505	1,399,817,681	3,514,543,260	3,305,231,941
Net cash flows from investing activities	30	6,350,962,133	(628,110,068)	8,017,097,634	2,733,714,026

The accompanying notes are an integral part of these financial statements

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Separate and consolidated statements of cash flows for the year ended 31 December 2015 (Indirect method – continued)

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

	Code	<u>Group</u>		<u>Company</u>	
		2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from share capital issued	31	38,337,950	39,904,120	38,337,950	39,904,120
Proceeds from capital contribution in a subsidiary by non-controlling interests	31	1,475,060	17,676,230	-	-
Payments for treasury shares repurchased	32	-	(1,640,252,631)	-	(1,640,252,631)
Proceeds from short-term and long-term borrowings from banks and a subsidiary	33	11,603,228,943	11,546,557,707	6,322,196,323	6,474,659,094
Payments to settle loan principals to banks and a subsidiary	34	(17,625,477,362)	(9,332,503,013)	(10,490,579,224)	(4,978,103,348)
Payments of dividends	36	(3,080,229,986)	(2,458,428,440)	(3,080,229,986)	(2,443,502,571)
Net cash flows from financing activities	40	(9,062,665,395)	(1,827,046,027)	(7,210,274,937)	(2,547,295,336)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(235,414,591)	(572,173,046)	(199,205,778)	(592,409,026)
Cash and cash equivalents at the beginning of the year	60	3,595,756,093	4,168,229,325	1,647,716,542	2,240,125,568
Effect of exchange rate fluctuations on cash and cash equivalents	61	6,322,120	(300,186)	(82,859)	-
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 7)	70	3,366,663,622	3,595,756,093	1,448,427,905	1,647,716,542

The accompanying notes are an integral part of these financial statements

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Separate and consolidated statements of cash flows for the year ended 31 December 2015 (Indirect method – continued)

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NON-CASH INVESTING AND FINANCING ACTIVITIES

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
▪ Net-off interest income receivable with interest expenses payable to the parent of the parent company and a subsidiary	-	20,198,451	-	25,754,622
▪ Convert interest income and facility income receivable from the parent of the parent company into loans to the parent company	-	2,831,625,023	-	2,831,625,023
▪ Net-off dividend payable with				
- Interest receivable from the parent of the parent company	-	141,548,524	-	141,548,524
- Proceeds from disposal of a subsidiary	-	1,104,947,070	-	1,104,947,070
- Loans receivable from the parent of the parent company and the parent company	-	2,108,529,246	-	2,108,529,246
▪ Purchase a subsidiary and an associate not yet paid	-	239,180,200	-	-
▪ Receivable from disposal of a subsidiary	-	500,000,000	-	-
▪ Interest expense and facility fee compounded to receivables on long-term lending loans	-	-	-	581,244,790
▪ Capitalisation of interest expense to construction in progress	69,640,763	37,414,551	12,669,274	8,350,133

7 March 2016

Prepared by:



Huynh Viet Thang
Chief Accountant

Approved by



Pham Dinh Toai
Chief Financial Officer



M.S.D. 0302017440 - CT
CÔNG TY
CỔ PHẦN
HÀNG TIỀN ĐÔNG
MASAN
QUẬN 1 - TP. HỒ CHÍ MINH

Sepkhee Won
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Notes to the financial statements for the year ended 31 December 2015

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

1. Reporting entity

(a) Ownership structure

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) (“the Company”) is a joint stock company incorporated in Vietnam. The consolidated financial statements for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates.

(b) Principals activities

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

(c) Normal operating cycle

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

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries
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(d) Group structure

As at 31 December 2015, the Group has 3 directly owned subsidiaries, 11 indirectly owned subsidiaries and an associate (1/1/2015: 4 directly owned subsidiaries, 7 indirectly owned subsidiaries and 2 associates). Detail information of the subsidiaries and associates are described as follows:

Name	Main activity under Investment and Business Registration Certificate	Address	Percentage of equity owned		Percentage of voting rights	
			31/12/2015	1/1/2015	31/12/2015	1/1/2015
Directly owned subsidiaries						
Masan Food Company Limited	Trading and distribution	12 th Floor, Kumho Asiana Plaza Saigon – 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
Masan Beverage Company Limited	Trading and distribution	12 th Floor, Kumho Asiana Plaza Saigon – 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
Masan DN One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Street No. 7, Hoa Khanh Industrial Park, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City, Vietnam.	100%	100%	100%	100%
Indirectly owned subsidiaries						
Masan Industrial One Member Company Limited (formerly known as “Ma San Industrial One Member Company Limited”)	(ii) Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Di An Ward, Binh Duong Province, Vietnam.	100%	100%	100%	100%

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Notes to the financial statements for the year ended 31 December 2015 (continued)

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Name		Main activity under Investment and Business Registration Certificate	Address	Percentage of equity owned		Percentage of voting rights	
				31/12/2015	1/1/2015	31/12/2015	1/1/2015
Viet Tien Food Technology One Member Company Limited	(ii)	Seasonings manufacturing	Lot III-10, Street No. 1, Industrial Group III, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
Ma San PQ Corporation	(ii)	Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam.	94.50%	94.50%	94.50%	94.50%
Masan HD One Member Company Limited (formerly known as “Ma San HD One Member Company Limited”)	(ii)	Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam.	100%	100%	100%	100%
Masan MB One Member Company Limited	(ii)	Seasonings, convenience food manufacturing and packaging	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Loc District, Nghe An Province, Vietnam.	100%	100%	100%	100%
Masan HG One Member Company Limited	(ii), (iv)	Seasonings, convenience food manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam.	100%	-	100%	-
Saigon Nutri Food Joint Stock Company	(ii), (v)	Convenience food manufacturing and trading	Lot K4, No. 2 Street, Song Than 2 Industrial Park, Di An Ward, Di An Town, Binh Duong Province, Vietnam.	99.99%	-	99.99%	-
Vinacafé Bien Hoa Joint Stock Company	(iii), (vi)	Beverage manufacturing and trading	Bien Hoa Industrial Park I, Bien Hoa City, Dong Nai province, Vietnam.	53.20%	53.20%	53.20%	53.20%

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Name	Main activity under Investment and Business Registration Certificate	Address	Percentage of equity owned		Percentage of voting rights	
			31/12/2015	1/1/2015	31/12/2015	1/1/2015
Vinh Hao Mineral Water Corporation	(iii) Beverage manufacturing and trading and packaging	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam.	63.95%	63.95%	63.95%	63.95%
KronFa., JSC	(vii) Beverage manufacturing	Km 37, Highway 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam.	63.94%	63.94%	99.99%	99.99%
Quang Ninh Mineral Water Corporation	(iii), (viii) Beverage manufacturing and trading	Group 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam.	65%	-	65%	-
Associates						
Cholimex Food Joint Stock Company	(ii) Seasonings manufacturing and trading	Lot C40 – 43/I, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.	32.84%	32.84%	32.84%	32.84%
Vinh Hao Spirulina Algae Corporation	(ix) Algae manufacturing	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam	-	19.05%	-	30%

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- (i) Masan ĐN One Member Company Limited (“MDN”) was established on 12 September 2014 under the Business Registration Certificate No. 0401622417 issued by the Department of Planning and Investment of Da Nang City. As at 31 December 2015, MDN has not been into operation.
- (ii) These subsidiaries and an associate are indirectly owned by the Company through Masan Food Company Limited (“MSF”).
- (iii) These subsidiaries are indirectly owned by the Company through Masan Beverage Company Limited (“MSB”).
- (iv) Masan HG One Member Company Limited (“MHG”) was established on 11 June 2015 under the Business Registration Certificate No. 6300262818 issued by the Department of Planning and Investment of Hau Giang Province. MHG is indirectly owned by the Company through MSF. As at 31 December 2015, MHG has not been into operation and is in the process of planning for constructing.
- (v) Saigon Nutri Food Joint Stock Company (“SNF”) was acquired by MSF on 14 January 2015 for a cash consideration of VND200,000 million excluding transactions costs (Note 6(a)). As a result of this transaction, SNF became a subsidiary indirectly owned by the Company through MSF.
- (vi) Vinacafé Bien Hoa Joint Stock Company (“VCF”) was previously directly owned by the Company. On 5 February 2015, the Company transferred its equity interest in VCF to MSB. As a result of this transaction, VCF became a subsidiary indirectly owned by the Company through MSB.
- (vii) KronFa., JSC is indirectly owned by the Company through Vinh Hao Mineral Water Corporation.
- (viii) Quang Ninh Mineral Water Corporation (“QNW”) was acquired by MSB on 25 December 2015 for a cash consideration of VND140,189 million including transactions costs (Note 6(b)). As a result of this transaction, QNW became a subsidiary indirectly owned by the Company through MSB.
- (ix) Vinh Hao Spirulina Algae (“Tao Vinh Hao”) was an associate indirectly owned by the Company through Vinh Hao Mineral Water Corporation (“VHC”). In July 2015, the Company, through VHC, disposed 19.05% of its equity interest in Tao Vinh Hao to a third party for a cash consideration of VND1.8 billion. Such transaction resulted in the Company and VHC no longer holding any indirect and direct interest in Tao Vinh Hao.

All the subsidiaries and associates are incorporated in Vietnam.

As at 31 December 2015, the Company had 1,134 employees (1/1/2015: 1,339 employees) and the Group had 4,822 employees (1/1/2015: 5,537 employees).

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Notes to the financial statements for the year ended 31 December 2015 (continued)

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2. Basis of preparation

(a) Statement of compliance

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Company’s accounting currency is Vietnam Dong (“VND”). These financial statements are prepared and presented in Vietnam Dong rounded to the nearest thousand (“VND’000”).

3. Adoption of new guidance on accounting system for enterprises

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises (“Circular 200”). Circular 200 replaces previous guidance on Vietnamese Accounting System for enterprises under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009. Circular 200 is effective after 45 days from the signing date and applicable for annual accounting periods beginning on or after 1 January 2015.

On the same date of 22 December 2014, the Ministry of Finance also issued Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements (“Circular 202”). Circular 202 replaces previous guidance on preparation and presentation of consolidated financial statements provided in Part XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is also effective after 45 days from the signing date and applicable for annual accounting periods beginning on or after 1 January 2015.

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Notes to the financial statements for the year ended 31 December 2015 (continued)

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

- Non-controlling interests (“NCI”) (Note 4(a)(ii));
- Business combinations under common control (Note 4(a)(vi));
- Recognition of foreign exchange differences (Note 4(b));
- Goodwill (Note 4(k));
- Other capital (Note 4(q)(ii)); and
- Earnings per share (Note 4(u)).

4. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Non-controlling interests

Non-controlling interests (“NCI”) are measured at their proportionate share of the acquiree’s identifiable net assets at date of acquisition.

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

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recorded in the consolidated statement of income. 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.

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Notes to the financial statements for the year ended 31 December 2015 (continued)

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(iv) Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group’s share of the income and expenses of the 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) 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.

(vi) Business combinations under common control

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 policies with respect to such transaction, the Group has considered Vietnamese Accounting Standard 01 – *Framework* and Vietnamese Accounting Standard 21 – *Presentation of Financial Statements*. Based on these standards, the Group has adopted the merger (“carry-over”) basis of accounting. The assets and liabilities of the combining companies are consolidated using the existing book values from the Controlling Shareholders’ perspective. Prior to 1 January 2015, any difference between the cost of acquisition and net assets value acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in other capital under equity. Effective from 1 January 2015, as a result of the adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity. This change in accounting policy has been applied prospectively.

The consolidated statements of income, consolidated statements of changes in equity and consolidated statements of cash flows 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.

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

Notes to the financial statements for the year ended 31 December 2015 (continued)

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(vii) Business combinations under non-common control

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 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, 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 business combination consists of the aggregate fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquire, and transaction costs. Goodwill represents the excess of the cost of business combination 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 the consolidated statements 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 business combination, such as professional fees paid to accountants, legal advisers, valuers and other consultants to effect the business 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 business combination being accounted for are not included in the cost of the business combination, they are recognised as an expense when incurred.

(b) Foreign currency transactions

Transactions in currencies other than VND during the year 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 recognise trade 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 trade 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.

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Notes to the financial statements for the year ended 31 December 2015 (continued)

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

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

All foreign exchange differences are recorded in the statements 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’s Board of Management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investment are stated at cost less allowance for doubtful debts.

(ii) Investments in subsidiaries and associates

For the purpose of these 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’s Board of Management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment’s carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(e) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

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(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 inventories.

(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 for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul cost, is charged to the statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

▪ buildings	4 - 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) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

- those granted by the State for which land use payments have been made;
- 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 a land use right 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 acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over their useful lives ranging from 4 to 10 years.

(iii) Exploitation rights

Expenditure for 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.

(iv) Brand name

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

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

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(v) Customer relationships

The fair value of customer relationships that are acquired by the Group on the acquisition of subsidiaries are capitalised and treated as an intangible asset. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationships is amortised on a straight-line basis over their useful lives ranging from 5 to 15 years.

(vi) Mineral water resources

The fair value of mineral water resources that are acquired by the Group on the acquisition of subsidiaries are capitalised and treated as an intangible asset. The fair value 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 water resources by comparing recent asking/transacted price of similar interests located in the same area. In the multi-period excess earnings method, subject assets are valued after deducting a fair return on all the assets that are part of creating the related cash flows. The fair value of mineral water resources is amortised on a straight-line basis over their useful lives ranging from 10 to 37 years.

(i) Construction in progress

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

(j) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company and the Group obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC (“Circular 45”) dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets, 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.

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(ii) Goodwill from equitisation

Goodwill arising from the state-owned enterprise equitisation is recognised as long-term prepayments. Goodwill arising 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 arising from the state-owned enterprise equitisation is amortised on a straight-line basis over ten years starting from the date of transformation from a state-owned enterprise into a joint stock company (date of business registration certificate to transform to joint stock company).

(iii) Tools and supplies

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

(iv) Arrangement fee

Arrangement fee represents fee charged by lender for arranging credit facilities and is recognised in the statements of income on a straight-line basis over the term of the borrowings of 3 years.

(k) Goodwill

Goodwill arises on the acquisition of subsidiaries and associates. 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 of 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 amount of the investment. Prior to 1 January 2015, goodwill included in the carrying amount of the investment in associates are amortised on a straight-line basis over maximum of 10 years. Effective from 1 January 2015, as a result of the adoption of Circular 202, amortisation of goodwill which is included in the carrying amount of investment in associates had ceased. The change in accounting policy has been applied prospectively.

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(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) Provisions

A provision is recognised if, as a result of a past event, the Company or 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.

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s 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 Company or the Group and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment insurance scheme, the Company or 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 the existing eligible employees as of 31 December 2015 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

(n) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Company’s or the Group’s financial positions and results of operations and the nature and extent of risks arising from financial instruments, the Company or the Group classifies its financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit or loss

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

- It is considered by the Board of Management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).

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- Upon initial recognition, it is designated by the Company or the Group as at fair value through profit or loss.

Held-to-maturity investments

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

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

Loans and receivables

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

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

Available-for-sale financial assets

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

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

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

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

- It is considered by the Board of Management as held for trading. A financial liability is considered as held for trading if:
 - it is incurred principally for the purpose of repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).

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- Upon initial recognition, it is designated by the Company or the Group as at fair value through profit or loss.

Financial liabilities carried at amortised cost

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

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

(o) Derivative financial instruments

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

(p) Taxation

Income tax on the profit or loss for the year 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 year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

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

(q) Equity

(i) Share capital and share premium

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

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(ii) Other capital

Prior to 1 January 2015, equity movements resulting from common control business combination and acquisition of/disposal to non-controlling interests that do not result in a loss of control are recorded in other capital under equity. Effective from 1 January 2015, as a result of the adoption of Circular 202, such movements are recorded directly in undistributed profits after tax under equity. This change in accounting policy has been applied prospectively.

(iii) Treasury shares

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

(r) Revenue

(i) Sales of goods

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. 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.

(ii) Provision of services

Revenue from provision of services is recognised in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

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(s) Financial income and financial expenses

(i) Financial income

Financial income comprise interest income from deposits, interest income from loans and associated income, proceeds and related income from disposal of equity interests, dividend income and distributed profits, foreign exchange gains and realised gains from derivative financial instruments.

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

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

(ii) Financial expenses

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

(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 statements of income as an integral part of the total lease expense.

(u) Earnings per share

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

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

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(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.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise cash and cash equivalents and related income, investments and related income, loans and borrowings and related expenses, the Company’s headquarters’ corporate assets, general and administrative expenses, income tax assets and liabilities and expenses, and items that are attributable to more than one segment and cannot reasonably be allocated to a segment.

(w) Related parties

Related parties include enterprises and individuals that directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the company, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

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5. Segment reporting

(a) Business segments

The Group classified its business segments into four main business segments which are seasonings, convenience food, beverage and others. Others business segment mainly represents consultant service and warehouse rental.

For the year ended 31 December 2015	Seasonings VND'000	Convenience food (*) VND'000	Beverage (*) VND'000	Others VND'000	Consolidated VND'000
Total segment revenue – net	5,646,133,837	4,141,969,337	3,388,624,227	35,197,643	13,211,925,044
Segment gross profit	3,201,552,579	1,517,188,123	1,222,885,289	6,059,481	5,947,685,472
Segment results	2,399,143,142	650,685,998	101,487,980	6,059,481	3,157,376,601
Unallocated general and administration expenses					390,296,596
Financial income					1,151,095,980
Financial expenses					483,121,283
Net operating profit					3,435,054,702
Other income					4,260,888
Other expenses					12,772,931
Income tax expense					525,824,974
Net profit after tax					2,900,717,685

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For the year ended 31 December 2014	Seasonings VND'000 Reclassified	Convenience food (*) VND'000 Reclassified	Packaging VND'000 Reclassified	Beverage (*) VND'000 Reclassified	Feed Mill (**) VND'000 Reclassified	Others VND'000 Reclassified	Consolidated VND'000 Reclassified
External revenue - net	5,388,150,977	4,198,906,432	311,244	3,444,238,087	-	95,202,346	13,126,809,086
Inter-segment revenue - net	(131,192,718)	(304,342,591)	439,495,530	(3,960,221)	-	-	-
Total segment revenue - net	5,256,958,259	3,894,563,841	439,806,774	3,440,277,866	-	95,202,346	13,126,809,086
Segment gross profit	2,936,931,482	1,295,909,357	56,285,952	1,233,560,217	-	81,469,067	5,604,156,075
Segment results	2,065,256,426	409,580,031	52,161,726	164,300,465	73,608,418	81,469,067	2,846,376,133
Unallocated selling expenses							18,703,500
Unallocated general and administration expenses							330,054,760
Financial income							2,171,360,512
Financial expenses							511,088,556
Net operating profit							4,157,889,829
Other income							21,794,910
Other expenses							25,610,788
Income tax expense							729,148,238
Net profit after tax							3,424,925,713

Segment results represent segment net revenue less segment cost of sales, directly attributable selling expenses and general and administration expenses, and indirectly attributable selling expenses and general and administration expenses which can be allocated on a reasonable basis.

Unallocated expenses represent selling expenses and general and administration expenses which the Board of Management assesses cannot be allocated to each segment on a reasonable basis. These expenses are incurred at the corporate level.

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Inter-segment revenue – net mainly comes from revenue transactions between Minh Viet Packaging One Member Company Limited (“MVP”), a subsidiary previously indirectly owned by the Company, to other segments. As a result of disposal of MVP in December 2014, there is no such revenue and segment packaging for the year ended 31 December 2015.

- (*) The results of the Convenience food and Beverage segments included amortisation of goodwill amounting to VND64,646 million (1/1/2015: VND51,499 million), amortisation of fair value of intangible fixed assets arisen in business combinations amounting to VND138,103 million (1/1/2015: VND133,224 million) and depreciation of fair value uplift of fixed assets arisen in business combinations amounting to VND25,389 million (1/1/2015: VND25,269 million) during the year.
- (**) The results of the Feed Mill segment mainly comes from share of profit in an associate i.e. Vietnamese – French Cattle Feed Joint Stock Company, which was disposed on 28 May 2014. There was no such segment for the year ended 31 December 2015.

As at 31 December 2015	Seasonings VND'000	Convenience food VND'000	Beverage VND'000	Consolidated VND'000
Segment assets	1,462,565,697	1,200,498,322	3,172,238,931	5,835,302,950
Unallocated assets				11,755,343,560
Total assets				17,590,646,510
Segment liabilities	113,543,170	119,183,004	756,352,583	989,078,757
Unallocated liabilities				3,786,120,749
Total liabilities				4,775,199,506
For the year ended 31 December 2015				
Capital expenditure	231,545,268	106,494,269	203,976,613	542,016,150
Unallocated capital expenditure				503,988,091
Depreciation of tangible fixed assets	128,422,294	101,239,390	104,499,546	334,161,230
Unallocated depreciation of tangible fixed assets				6,674,328
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	5,835,213	17,539,338	202,439,507	225,814,058
Unallocated amortisation of intangible fixed assets, goodwill and long-term prepaid expenses				183,799,207

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As at 31 December 2014	Seasonings VND'000	Convenience food VND'000	Packaging VND'000	Beverage VND'000	Feed Mill VND'000	Others VND'000	Consolidated VND'000
Segment assets	1,345,586,382	987,919,811	-	2,996,110,327	-	-	5,329,616,520
Unallocated assets							18,626,987,236
Total assets							23,956,603,756
Segment liabilities	62,069,273	167,914,213	-	459,655,096	-	-	689,638,582
Unallocated liabilities							10,375,229,972
Total liabilities							11,064,868,554
For the year ended 31 December 2014							
Capital expenditure	224,433,507	115,433,762	13,843,708	300,558,099	-	-	654,269,076
Unallocated capital expenditure							187,965,846
Depreciation of tangible fixed assets	105,434,907	79,032,208	5,591,618	73,879,272	-	-	263,938,005
Unallocated depreciation of tangible fixed assets							14,715,938
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	4,998,647	3,182,198	5,125,035	196,731,025	-	-	210,036,905
Unallocated amortisation of intangible fixed assets, goodwill and long-term prepaid expenses							108,180,557

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Details of unallocated assets and unallocated liabilities are as follows:

	31/12/2015	1/1/2015
	VND'000	VND'000
		Reclassified
Cash and cash equivalents	3,366,663,622	3,595,756,093
Held-to-maturity investments – short-term	-	3,717,598,214
Accounts receivable – short-term	316,474,529	797,787,877
Inventories	87,861,391	126,366,825
Other current assets	49,745,233	8,204,286
Accounts receivable – long-term	7,123,035,720	9,654,319,248
Fixed assets	286,532,885	92,620,680
Construction in progress	378,283,553	203,190,867
Held-to-maturity investments – long-term	-	144,050,000
Other long-term assets	146,746,627	287,093,146
Unallocated assets	11,755,343,560	18,626,987,236
Accounts payable to suppliers – short-term	526,112,327	277,466,444
Advances from customers	18,283,250	5,733,853
Taxes payable to State Treasury	239,418,538	778,663,240
Payables to employees	8,615	13,693
Accrued expenses	530,660,380	594,204,907
Other short-term payables	14,874,943	246,360,882
Short-term borrowings	1,928,631,096	4,386,028,263
Other long-term payables	3,009,210	6,131,369
Long-term borrowings	319,890,280	3,884,741,532
Deferred tax liabilities	205,232,110	195,885,789
Unallocated liabilities	3,786,120,749	10,375,229,972

(b) Geographical segments

The Group operates in one geographical segment which is in Vietnam.

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6. Business combination

(a) Acquisition of Saigon Nutri Food Joint Stock Company – non-common control transaction

On 14 January 2015, the Company completed the acquisition of 99.99% equity interest in Saigon Nutri Food Joint Stock Company (“SNF”) through Masan Food Company Limited (“MSF”) for a total consideration of VND200,000 million excluding transactions costs. Such acquisition resulted in the Company having 99.99% effective equity interest in SNF as at 31 December 2015.

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

	Pre-acquisition carrying amounts VND’000	Fair value adjustments VND’000	Recognised value on acquisition VND’000
Cash and cash equivalents	19,160,531	-	19,160,531
Accounts receivable – short-term	1,619,323	-	1,619,323
Inventories	6,575,245	-	6,575,245
Short-term prepaid expenses	485,804	-	485,804
Other long-term receivables	1,359,292	-	1,359,292
Tangible fixed assets	11,559,132	845,989	12,405,121
Intangible fixed assets	92,674	40,755,230	40,847,904
Long-term prepaid expenses	286,394	-	286,394
Accounts payable to suppliers – short-term	(1,480,187)	-	(1,480,187)
Advances from customers	(1,007,577)	-	(1,007,577)
Taxes payable to State Treasury	(885,646)	-	(885,646)
Payables to employees	(2,334,294)	-	(2,334,294)
Accrued expenses	(556,329)	-	(556,329)
Other long-term payables	(533,047)	-	(533,047)
Bonus and welfare funds	(965,790)	-	(965,790)
Deferred tax liabilities	-	(6,445,141)	(6,445,141)
Total net identifiable assets acquired	33,375,525	35,156,078	68,531,603
Share of net assets acquired			68,531,466
Goodwill on acquisition			131,468,134
Consideration paid			199,999,600
Cash acquired			(19,160,531)
Net cash outflow			180,839,069

Goodwill recognised on the acquisition is attributable mainly to the synergies expected to be achieved from integrating the acquired company into the Group’s existing business.

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

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(b) Acquisition of Quang Ninh Mineral Water Corporation – non-common control transaction

On 25 December 2015, the Company completed the acquisition of 65% equity interest in Quang Ninh Mineral Water Corporation (“QNW”) through Masan Beverage Company Limited (“MSB”) for a total consideration of VND140,189 million including transactions costs. Such acquisition resulted in the Company having 65% effective equity interest in QNW as at 31 December 2015.

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

	Pre-acquisition carrying amounts VND’000	Fair value adjustments VND’000	Recognised value on acquisition VND’000
Cash and cash equivalents (*)	88,101,599	-	88,101,599
Accounts receivable – short-term	2,010,271	-	2,010,271
Inventories	28,549,670	-	28,549,670
Short-term prepaid expenses	755,139	-	755,139
Deductible value added tax	890,411	-	890,411
Taxes receivables from State Treasury	154,702	-	154,702
Tangible fixed assets	37,555,481	(6,939,883)	30,615,598
Intangible fixed assets	17,821,754	148,675,940	166,497,694
Long-term prepaid expenses	35,935,638	-	35,935,638
Accounts payable to suppliers – short-term	(704,631)	-	(704,631)
Advances from customers	(5,511)	-	(5,511)
Taxes payable to State Treasury	(2,677,284)	-	(2,677,284)
Payables to employees	(15,589,594)	-	(15,589,594)
Other short-term payables (*)	(83,686,087)	-	(83,686,087)
Bonus and welfare funds	(11,785,494)	-	(11,785,494)
Accounts payable to suppliers – long-term	(12,477,960)	-	(12,477,960)
Other long-term payables	(4,672,020)	-	(4,672,020)
Deferred tax liabilities	-	(28,347,212)	(28,347,212)
Total net identifiable assets acquired	80,176,084	113,388,845	193,564,929
Share of net assets acquired			125,817,204
Goodwill on acquisition			14,372,285
Consideration paid			140,189,489
Payables in relation to acquisition (Note 22)			(77,788,700)
Cash and cash equivalents acquired (*)			(6,496,800)
Net cash outflow			55,903,989

(*) Included in cash and cash equivalents as at acquisition date was VND81,605 million of cash which are arisen from mobilisation of capital from shareholders in equitisation of QNW and are to be repaid to The Committee of Quang Ninh Province.

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Goodwill recognised on the acquisition is attributable mainly to the synergies expected to be achieved from integrating the acquired company into the Group’s existing business.

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

7. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND’000	1/1/2015 VND’000	31/12/2015 VND’000	1/1/2015 VND’000
Cash on hand	6,714,138	1,067,440	215,099	483,770
Cash in banks	255,799,484	194,653,511	20,912,806	12,732,772
Cash equivalents	3,104,150,000	3,400,035,142	1,427,300,000	1,634,500,000
Cash and cash equivalents in the statement of cash flows	3,366,663,622	3,595,756,093	1,448,427,905	1,647,716,542

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

8. Investments

(a) Held-to-maturity investments

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND’000	1/1/2015 VND’000	31/12/2015 VND’000	1/1/2015 VND’000
Held-to-maturity investments – short-term				
▪ Term deposits at banks	-	3,717,598,214	-	2,337,900,000
Held-to-maturity investments – long-term				
▪ Term deposits at banks	-	144,050,000	-	143,300,000

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

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

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(b) Investments in subsidiaries and associates

<u>Group</u>	31/12/2015			Cost VND'000	1/1/2015			Cost VND'000 Reclassified
	Number of shares	% of equity owned	% of voting rights		Number of shares	% of equity owned	% of voting rights	
Investments in associates:								
▪ Cholimex Food Joint Stock Company (****)	2,660,217	32.84%	32.84%	254,802,293	2,660,217	32.84%	32.84%	240,425,056
▪ Vinh Hao Spirulina Algae Corporation	-	-	-	-	360,000	19.05%	30.00%	3,600,000
				254,802,293				244,025,056

<u>Company</u>	31/12/2015			Cost VND'000	1/1/2015			Cost VND'000
	Number of shares	% of equity owned	% of voting rights		Number of shares	% of equity owned	% of voting rights	
Investments in subsidiaries:								
▪ Masan Food Company Limited (*)	Not applicable	100.00%	100.00%	1,833,100,009	Not applicable	100.00%	100.00%	1,239,100,008
▪ Masan Beverage Company Limited (**)	Not applicable	100.00%	100.00%	1,856,200,000	Not applicable	100.00%	100.00%	470,703,780
▪ Vinacafé Bien Hoa Joint Stock Company (***)	-	-	-	-	14,140,911	53.20%	53.20%	1,209,140,528
				3,689,300,009				2,918,944,316

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

There were no allowance from diminution in value of these investments in subsidiaries of the Company in its separate financial statements for the years ended 31 December 2015 and 2014.

- (*) Masan Food Company Limited has 7 subsidiaries, which include Masan Industrial One Member Company Limited (formerly known as “Ma San Industrial One Member Company Limited”) (“MSI”), Viet Tien Food Technology One Member Company Limited (“VTF”), Ma San PQ Corporation (“MPQ”), Masan HD One Member Company Limited (formerly known as “Ma San HD One Member Company Limited”) (“MHD”), Masan MB One Member Company Limited (“MMB”), Masan HG One Member Company Limited (“MHG”) and Saigon Nutri Food Joint Stock Company (“SNF”). These subsidiaries, except for MHG and SNF, are manufacturing companies and sell their products to the Company who then distributes them to the market. MHG has just been established and not yet started its operation. SNF is a manufacturing company and distributes most of its products directly to the market. Please see Note 1(d) for principal activities of these subsidiaries and Note 38 for significant transactions between the Company and these subsidiaries.
- (**) Masan Beverage Company Limited has 4 subsidiaries, which include Vinacafé Bien Hoa Joint Stock Company (“VCF”), Vinh Hao Mineral Water Corporation (“VHC”), Kronfa., JSC and Quang Ninh Mineral Water Corporation (“QNW”). VCF, VHC and QNW are beverage manufacturing companies and distribute their products directly to the market by themselves. Please see Note 1(d) for principal activities of these subsidiaries and Note 38 for significant transactions between the Company and these subsidiaries.
- (***) On 5 February 2015, the Company transferred its equity interest in Vinacafé Bien Hoa Joint Stock Company (“VCF”), a subsidiary, to Masan Beverage Company Limited (“MSB”), an incorporated wholly owned subsidiary of the Company. As a result of this transaction, VCF became a subsidiary indirectly owned by the Company through MSB.
- (****) During the year, the Group does not have any significant transactions with Cholimex Food Joint Stock Company (“CLX”). Please see Note 1(d) for principal activities of CLX.

Details of investments in associates as at 31 December 2015 were as follows:

	Cholimex Food Joint Stock Company VND'000	Vinh Hao Spirulina Algae Corporation VND'000	Total VND'000
Carrying amount of interest in associates	240,425,056	3,600,000	244,025,056
Share of post-acquisition profit in associates during the year	14,377,237	-	14,377,237
Disposal of investment	-	(3,600,000)	(3,600,000)
	254,802,293	-	254,802,293

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9. Accounts receivable from customers

Accounts receivable from customers who are related parties

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Subsidiaries				
▪ Vinh Hao Mineral Water Corporation	-	-	23,576,154	-
▪ Vinacafé Bien Hoa Joint Stock Company	-	-	62,664,307	102,933
Other related parties				
▪ Masan Master Brewer Company Limited (formerly known as “Lamka One Member Company Limited”)	-	1,100,000	-	1,100,000
▪ Masan Brewery PY One Member Company Limited (formerly known as “Phu Yen Beer and Beverage Joint Stock Company”)	218,587	976,855	218,587	976,855
▪ Masan Brewery Distribution One Member Company Limited	16,639,971	-	16,639,971	-
▪ Masan Brewery HG One Member Company Limited	6,957,627	-	6,957,627	-

The trade related amounts due from subsidiaries and other related parties were unsecured, interest free and are due within 30 – 90 days from invoice date.

As at 31 December 2015, there was no accounts receivable from customers (1/1/2015: certain accounts receivable from customers) of the Group and Company were pledged with banks as security for loans granted to the Company and its subsidiaries (Note 24(a)).

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10. Other receivables – short-term and long-term

(a) Other short-term receivables comprised:

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified
Non-trade amounts due from subsidiaries (*)				
▪ Distributed profits receivable	-	-	1,697,197,677	2,000,437,943
▪ Other receivables	-	-	-	54,655,987
Accrued interests receivable from deposits at banks	6,134,424	58,539,975	3,022,708	38,552,592
Short-term deposits	15,378,332	4,729,931	7,904,389	2,314,849
Others	5,685,952	6,591,337	2,138,093	4,778,540
	27,198,708	69,861,243	1,710,262,867	2,100,739,911

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

(b) Other long-term receivables comprised:

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified
Accrued interests receivable from:				
▪ Parent company (*)	-	18,975,990	-	18,975,990
▪ Subsidiary (*)	-	-	-	3,287,967
▪ Other loan investing activities (*)	373,495,304	-	373,495,304	-
▪ Deposits at banks	-	4,712,070	-	4,694,070
Long-term deposits	19,926,348	11,779,606	19,083,330	10,858,318
	393,421,652	35,467,666	392,578,634	37,816,345

(*) This represented interest income from loans provided to MasanConsumerHoldings Company Limited, Vinh Hao Mineral Water Corporation and other loan investing activities. Please see Note 13 for further information.

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11. Bad and doubtful debts

<u>Group</u>	31/12/2015			1/1/2015		
	Cost VND'000	Allowance VND'000	Recoverable amount VND'000	Cost VND'000	Allowance VND'000	Recoverable amount VND'000
Overdue days						
0 – 30 days	53,855,360	-	53,855,360	37,313,447	(424,675)	36,888,772
31 – 180 days	1,274,691	-	1,274,691	6,989,692	(87,951)	6,901,741
181 – 365 days	112,707	(33,812)	78,895	786,773	(480,130)	306,643
Over 365 days	1,469,678	(771,990)	697,688	1,070,992	(1,070,992)	-
	56,712,436	(805,802)	55,906,634	46,160,904	(2,063,748)	44,097,156
Allowance for doubtful debts		(805,802)			(2,063,748)	

12. Inventories

<u>Group</u>	31/12/2015		1/1/2015	
	Cost VND'000	Allowance VND'000	Cost VND'000	Allowance VND'000
Goods in transit	52,076,695	-	45,741,996	-
Raw materials	460,875,352	(10,283,181)	563,932,364	(8,580,583)
Tools and supplies	66,744,431	-	59,379,469	-
Work in progress	54,162,719	-	40,533,800	-
Finished goods	169,571,820	(5,906,340)	219,867,599	(13,700,697)
Merchandise inventories	3,423,606	(433,380)	5,081,089	36,906
	806,854,623	(16,622,901)	934,536,317	(22,318,186)
<u>Company</u>				
Goods in transit	5,608,828	-	-	-
Raw materials	18,443,145	-	24,608,970	(36,906)
Tools and supplies	55,000	-	-	-
Finished goods	-	-	2,021,370	-
Merchandise inventories	50,310,204	-	38,300,107	-
	74,417,177	-	64,930,447	(36,906)

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

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Opening balance	22,318,186	20,739,357	36,906	382,548
Increase in allowance during the year	94,986,485	67,433,326	-	249,776
Allowance utilised during the year	(99,504,637)	(61,738,738)	(36,906)	(595,418)
Written back	(1,177,133)	(3,489,167)	-	-
Disposal of a subsidiary	-	(626,592)	-	-
Closing balance	16,622,901	22,318,186	-	36,906

Included in inventories of the Group and the Company at 31 December 2015 was VND16,623 million and Nil, respectively (1/1/2015: VND22,318 million and VND37 million) of slow-moving inventories.

As at 31 December 2015, there was no inventories (1/1/2015: certain inventories) of the Group were pledged with banks as security for loans granted to Masan Industrial One Member Company Limited (formerly known as “Ma San Industrial One Member Company Limited”) (Note 24(a)).

13. Account receivables on long-term lending loans

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified
Receivables on lending loans from related parties:				
▪ MasanConsumerHoldings Company Limited, the parent company	-	9,619,772,870	-	9,619,772,870
▪ Vinh Hao Mineral Water Corporation, a subsidiary	-	-	-	50,000,000
Other loan investing activities (*)	6,729,614,068	-	6,729,614,068	-
	6,729,614,068	9,619,772,870	6,729,614,068	9,669,772,870

- (*) The long-term loan receivable was a result of the Group’s cash management operations to maximize its financial interest income on its more liquid assets. The loan is guaranteed by a Corporation and is secured by the future assets generated by this loan. The loan bore interest rate at 12% per annum during the year and matures on 19 June 2017. The interest is receivable on the maturity or repayment date of the related agreements, whichever earlier.

As of the date of issuance of these financial statements, this loan and its associated accrued interest receivables were fully collected. Please see Note 39 – Post balance sheet events for further information.

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14. Tangible fixed assets

For the year ended 31 December 2015

<u>Group</u>	Buildings VND'000	Leasehold improvements VND'000	Office equipment VND'000	Machinery and equipment VND'000	Motor vehicles VND'000	Total VND'000
Cost						
Opening balance	858,633,025	10,622,458	36,688,562	2,091,650,938	30,739,206	3,028,334,189
Acquisition of subsidiaries	19,650,002	-	153,099	19,593,694	3,623,924	43,020,719
Additions	529,417	-	169,635	3,441,298	38,076	4,178,426
Transfer from construction in progress	168,007,470	-	16,374,185	526,748,714	1,515,111	712,645,480
Transfer from long-term prepaid expenses	-	-	-	821,455	-	821,455
Transfer to long-term prepaid expenses	-	-	-	(22,871)	-	(22,871)
Reclassifications	(13,223,955)	-	1,885,918	12,967,827	(1,629,790)	-
Disposals	(6,415,958)	-	(735,556)	(33,241,065)	(2,560,477)	(42,953,056)
Written off	(2,404,896)	-	(72,727)	-	-	(2,477,623)
Closing balance	1,024,775,105	10,622,458	54,463,116	2,621,959,990	31,726,050	3,743,546,719
Accumulated depreciation						
Opening balance	122,598,066	7,718,774	19,781,079	678,376,476	14,647,115	843,121,510
Charge for the year	54,720,836	1,496,927	6,358,101	274,634,420	3,625,274	340,835,558
Transfer to long-term prepaid expenses	-	-	-	(2,859)	-	(2,859)
Reclassifications	(3,177,296)	-	783,623	3,795,948	(1,402,275)	-
Disposals	(2,342,666)	-	(734,234)	(24,953,742)	(2,520,510)	(30,551,152)
Written off	(2,404,896)	-	(72,727)	-	-	(2,477,623)
Closing balance	169,394,044	9,215,701	26,115,842	931,850,243	14,349,604	1,150,925,434
Net book value						
Opening balance	736,034,959	2,903,684	16,907,483	1,413,274,462	16,092,091	2,185,212,679
Closing balance	855,381,061	1,406,757	28,347,274	1,690,109,747	17,376,446	2,592,621,285

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For the year ended 31 December 2014

Group	Buildings VND'000	Leasehold improvements VND'000	Office equipment VND'000	Machinery and equipment VND'000	Motor vehicles VND'000	Total VND'000
Cost						
Opening balance	628,593,015	7,441,071	35,943,133	1,599,848,720	35,835,888	2,307,661,827
Additions	974,350	3,181,387	865,979	4,158,537	-	9,180,253
Transfer from construction in progress	246,360,741	-	1,748,604	604,821,121	3,462,431	856,392,897
Transfer to long-term prepaid expenses	(1,560,283)	-	-	(3,017,830)	-	(4,578,113)
Transfer to short-term prepaid expenses	-	-	-	(480,000)	-	(480,000)
Reclassifications	570,518	-	538,729	(1,109,247)	-	-
Disposals	(2,973,030)	-	(551,225)	(34,784,814)	(7,817,991)	(46,127,060)
Written off	(2,500,450)	-	(34,305)	(1,316,403)	-	(3,851,158)
Disposal of a subsidiary	(10,831,836)	-	(1,822,353)	(76,469,146)	(741,122)	(89,864,457)
Closing balance	858,633,025	10,622,458	36,688,562	2,091,650,938	30,739,206	3,028,334,189
Accumulated depreciation						
Opening balance	85,945,213	7,131,289	15,602,557	551,308,772	17,170,236	677,158,067
Charge for the year	45,865,989	587,485	5,744,610	221,792,352	4,663,507	278,653,943
Transfer to long-term prepaid expenses	-	-	-	(1,716,690)	-	(1,716,690)
Transfer to short-term prepaid expenses	-	-	-	(100,000)	-	(100,000)
Reclassifications	1,321,492	-	558,138	(1,475,953)	(403,677)	-
Disposals	(2,298,754)	-	(550,116)	(24,759,816)	(6,041,831)	(33,650,517)
Written off	(2,367,372)	-	(34,305)	(858,290)	-	(3,259,967)
Disposal of a subsidiary	(5,868,502)	-	(1,539,805)	(65,813,899)	(741,120)	(73,963,326)
Closing balance	122,598,066	7,718,774	19,781,079	678,376,476	14,647,115	843,121,510
Net book value						
Opening balance	542,647,802	309,782	20,340,576	1,048,539,948	18,665,652	1,630,503,760
Closing balance	736,034,959	2,903,684	16,907,483	1,413,274,462	16,092,091	2,185,212,679

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For the year ended 31 December 2015

<u>Company</u>	Buildings VND'000	Leasehold improvements VND'000	Office equipment VND'000	Machinery and equipment VND'000	Motor vehicles VND'000	Total VND'000
Cost						
Opening balance	1,874,006	10,622,457	8,290,500	3,392,020	15,807,304	39,986,287
Additions	-	-	34,890	54,650	-	89,540
Transfer from construction in progress	-	-	14,199,137	183,550	728,435	15,111,122
Disposals	-	-	-	-	(163,636)	(163,636)
Closing balance	1,874,006	10,622,457	22,524,527	3,630,220	16,372,103	55,023,313
Accumulated depreciation						
Opening balance	1,442,294	7,718,774	6,915,189	984,714	11,148,399	28,209,370
Charge for the year	137,177	1,496,927	1,340,354	1,120,962	1,218,830	5,314,250
Disposals	-	-	-	-	(163,636)	(163,636)
Closing balance	1,579,471	9,215,701	8,255,543	2,105,676	12,203,593	33,359,984
Net book value						
Opening balance	431,712	2,903,683	1,375,311	2,407,306	4,658,905	11,776,917
Closing balance	294,535	1,406,756	14,268,984	1,524,544	4,168,510	21,663,329

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For the year ended 31 December 2014

<u>Company</u>	Buildings VND'000	Leasehold improvements VND'000	Office equipment VND'000	Machinery and equipment VND'000	Motor vehicles VND'000	Total VND'000
Cost						
Opening balance	1,793,737	7,441,071	8,045,863	3,449,906	12,576,873	33,307,450
Additions	80,269	3,181,386	244,637	312,400	-	3,818,692
Transfer from construction in progress	-	-	-	383,701	3,230,431	3,614,132
Disposals	-	-	-	(753,987)	-	(753,987)
Closing balance	1,874,006	10,622,457	8,290,500	3,392,020	15,807,304	39,986,287
Accumulated depreciation						
Opening balance	1,076,711	7,131,289	5,965,860	856,598	10,218,058	25,248,516
Charge for the year	365,583	587,485	949,329	486,260	930,341	3,318,998
Disposals	-	-	-	(358,144)	-	(358,144)
Closing balance	1,442,294	7,718,774	6,915,189	984,714	11,148,399	28,209,370
Net book value						
Opening balance	717,026	309,782	2,080,003	2,593,308	2,358,815	8,058,934
Closing balance	431,712	2,903,683	1,375,311	2,407,306	4,658,905	11,776,917

Included in the cost of tangible fixed assets of the Group and the Company were assets costing VND147,224 million and VND25,341 million, respectively, which were fully depreciated as of 31 December 2015 (1/1/2015: VND112,393 million and VND22,263 million), but which are still in active use.

As at 31 December 2015 and 1 January 2015, certain of the Group's tangible fixed assets were pledged with banks as security for loans.

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

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

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15. Intangible fixed assets

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<u>Group</u>	Land use rights VND'000	Software VND'000	Exploitation rights VND'000	Brand name VND'000	Customer relationships VND'000	Mineral water resources VND'000	Total VND'000
Cost							
Opening balance	170,253,882	24,913,998	-	703,366,175	375,110,435	305,335,825	1,578,980,315
Acquisition of a subsidiary	2,938,930	364,896	13,563,000	54,112,356	29,004,477	107,361,939	207,345,598
Additions	-	-	74,845,197	-	-	-	74,845,197
Transfer from construction in progress	-	241,075,526	-	-	-	-	241,075,526
Transfer to long-term prepaid expenses	(49,615,127)	(781)	-	-	-	-	(49,615,908)
Closing balance	123,577,685	266,353,639	88,408,197	757,478,531	404,114,912	412,697,764	2,052,630,728
Accumulated amortisation							
Opening balance	24,053,305	12,600,990	-	188,005,104	211,106,529	4,990,200	440,756,128
Charge for the year	4,162,611	17,482,257	2,594,792	63,475,812	72,098,487	2,603,582	162,417,541
Transfer to long-term prepaid expenses	(5,428,421)	(781)	-	-	-	-	(5,429,202)
Closing balance	22,787,495	30,082,466	2,594,792	251,480,916	283,205,016	7,593,782	597,744,467
Net book value							
Opening balance	146,200,577	12,313,008	-	515,361,071	164,003,906	300,345,625	1,138,224,187
Closing balance	100,790,190	236,271,173	85,813,405	505,997,615	120,909,896	405,103,982	1,454,886,261

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Group	Land use rights VND'000	Software VND'000	Brand name VND'000	Customer relationship VND'000	Mineral water resources VND'000	Total VND'000
Cost						
Opening balance	173,792,725	23,596,645	702,866,175	375,110,435	305,335,825	1,580,701,805
Additions	-	279,996	500,000	-	-	779,996
Transfer from construction in progress	-	1,109,747	-	-	-	1,109,747
Transfer to long-term prepaid expenses	-	(49,958)	-	-	-	(49,958)
Written off	(30,800)	(22,432)	-	-	-	(53,232)
Disposal of a subsidiary	(3,508,043)	-	-	-	-	(3,508,043)
Closing balance	170,253,882	24,913,998	703,366,175	375,110,435	305,335,825	1,578,980,315
Accumulated amortisation						
Opening balance	20,194,316	9,982,718	125,664,636	142,787,577	2,386,618	301,015,865
Charge for the year	4,947,356	2,636,031	62,340,468	68,318,952	2,603,582	140,846,389
Transfer to long-term prepaid expenses	-	(17,759)	-	-	-	(17,759)
Disposal of a subsidiary	(1,088,367)	-	-	-	-	(1,088,367)
Closing balance	24,053,305	12,600,990	188,005,104	211,106,529	4,990,200	440,756,128
Net book value						
Opening balance	153,598,409	13,613,927	577,201,539	232,322,858	302,949,207	1,279,685,940
Closing balance	146,200,577	12,313,008	515,361,071	164,003,906	300,345,625	1,138,224,187

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<u>Company</u>	Software VND'000	Brand name VND'000	Total VND'000
Cost			
Opening balance	10,382,539	636,364	11,018,903
Transfer from construction in progress	241,075,526	-	241,075,526
Closing balance	251,458,065	636,364	252,094,429
Accumulated amortisation			
Opening balance	9,463,328	598,252	10,061,580
Charge for the year	15,713,656	24,476	15,738,132
Closing balance	25,176,984	622,728	25,799,712
Net book value			
Opening balance	919,211	38,112	957,323
Closing balance	226,281,081	13,636	226,294,717

For the year ended 31 December 2014

<u>Company</u>	Software VND'000	Brand name VND'000	Total VND'000
Cost			
Opening balance	9,345,992	636,364	9,982,356
Additions	163,230	-	163,230
Transfer from construction in progress	923,275	-	923,275
Transfer to long-term prepaid expenses	(49,958)	-	(49,958)
Closing balance	10,382,539	636,364	11,018,903
Accumulated amortisation			
Opening balance	8,568,207	580,070	9,148,277
Charge for the year	912,880	18,182	931,062
Transfer to long-term prepaid expenses	(17,759)	-	(17,759)
Closing balance	9,463,328	598,252	10,061,580
Net book value			
Opening balance	777,785	56,294	834,079
Closing balance	919,211	38,112	957,323

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Included in the cost of intangible fixed assets of the Group and the Company were assets costing VND9,894 million and VND9,811 million, respectively, which were fully amortised as of 31 December 2015 (1/1/2015: VND10,097 million and VND9,482 million), but which are still in use.

As at 31 December 2015, there were no land use rights (1/1/2015: certain land use right) of the Group were pledged with banks as security for loans (Note 24(a)).

16. Construction in progress

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Opening balance	719,169,776	701,970,541	192,320,297	1,031,976
Additions during the year	985,883,578	891,130,969	140,175,489	195,086,704
Transfer to tangible fixed assets	(712,645,480)	(856,392,897)	(15,111,122)	(3,614,132)
Transfer to intangible fixed assets	(241,075,526)	(1,109,747)	(241,075,526)	(923,275)
Transfer (to)/from long-term prepaid expenses	(31,125,045)	(16,429,090)	(1,143,243)	739,024
Disposals	(825,000)	-	(16,354,545)	-
Closing balance	719,382,303	719,169,776	58,811,350	192,320,297

Major constructions in progress were as follows:

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Buildings	207,144,409	49,391,464	55,268,590	19,622,448
Machinery and equipment	481,713,466	497,080,463	-	-
Software	3,542,760	172,697,849	3,542,760	172,697,849
Others	26,981,668	-	-	-
	719,382,303	719,169,776	58,811,350	192,320,297

As at 31 December 2015, certain construction in progress of the Group were pledged with banks as security for loans (1/1/2015: Nil) (Note 24(b)).

During the year, borrowing costs capitalised into construction in progress of the Group and the Company amounted to VND69,641 million and VND12,669 million, respectively (2014: VND37,415 million and VND8,350 million).

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17. Long-term prepaid expenses

For the year ended 31 December 2015

Group	Prepaid land costs VND'000	Goodwill from equitisation VND'000	Tools and supplies VND'000	Arrangement fee VND'000	Total VND'000
Opening balance	2,171,098	-	30,068,600	155,376,678	187,616,376
Acquisition of a subsidiary	-	31,343,712	4,878,320	-	36,222,032
Additions	-	-	8,094,921	-	8,094,921
Transfer from intangible fixed assets	44,186,706	-	-	-	44,186,706
Transfer from construction in progress	-	-	31,125,045	-	31,125,045
Transfer from short-term prepaid expenses	-	-	2,624,199	-	2,624,199
Transfer from tangible fixed assets	-	-	20,012	-	20,012
Transfer to tangible fixed assets	-	-	(821,455)	-	(821,455)
Amortisation for the year	(791,378)	-	(25,190,978)	(155,376,678)	(181,359,034)
Disposals	-	-	(761,464)	-	(761,464)
Closing balance	45,566,426	31,343,712	50,037,200	-	126,947,338

For the year ended 31 December 2014

Group	Prepaid land costs VND'000	Printing axes VND'000	Tools and supplies VND'000	Arrangement fee VND'000	Total VND'000
Opening balance	2,226,276	1,096,702	26,021,141	254,004,891	283,349,010
Additions	-	4,674,535	8,001,971	-	12,676,506
Transfer from construction in progress	-	-	16,429,090	-	16,429,090
Transfer from tangible fixed assets	-	-	2,861,423	-	2,861,423
Transfer from intangible fixed assets	-	-	32,199	-	32,199
Transfer from short-term prepaid expenses	-	-	5,710,058	-	5,710,058
Amortisation for the year	(55,178)	(3,246,507)	(23,346,686)	(98,628,213)	(125,276,584)
Disposals	-	(475,076)	(3,117,051)	-	(3,592,127)
Written off	-	-	(207,779)	-	(207,779)
Disposal of a subsidiary	-	(2,049,654)	(2,315,766)	-	(4,365,420)
Closing balance	2,171,098	-	30,068,600	155,376,678	187,616,376

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Company

For the year ended	Tools and supplies	
	31/12/2015	31/12/2014
	VND'000	VND'000
Opening balance	3,381,423	3,827,332
Additions	609,966	2,017,269
Transfer from/(to) construction in progress	1,143,243	(739,024)
Transfer from intangible fixed assets	-	32,199
Amortisation for the year	(2,380,382)	(1,756,353)
Closing balance	2,754,250	3,381,423

As at 31 December 2015, a certain of prepaid land costs of the Group were pledged with banks as security for loans (1/1/2015: Nil) (Note 24 (b)).

18. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

<u>Group</u>	31/12/2015		1/1/2015	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	VND'000	VND'000	VND'000	VND'000
Accrued advertising and promotion expenses	79,681,805	-	65,773,171	-
Accrued logistic expenses	8,313,593	-	19,116,227	-
Accrued sales discounts	6,899,887	-	12,770,215	-
Other accruals	18,713,218	-	16,123,569	-
Unrealised profits	3,470,379	-	3,701,186	-
Tangible fixed assets	-	(8,947,644)	-	(13,826,495)
Intangible fixed assets	-	(196,284,466)	-	(182,059,294)
	117,078,882	(205,232,110)	117,484,368	(195,885,789)

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<u>Company</u>	31/12/2015 Deferred tax assets VND'000	1/1/2015 Deferred tax assets VND'000
Accrued advertising and promotion expenses	63,434,596	6,029,363
Accrued logistic expenses	4,725,942	14,763,880
Accrued sales discounts	4,062,726	9,167,495
Other accruals	11,539,478	5,369,865
	83,762,742	35,330,603

19. Goodwill

	For the year ended	
	31/12/2015 VND'000	31/12/2014 VND'000
Cost		
Opening balance	520,944,888	520,944,888
Additions	145,840,419	-
Closing balance	666,785,307	520,944,888
Accumulated amortisation		
Opening balance	135,920,050	83,825,561
Charge for the year	65,836,690	52,094,489
Closing balance	201,756,740	135,920,050
Net book value		
Opening balance	385,024,838	437,119,327
Closing balance	465,028,567	385,024,838

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20. Accounts payable to suppliers – short-term and long-term

(a) Accounts payable to suppliers classified by payment term

<u>Group</u>	31/12/2015		1/1/2015	
	Cost VND'000	Amount within payment capacity VND'000	Cost VND'000	Amount within payment capacity VND'000
Short-term	888,714,669	888,714,669	550,485,687	550,485,687
Long-term	75,845,316	75,845,316	-	-
	964,559,985	964,559,985	550,485,687	550,485,687

<u>Company</u>	31/12/2015		1/1/2015	
	Cost VND'000	Amount within payment capacity VND'000	Cost VND'000	Amount within payment capacity VND'000
Short-term	1,668,709,011	1,668,709,011	2,028,927,617	2,028,927,617

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(b) Accounts payable to suppliers who are related parties

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Subsidiaries				
▪ Viet Tien Food Technology One Member Company Limited	-	-	344,787,533	510,278,394
▪ Masan Industrial One Member Company Limited (formerly known as “Ma San Industrial One Member Company Limited”)	-	-	508,010,104	962,560,656
▪ Masan HD One Member Company Limited (formerly known as “Ma San HD One Member Company Limited”)	-	-	328,550,461	442,518,678
▪ Vinh Hao Mineral Water Corporation	-	-	-	7,831
▪ Masan MB One Member Company Limited	-	-	273,111,052	-
▪ Saigon Nutri Food Joint Stock Company	-	-	3,675,717	-
Other related parties				
▪ Masan Master Brewer Company Limited (formerly known as “Lamka One Member Company Limited”)	-	475,200	-	475,200
	-	475,200	1,458,134,867	1,915,840,759

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

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21. Taxes payable to State Treasury

(a) Taxes payable to State Treasury

<u>Group</u>	1/1/2015 VND'000	Acquisition of a subsidiary VND'000	Incurred VND'000	Paid/refunded VND'000	Deducted VND'000	31/12/2015 VND'000
Value added tax	78,676,854	593,847	2,276,516,281	(480,100,913)	(1,765,015,487)	110,670,582
Import-export tax	7,457,378	-	10,019,865	(17,477,243)	-	-
Corporate income tax	735,591,747	2,631,804	550,865,520	(1,122,692,334)	(2,105,547)	164,291,190
Personal income tax	4,301,813	53,057	53,225,997	(54,778,249)	(669,893)	2,132,725
Other taxes	928,303	284,222	21,806,936	(22,138,466)	-	880,995
	826,956,095	3,562,930	2,912,434,599	(1,697,187,205)	(1,767,790,927)	277,975,492
<u>Company</u>		1/1/2015 VND'000	Incurred VND'000	Paid/refunded VND'000	Deducted VND'000	31/12/2015 VND'000
Value added tax		13,996,169	1,028,060,439	(40,985,544)	(948,875,588)	52,195,476
Import-export tax		-	1,331,417	(1,331,417)	-	-
Corporate income tax		350,126,150	207,173,461	(490,036,236)	-	67,263,375
Personal income tax		3,439,210	43,408,781	(45,513,415)	-	1,334,576
Other taxes		-	1,681,645	(1,681,645)	-	-
		367,561,529	1,281,655,743	(579,548,257)	(948,875,588)	120,793,427

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(b) Taxes receivable from State Treasury

<u>Group</u>	<u>1/1/2015</u> <u>VND'000</u>	<u>Acquisition of</u> <u>a subsidiary</u> <u>VND'000</u>	<u>Incurred</u> <u>VND'000</u>	<u>Deducted</u> <u>VND'000</u>	<u>31/12/2015</u> <u>VND'000</u>
Corporate income tax	2,105,547	-	-	(2,105,547)	-
Personal income tax	12,850	-	657,043	(669,893)	-
Other taxes	2,512	154,702	-	-	157,214
	2,120,909	154,702	657,043	(2,775,440)	157,214

22. Accrued expenses

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2015</u> <u>VND'000</u>	<u>1/1/2015</u> <u>VND'000</u>	<u>31/12/2015</u> <u>VND'000</u>	<u>1/1/2015</u> <u>VND'000</u>
Advertising and promotion expenses	442,111,167	445,122,084	317,172,982	27,406,194
Logistic expenses	53,668,827	101,783,323	23,629,711	67,108,544
Exhibition expense	23,335,863	25,511,040	19,157,715	10,764,274
Bonus and 13th month salary	80,883,702	91,192,556	36,145,815	47,598,240
Sales discounts	43,210,818	70,621,800	20,313,630	41,670,433
Market research expenses	28,512,695	15,193,484	18,248,507	5,387,936
Accrued interest expenses	2,795,596	62,705,382	844,610	1,661,932
Construction in progress	9,692,425	24,222,794	-	11,793,531
Purchases not yet received invoices	42,307,538	10,401,483	7,562,223	1,104,040
Payables in relation to acquisition	77,788,700	-	-	-
Others	60,654,372	48,489,526	20,291,162	8,592,270
	864,961,703	895,243,472	463,366,355	223,087,394

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23. Other payables – short-term and long-term

(a) Other short-term payables

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Payables for equitisation of a subsidiary (Note 6(b))	81,604,799	-	-	-
Purchase shares in an associate	-	239,180,200	-	-
Trade union fees, social and health insurance	8,626,250	5,688,550	6,734,857	3,948,023
Short-term deposits	6,444,168	780,000	900,000	-
Others	7,803,783	3,937,496	4,845,611	2,282,725
	104,479,000	249,586,246	12,480,468	6,230,748

(b) Other long-term payables

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Deposit interest income payables due to a subsidiary	-	-	-	135,132,041
Long-term deposits	22,803,868	24,297,318	-	-
	22,803,868	24,297,318	-	135,132,041

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24. Borrowings

(a) Short-term borrowings

<u>Group</u>	1/1/2015		Movement during the year		31/12/2015	
	Carrying amount VND'000	Amount within repayment capacity VND'000	Addition VND'000	Decrease VND'000	Carrying amount VND'000	Amount within repayment capacity VND'000
Short-term borrowings	4,255,257,299	4,255,257,299	11,295,936,915	(13,730,144,800)	1,821,049,414	1,821,049,414
Current portion of long-term borrowings	130,770,964	130,770,964	107,581,682	(130,770,964)	107,581,682	107,581,682
	4,386,028,263	4,386,028,263	11,403,518,597	(13,860,915,764)	1,928,631,096	1,928,631,096

<u>Company</u>	1/1/2015		Movement during the year		31/12/2015	
	Carrying amount VND'000	Amount within repayment capacity VND'000	Addition VND'000	Decrease VND'000	Carrying amount VND'000	Amount within repayment capacity VND'000
Short-term borrowings	2,247,511,608	2,247,511,608	6,322,196,323	(7,616,267,152)	953,440,779	953,440,779

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

	Currency	Annual interest rate	Group		Company	
			31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Short-term borrowings						
▪ Secured bank loans	VND	3.8% - 4.3%	561,916,300	3,327,029,422	-	1,994,781,608
▪ Unsecured bank loans	VND	3.8% - 4.3%	1,259,133,114	885,497,877	953,440,779	210,000,000
▪ Unsecured bank loans	USD	3.2%	-	42,730,000	-	42,730,000
			1,821,049,414	4,255,257,299	953,440,779	2,247,511,608

The secured bank loans of the Group were guaranteed by the Company (1/1/2015: the loans were secured over certain trade receivables and inventories with carrying amount of USD18 million, equivalent to VND384,570 million (Notes 9 and 12) and fixed assets with a carrying value of VND885,297 million. Part of these fixed assets with carrying value of VND853,081 million was also used as security for long-term borrowings and accordingly, included in the amount of security disclosed in Note 24(b)).

(b) Long-term borrowings

	Group		Company	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Long-term borrowings	427,471,962	4,015,512,496	-	2,874,312,072
Repayable within twelve months	(107,581,682)	(130,770,964)	-	-
Repayable after twelve months	319,890,280	3,884,741,532	-	2,874,312,072

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

	Currency	Annual interest rate	Year of maturity	Group		Company	
				31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Long-term borrowings							
▪ Secured bank loans	VND	6.9% - 7.5%	2020	427,471,962	276,637,496	-	-
▪ Secured bank loans	USD	Libor + 3.5% - Libor + 4.5%	2016	-	3,738,875,000	-	-
▪ Unsecured loan	VND	12%	2016	-	-	-	2,874,312,072
				427,471,962	4,015,512,496	-	2,874,312,072

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The secured bank loans of the Group denominated in VND amounting to VND427,472 million (1/1/2015: VND276,637 million) were secured over fixed assets of the Group with a carrying amount of VND784,683 million (1/1/2015: VND853,081 million) (Note 24(a)), construction in progress with a carrying amount of VND427,871 million (1/1/2015: Nil) (Note 16) and prepaid land costs of the Group with a carrying value of VND15,709 million (1/1/2015: Nil) (Note 17).

The outstanding of secured bank loans of the Group denominated in USD as at 1 January 2015 amounting to USD175 million, equivalent to VND3,738,875 million will be matured on 15 August 2016. In August 2015, all outstanding loan together with its accumulated interest expenses and associated cost were paid in advance of the schedule by a subsidiary of the Company.

The outstanding of unsecured loan of the Company as at 1 January 2015 amounting to VND2,874,312 million is a related party loan provided by Masan Industrial One Member Company Limited (formerly known as “Ma San Industrial One Member Company Limited”), a subsidiary, to the Company. The loan will be mature on 31 May 2016. In August 2015, all the outstanding loan together with its accumulated interest expenses were paid in advance of the schedule.

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

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

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25. Changes in owners' equity

<u>Group</u>	Share capital VND'000	Share premium VND'000	Other capital VND'000	Treasury shares VND'000	Investment and development fund (*) VND'000 Reclassified	Undistributed profits after tax VND'000	Non-controlling interests VND'000	Total VND'000
Balance at 1 January 2014	5,273,359,100	5,088,056,395	(238,608,966)	-	22,731,973	5,799,402,320	2,075,277,544	18,020,218,366
Share capital issued (Note 26)	39,904,120	-	-	-	-	-	-	39,904,120
Purchase of treasury shares (Note 26)	-	-	-	(1,640,252,631)	-	-	-	(1,640,252,631)
Dividends (Note 27)	-	-	-	-	-	(5,800,225,877)	(14,925,869)	(5,815,151,746)
Appropriation to bonus and welfare funds	-	-	-	-	-	(17,071,547)	(9,782,990)	(26,854,537)
Payment to Board of Directors fees of subsidiary	-	-	-	-	-	(3,906,700)	(3,436,300)	(7,343,000)
Net profit for the year	-	-	-	-	-	3,267,259,785	157,665,928	3,424,925,713
Acquisition of additional equity interest in a subsidiary	-	-	1,575,942	-	-	-	(1,575,942)	-
Capital contribution in a subsidiary by non-controlling interests	-	-	-	-	-	-	17,676,230	17,676,230
Disposal of a subsidiary – common control transaction	-	-	(32,295,333)	-	-	-	(1,092,644,680)	(1,124,940,013)
Disposal of a subsidiary – non-common control transaction	-	-	3,552,700	-	-	-	-	3,552,700
Balance at 31 December 2014	5,313,263,220	5,088,056,395	(265,775,657)	(1,640,252,631)	22,731,973	3,245,457,981	1,128,253,921	12,891,735,202

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<u>Group</u>	Share capital VND'000	Share premium VND'000	Other capital VND'000	Treasury shares VND'000	Investment and development fund (*) VND'000 Reclassified	Undistributed profits after tax VND'000	Non-controlling interests VND'000	Total VND'000
Balance at 1 January 2015	5,313,263,220	5,088,056,395	(265,775,657)	(1,640,252,631)	22,731,973	3,245,457,981	1,128,253,921	12,891,735,202
Share capital issued (Note 26)	38,337,950	-	-	-	-	-	-	38,337,950
Net profit for the year	-	-	-	-	-	2,822,340,170	78,377,515	2,900,717,685
Dividends (Note 27)	-	-	-	-	-	(3,079,957,932)	-	(3,079,957,932)
Appropriation to bonus and welfare funds	-	-	-	-	-	(1,452,567)	-	(1,452,567)
Payment for Board of Directors fees of a subsidiary	-	-	-	-	-	(1,679,225)	(1,477,031)	(3,156,256)
Non-controlling interests at acquisition date	-	-	-	-	-	-	67,747,862	67,747,862
Capital contribution in a subsidiary by non-controlling interests	-	-	-	-	-	-	1,475,060	1,475,060
Balance at 31 December 2015	5,351,601,170	5,088,056,395	(265,775,657)	(1,640,252,631)	22,731,973	2,984,708,427	1,274,377,327	12,815,447,004

(*) Investment and development fund was appropriated from undistributed profits after tax in accordance with the resolution of Annual General Meeting of Shareholders. This fund was established for the purpose of future business expansion.

Under guidance of Circular 200, enterprises are generally no longer required to make financial reserve. Balance of financial reserve will be transferred to investment and development fund. Balance of financial reserve as at 1 January 2015 amounting to VND4,407 million was transferred to investment and development fund to conform to the requirement of Circular 200. A comparison of the amounts previously reported and as reclassified is stated in Note 40.

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<u>Company</u>	Share capital VND'000	Share premium VND'000	Treasury shares VND'000	Undistributed profits after tax VND'000	Total VND'000
Balance at 1 January 2014	5,273,359,100	5,088,056,395	-	5,712,797,911	16,074,213,406
Share capital issued (Note 26)	39,904,120	-	-	-	39,904,120
Purchase of treasury shares (Note 26)	-	-	(1,640,252,631)	-	(1,640,252,631)
Appropriation to bonus and welfare funds	-	-	-	(1,317,109)	(1,317,109)
Dividends (Note 27)	-	-	-	(5,800,225,877)	(5,800,225,877)
Net profit for the year	-	-	-	2,829,306,147	2,829,306,147
Balance at 1 January 2015	5,313,263,220	5,088,056,395	(1,640,252,631)	2,740,561,072	11,501,628,056
Share capital issued (Note 26)	38,337,950	-	-	-	38,337,950
Net profit for the year	-	-	-	2,999,347,733	2,999,347,733
Appropriation to bonus and welfare funds	-	-	-	(1,452,567)	(1,452,567)
Dividends (Note 27)	-	-	-	(3,079,957,932)	(3,079,957,932)
Balance at 31 December 2015	5,351,601,170	5,088,056,395	(1,640,252,631)	2,658,498,306	11,457,903,240

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26. Share capital, share premium and treasury shares

The Company’s authorised and issued share capital are:

	31/12/2015		1/1/2015	
	Number of shares	VND’000	Number of shares	VND’000
Authorised and issued share capital				
Ordinary shares	535,160,117	5,351,601,170	531,326,322	5,313,263,220
Treasury shares				
Ordinary shares	18,000,000	1,640,252,631	18,000,000	1,640,252,631
Shares currently in circulation				
Ordinary shares	517,160,117	5,171,601,170	513,326,322	5,133,263,220
Share premium	-	5,088,056,395	-	5,088,056,395

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

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

Movements in share capital during the year were as follows:

	2015		2014	
	Number of shares	Par value VND’000	Number of shares	Par value VND’000
Balance at the beginning of the year				
- currently in circulation	513,326,322	5,133,263,220	527,335,910	5,273,359,100
Shares issued during the year	3,833,795	38,337,950	3,990,412	39,904,120
Treasury shares purchased during the year	-	-	(18,000,000)	(180,000,000)
Balance at the end of the year - currently in circulation	517,160,117	5,171,601,170	513,326,322	5,133,263,220

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27. Dividends

The Annual General Meeting of Shareholders of the Company on 25 April 2015 resolved to distribute and advance dividends by cash amounting to VND3,079,958 million (2014: the Annual General Meeting of Shareholders of the Company on 23 April 2014 resolved to distribute and advance dividends by cash amounting to VND5,800,226 million).

28. Off balance sheet items

(a) Lease commitments

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

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Within one year	97,315,640	53,592,519	61,898,765	38,299,858
Within two to five years	169,304,282	41,056,620	139,592,752	37,290,343
	<hr/>	<hr/>	<hr/>	<hr/>
	266,619,922	94,649,139	201,491,517	75,590,201

(b) Foreign currencies

<u>Group</u>	31/12/2015		1/1/2015	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	6,045,007	135,401,816	5,862,492	125,252,142
EUR	-	-	179,149	4,604,481
		<hr/>		<hr/>
		135,401,816		129,856,623
		<hr/>		<hr/>
<u>Company</u>	31/12/2015		1/1/2015	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	602,475	13,495,446	868	18,537
		<hr/>		<hr/>

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(c) Capital expenditure commitments

As at 31 December 2015, the Group and the Company had the following outstanding capital commitments approved but not provided for in the balance sheets:

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND'000	1/1/2015 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Approved and contracted	80,840,029	1,805,749,181	7,158,568	1,427,862,296
Approved but not contracted	679,491,415	356,120,776	61,520,900	65,387,607
	760,331,444	2,161,869,957	68,679,468	1,493,249,903

29. Revenue from sales of goods and provision of services

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

Net revenue comprised:

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000 Reclassified	2015 VND'000	2014 VND'000 Reclassified
Total revenue				
▪ Sales of goods	13,314,693,317	13,239,430,149	10,158,556,677	10,053,404,365
▪ Services and other sales	80,499,941	117,394,025	15,638,424	86,778,640
	13,395,193,258	13,356,824,174	10,174,195,101	10,140,183,005
Less revenue deductions				
▪ Sales discounts	(93,203,257)	(183,548,292)	(19,871,672)	(105,315,123)
▪ Sales returns	(90,064,957)	(46,466,796)	(51,960,648)	(30,387,446)
	(183,268,214)	(230,015,088)	(71,832,320)	(135,702,569)
Net revenue	13,211,925,044	13,126,809,086	10,102,362,781	10,004,480,436

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30. Cost of sales

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000 Reclassified	2015 VND'000	2014 VND'000 Reclassified
Total cost of sales				
▪ Goods sold	7,099,821,099	7,439,361,240	7,932,095,152	9,092,416,875
▪ Services provided and other cost of goods sold	70,609,121	19,347,612	15,025,974	2,559,779
▪ Allowance for inventories	93,809,352	63,944,159	-	249,776
	<hr/>	<hr/>	<hr/>	<hr/>
	7,264,239,572	7,522,653,011	7,947,121,126	9,095,226,430

31. Financial income

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Interest income from deposits to banks	230,147,228	329,748,123	135,682,585	209,559,031
Interest income and facility fee from loans provided to related parties	533,086,759	1,247,320,804	535,804,906	1,250,741,489
Interest income from other loan investing activities	374,481,605	-	374,481,605	-
Proceeds and related income from disposals of subsidiaries	-	569,995,824	-	141,548,524
Dividend income declared and distributed profits by subsidiaries	-	-	2,474,860,474	2,059,911,025
Foreign exchange gains	9,363,294	6,936,129	409,448	534,905
Realised gains from derivative financial instruments	4,017,094	16,772,216	-	-
Other financial income	-	587,416	-	-
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	1,151,095,980	2,171,360,512	3,521,239,018	3,662,294,974

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32. Financial expenses

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Interest expense on borrowings from banks	335,761,169	374,715,065	85,679,638	56,468,079
Interest expense and facility fee on borrowings from related parties	-	1,123	188,571,397	360,195,107
Withholding tax on interest expense and extension fee	15,974,612	17,006,171	-	-
Foreign exchange losses	117,571,521	70,662,397	23,268,731	130,976
Realised losses from derivative financial instruments	12,013,981	48,368,322	-	-
Losses from disposal of an associate	1,800,000	-	-	-
Other financial expenses	-	335,478	-	263,355
	483,121,283	511,088,556	297,519,766	417,057,517

33. Selling expenses

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000 Reclassified	2015 VND'000	2014 VND'000
Advertising and promotion expenses	1,453,556,407	1,282,261,981	1,235,720,256	78,388,344
Logistic expenses	597,010,522	756,507,215	421,648,932	585,558,218
Staffs costs	242,638,266	270,999,862	173,683,955	182,242,490
Exhibition expenses	53,327,569	81,121,884	32,517,547	6,882,618
Marketing research expenses	46,121,329	42,699,273	26,136,089	7,402,669
Other selling expenses	58,350,140	99,892,797	10,314,657	40,287,505
	2,451,004,233	2,533,483,012	1,900,021,436	900,761,844

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34. General and administration expenses

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Staffs costs	237,165,270	253,314,015	156,277,573	164,254,248
Amortisation of fair value uplift of fixed assets arisen in business combination	163,492,245	158,492,739	-	-
System lease line and IT services	86,992,654	25,153,535	57,656,826	21,655,957
Amortisation of goodwill	65,836,690	52,094,489	-	-
Office rental	40,219,397	24,468,624	39,086,235	23,757,629
Research and development expenses	21,224,937	28,815,475	11,783,415	2,590,102
Depreciation and amortisation of fixed assets	31,582,485	14,141,184	18,700,671	3,822,223
Other expenses	97,464,793	90,183,547	38,484,261	20,886,334
	743,978,471	646,663,608	321,988,981	236,966,493

35. Income tax

(a) Recognised in the statement of income

	<u>Group</u>		<u>Company</u>	
	2015 VND'000	2014 VND'000	2015 VND'000	2014 VND'000
Current tax expense				
Current year	560,900,412	968,512,192	207,173,461	391,791,038
Over provision in prior years	(10,034,892)	(4,497,854)	-	-
	550,865,520	964,014,338	207,173,461	391,791,038
Deferred tax (benefit)/expense				
Origination and reversal of temporary differences	(34,615,781)	(221,358,159)	(56,808,412)	(180,930,599)
Effect of change in tax rate	9,575,235	(13,507,941)	8,376,273	(22,828,210)
	(25,040,546)	(234,866,100)	(48,432,139)	(203,758,809)
Income tax expense	525,824,974	729,148,238	158,741,322	188,032,229

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(b) Reconciliation of effective tax rate

<u>Group</u>	%	2015 VND'000	%	2014 VND'000
Profit before tax		3,426,542,659		4,154,073,951
Tax at the Company's income tax rate	22.00%	753,839,385	22.00%	913,896,269
Effect of incentive tax rates in subsidiaries	(7.33%)	(251,126,613)	(4.02%)	(166,901,964)
Effect of share of profit in an associate	(0.09%)	(3,162,991)	(0.39%)	(16,193,852)
Effect of amortisation of goodwill and fair value uplift of fixed assets arisen in business combination	0.75%	25,446,033	0.35%	14,574,046
Non-deductible expenses	0.01%	489,414	0.04%	1,245,101
Over provision in prior years	(0.29%)	(10,034,892)	(0.11%)	(4,497,854)
Effect of change in tax rate	0.28%	9,575,235	(0.33%)	(13,507,941)
Deferred tax assets not recognised	0.02%	799,403	0.01%	534,433
	15.35%	525,824,974	17.55%	729,148,238
<u>Company</u>	%	2015 VND'000	%	2014 VND'000
Profit before tax (*)		3,158,089,055		3,017,338,376
Tax at the Company's income tax rate	22.00%	694,779,592	22.00%	663,814,443
Tax exempt income	(17.25%)	(544,469,304)	(15.02%)	(453,180,426)
Non-deductible expenses	0.00%	54,761	0.01%	226,422
Effect of change in tax rate	0.28%	8,376,273	(0.76%)	(22,828,210)
	5.03%	158,741,322	6.23%	188,032,229

(*) The Company's profit before tax included VND2,474,860 million (2014: VND2,059,911 million) dividend income and distributed profits which is not subject to tax.

(c) Applicable tax rates

The Company has an obligation to pay corporate income tax to the government at corporate income tax rate of 22% for 2014 and 2015 and 20% from 2016 of taxable profits.

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

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(d) Tax contingencies

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

36. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2015 was based on the profit attributable to ordinary shareholders of the Company, effective from 1 January 2015, after deducting the amounts appropriated to bonus and welfare funds, of VND2,822,340 million (2014: VND3,267,260 million) and a weighted average number of ordinary shares outstanding of 515,111,925 (2014: 529,445,672), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2015	2014
	VND'000	VND'000
Net profit attributable to ordinary shareholders	2,822,340,170	3,267,259,785

(ii) Weighted average number of ordinary shares

	2015	2014
Issued ordinary shares at the beginning of the year - currently in circulation	513,326,322	527,335,910
Effect of shares issued during the year	1,785,603	2,208,392
Effect of purchase of treasury shares during the year	-	(98,630)
Weighted average number of ordinary shares at the end of the year - currently in circulation	515,111,925	529,445,672

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(iii) Basic earnings per share

	2015	Group	2014
	VND		VND
Basic earnings per share	5,479		6,171

(b) Diluted earnings per share

The Group did not have potentially diluted shares as at 31 December 2015 (1/1/2015: Nil).

37. Financial instruments

(a) Financial risk management

(i) Overview

The Group and the Company have exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group and the Company’s exposure to each of the above risks, the Group and the Company’s objectives, policies and processes for measuring and managing risk.

The Board of Directors oversees how the Board of Management monitors compliance with the Group and the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and the Company.

(ii) Risk management framework

The Board of Management has overall responsibility for the establishment and oversight of the Group and the Company’s risk management framework. The Board of Management is responsible for developing and monitoring the Group and the Company’s risk management policies.

The Group and the Company’s risk management policies are established to identify and analyse the risks faced by the Group and the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group and the Company’s activities. The Group and the Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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(b) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group and the Company’s cash in banks and cash equivalents, held-to-maturity investments, accounts receivable from customers, other receivables and loans receivables.

Exposure to credit risk

The total of carrying amount of financial assets and amount of guarantee issued represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	Group		Company	
		31/12/2015 VND’000	1/1/2015 VND’000 Reclassified	31/12/2015 VND’000	1/1/2015 VND’000 Reclassified
Cash in banks and cash equivalents	(i)	3,359,949,484	3,594,688,653	1,448,212,806	1,647,232,772
Held-to-maturity investments – short-term	(i)	-	3,717,598,214	-	2,337,900,000
Accounts receivable from customers – net	(ii)	203,682,250	772,263,901	235,284,661	220,365,545
Other short-term receivables	(ii)	11,820,376	65,131,312	1,702,358,478	2,098,425,062
Receivables on long-term lending loans	(ii)	6,729,614,068	9,619,772,870	6,729,614,068	9,669,772,870
Other long-term receivables	(ii)	373,495,304	23,688,060	373,495,304	26,958,027
Held-to-maturity investments – long-term	(i)	-	144,050,000	-	143,300,000
Guarantees issued	(iii)	-	65,883,800	556,602,708	1,398,131,614
		10,678,561,482	18,003,076,810	11,045,568,025	17,542,085,890

(i) Cash in banks and cash equivalents, held-to-maturity investments short-term and long-term

Cash in banks and cash equivalents, held-to-maturity investments short-term and long-term of the Group and the Company are mainly held with well-known financial institutions. The Board of Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group and the Company.

(ii) Accounts receivable from customers, receivables on long-term lending loans, other short-term and long-term receivables

Accounts receivable from customers, receivables on long-term lending loans, other short-term and long-term receivables of the Group and the Company include accounts receivable from customers, loans and related interest income receivables, dividends receivables and accrued interest receivables from deposits at banks.

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The Group and the Company’s exposure to credit risk in relation to accounts receivable from customers are influenced mainly by the individual characteristics of each customer. In response to the risk, the Group and the Company generally transact with customers on cash on delivery terms. For instances, where customers are granted credit terms, the Board of Management has established a credit policy under which each customer is analysed individually for creditworthiness before credit terms are offered. Credit purchase limit is established for each customer, which represents the maximum open amount without requiring approval from the Board of Management. No collateral is collected from the customers.

The Group and the Company’s exposure to credit risk in relation to loans and related interest income receivables from related parties and dividends receivables are considered as minimal as the Group and the Company’s historical experience in the collection of these receivables fall within acceptable timeframes. The Board of Management believes that those receivables are of high credit quality.

The Group and the Company’s exposure to credit risk in relation to accrued interest receivables from term deposits at banks is considered as minimal because term deposits of the Group and the Company are placed with well-known banks and financial institutions. The Group and the Company do not expect any loss arising from the non-performance of these banks and financial institutions.

The Group and the Company are also exposed to credit risk in connection with long-term loans and its related interest income receivables which comprise a part of the Group's cash management operations to maximize its financial interest income on its more liquid assets. To mitigate the credit risk, such long-term loans are backed by pledges of collateral and financial guarantees, which the Board of Management continuously monitors.

The Group establishes allowance for doubtful debt that represents its estimate of incurred losses in respect of trade and other receivables.

The Group and the Company believe that, apart from the amount provided for, no further allowance for doubtful debts is necessary in respect of the outstanding accounts receivable from customers, other receivables and loans receivable as of 31 December 2015 and 1 January 2015. The aging of accounts receivable from customers, other receivables and loans receivable at year-end were as follows:

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2015</u>	<u>1/1/2015</u>	<u>31/12/2015</u>	<u>1/1/2015</u>
	<u>VND'000</u>	<u>VND'000</u>	<u>VND'000</u>	<u>VND'000</u>
Not past due	7,262,705,364	10,436,758,987	9,011,363,340	11,989,132,065
Past due 0 – 30 days	53,855,360	36,888,772	29,389,171	23,114,244
Past due 31 – 180 days	1,274,691	6,901,741	-	3,275,195
Past due 181 – 365 days	78,895	306,643	-	-
Past due > 365 days	697,688	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	7,318,611,998	10,480,856,143	9,040,752,511	12,015,521,504

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Movements in the allowance for doubtful debts during the year were as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	VND'000	VND'000	VND'000	VND'000
Opening balance	2,063,748	1,783,765	-	-
Increase in allowance during the year	209,584	500,551	-	-
Allowance utilised during the year	(598,711)	(150,568)	-	-
Written back	(868,819)	(70,000)	-	-
Closing balance	805,802	2,063,748	-	-

(iii) Guarantees

Financial guarantees were issued by the Group to banks for loans granted to the Company's wholly-owned subsidiaries including Masan Industrial One Member Company Limited (formerly known as “Ma San Industrial One Member Company Limited”), Viet Tien Food Technology One Member Company Limited, Masan HD One Member Company Limited (formerly known as “Ma San HD One Member Company Limited”) and Vinh Hao Mineral Water Corporation. The risk represents the loss that would be recognised on default by the lenders. To mitigate this risk, the Board of Management continually monitors the performance of these entities.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and the Company's reputation.

The Group and the Company manage its ability to meet the expected operational expenses and serving its debts by investing its cash surpluses in short-term and long-term financial investments and maintaining several bank facilities.

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The financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

Group	Carrying amount VND'000	Contractual cash flows VND'000	Within 1 year VND'000	1 – 2 years VND'000	2 – 5 years VND'000	Over 5 years VND'000
31 December 2015						
Accounts payable to suppliers – short-term	888,714,669	888,714,669	888,714,669	-	-	-
Payables to employees	16,179,342	16,179,342	16,179,342	-	-	-
Accrued expenses	864,961,703	864,961,703	864,961,703	-	-	-
Other short-term payables	98,034,832	98,034,832	98,034,832	-	-	-
Short-term borrowings	1,821,049,414	1,833,202,080	1,833,202,080	-	-	-
Accounts payable to suppliers – long-term	75,845,316	75,845,316	-	17,352,372	14,623,236	43,869,708
Long-term borrowings	427,471,962	500,888,480	134,542,065	121,747,299	244,599,116	-
	4,192,257,238	4,277,826,422	3,835,634,691	139,099,671	259,222,352	43,869,708
1 January 2015						
Accounts payable to suppliers – short-term	550,485,687	550,485,687	550,485,687	-	-	-
Payables to employees	252,649	252,649	252,649	-	-	-
Accrued expenses	895,243,472	895,243,472	895,243,472	-	-	-
Other short-term payables	248,806,246	248,806,246	248,806,246	-	-	-
Short-term borrowings	4,255,257,299	4,279,475,480	4,279,475,480	-	-	-
Long-term borrowings	4,015,512,496	4,560,683,962	333,912,062	4,108,261,630	118,510,270	-
	9,965,557,849	10,534,947,496	6,308,175,596	4,108,261,630	118,510,270	-

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<u>Company</u>	Carrying amount VND'000	Contractual cash flows VND'000	Within 1 year VND'000	1 – 2 years VND'000	Over 5 years VND'000
31 December 2015					
Accounts payable to suppliers – short-term	1,668,709,011	1,668,709,011	1,668,709,011	-	-
Payables to employees	8,615	8,615	8,615	-	-
Accrued expenses	463,366,355	463,366,355	463,366,355	-	-
Other short-term payables	11,580,468	11,580,468	11,580,468	-	-
Short-term borrowings	953,440,779	961,598,028	961,598,028	-	-
	3,097,105,228	3,105,262,477	3,105,262,477	-	-
1 January 2015					
Accounts payable to suppliers – short-term	2,028,927,617	2,028,927,617	2,028,927,617	-	-
Payables to employees	13,693	13,693	13,693	-	-
Accrued expenses	223,087,394	223,087,394	223,087,394	-	-
Other short-term payables	6,230,748	6,230,748	6,230,748	-	-
Short-term borrowings	2,247,511,608	2,260,222,787	2,260,222,787	-	-
Other long-term payables	135,132,041	135,132,041	-	135,132,041	-
Long-term borrowings	2,874,312,072	3,362,866,376	344,917,449	3,017,948,927	-
	7,515,215,173	8,016,480,656	4,863,399,688	3,153,080,968	-

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(d) Market risk

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

(i) Currency risk

The Group and the Company are exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of the Group and the Company, which is the VND. The currencies in which these transactions primarily are denominated are the United States dollar (USD) and Euro (EUR).

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

The Group and the Company had the following net monetary (liability)/asset positions exposed to currency risk:

31/12/2015

	<u>Group</u>		<u>Company</u>	
	EUR	USD	EUR	USD
Cash and cash equivalents	-	6,045,007	-	602,475
Accounts receivable from customers	-	996,490	-	-
Accounts payable to suppliers – short-term	(1,042,434)	(2,390,411)	(19,953)	(412,252)
Accrued expenses	-	(133,460)	-	-
Other long-term payables	-	(5,250)	-	-
	(1,042,434)	4,512,376	(19,953)	190,223

1/1/2015

	<u>Group</u>		<u>Company</u>	
	EUR	USD	EUR	USD
Cash and cash equivalents	179,149	5,862,492	-	868
Accounts receivable from customers	-	973,434	-	-
Accounts payable to suppliers – short-term	(2,997,203)	(1,854,680)	-	(9,313)
Accrued expenses	-	(2,631,637)	-	-
Short-term borrowings	-	(2,000,000)	-	(2,000,000)
Long-term borrowings	-	(175,000,000)	-	-
	(2,818,054)	(174,650,391)	-	(2,008,445)

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

	<u>Group</u>		<u>Company</u>	
	31/12/2015 VND	1/1/2015 VND	31/12/2015 VND	1/1/2015 VND
USD1	22,400	21,365	22,400	21,365
EUR1	24,979	25,702	24,979	25,702

Below is an analysis of the possible impact on the net profit after tax of the Group and the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at 31 December 2015 and 1 January 2015. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases:

	Effect to net profit after tax	
	<u>Group</u> VND'000	<u>Company</u> VND'000
2015		
USD (5% strengthening against VND) – increase in net profit after tax	4,278,093	166,179
EUR (3% weakening against VND) – increase in net profit after tax	661,259	11,663
	<hr/>	<hr/>
	4,939,352	177,842
2014		
USD (1% strengthening against VND) – decrease in net profit after tax	(30,765,439)	(334,701)
EUR (11% weakening against VND) – increase in net profit after tax	6,569,005	-
	<hr/>	<hr/>
	(24,196,434)	(334,701)

The opposite movement of the currencies would have the equal but opposite effect to the net profit after tax of the Group and the Company.

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(ii) Interest rate risk

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

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

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2015</u> VND’000	<u>1/1/2015</u> VND’000 Reclassified	<u>31/12/2015</u> VND’000	<u>1/1/2015</u> VND’000 Reclassified
Fixed rate instruments				
Cash equivalents	3,104,150,000	3,400,035,142	1,427,300,000	1,634,500,000
Held-to-maturity investments – short-term	-	3,717,598,214	-	2,337,900,000
Held-to-maturity investments – long-term	-	144,050,000	-	143,300,000
Receivables on long-term lending loans	6,729,614,068	9,619,772,870	6,729,614,068	9,669,772,870
Accrued interest receivables from the parent company – long-term	-	18,975,990	-	18,975,990
Short-term borrowings	(746,106,344)	(3,529,014,071)	(237,889,719)	(2,247,511,608)
Long-term borrowings	(102,198,480)	-	-	(2,874,312,072)
	<hr/>	<hr/>	<hr/>	<hr/>
	8,985,459,244	13,371,418,145	7,919,024,349	8,682,625,180
Variable rate instruments				
Cash in banks	255,799,484	194,653,511	20,912,806	12,732,772
Short-term borrowings	(1,074,943,070)	(726,243,228)	(715,551,060)	-
Long-term borrowings	(325,273,482)	(4,015,512,496)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,144,417,068)	(4,547,102,213)	(694,638,254)	12,732,772

Sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates would have decreased the net profit after tax of the Group and the Company by VND9,687 million and VND5,418 million, respectively (2014: decreased net profit after tax of the Group and increased the net profit after tax of the Company by VND37,491 million and VND99 million, respectively). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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(e) Fair value

(i) Carrying amounts

The carrying amount of financial assets and liabilities shown in the balance sheet, are as follows:

<u>Group</u>	Carrying amount	
	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified
Financial assets		
<i>Categorised as loans and receivables:</i>		
▪ Cash in banks	(*) 255,799,484	194,653,511
▪ Cash equivalents	(*) 3,104,150,000	3,400,035,142
▪ Held-to-maturity investments short-term	(*) -	3,717,598,214
▪ Accounts receivable from customers – net	(*) 203,682,250	772,263,901
▪ Other short-term receivables	(*) 11,820,376	65,131,312
▪ Other long-term receivables	(*) 373,495,304	23,688,060
▪ Receivables on long-term lending loans	(*) 6,729,614,068	9,619,772,870
▪ Held-to-maturity investments long-term	(*) -	144,050,000
<i>Categorised as financial assets at fair value through profit or loss:</i>		
▪ Guarantees received	(**) -	-
	10,678,561,482	17,937,193,010
Financial liabilities		
<i>Categorised as liabilities at amortised cost:</i>		
▪ Accounts payable to suppliers – short-term	(*) (888,714,669)	(550,485,687)
▪ Payables to employees	(*) (16,179,342)	(252,649)
▪ Accrued expenses	(*) (864,961,703)	(895,243,472)
▪ Other short-term payables	(*) (98,034,832)	(248,806,246)
▪ Short-term borrowings	(*) (1,821,049,414)	(4,255,257,299)
▪ Accounts payable to suppliers – long-term	(*) (75,845,316)	-
▪ Long-term borrowings	(*) (427,471,962)	(4,015,512,496)
<i>Categorised as financial liabilities at fair value through profit or loss:</i>		
▪ Guarantees issued	(**) -	-
	(4,192,257,238)	(9,965,557,849)

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<u>Company</u>	Carrying amount	
	31/12/2015 VND'000	1/1/2015 VND'000 Reclassified
Financial assets		
<i>Categorised as loans and receivables:</i>		
▪ Cash in banks	(*) 20,912,806	12,732,772
▪ Cash equivalents	(*) 1,427,300,000	1,634,500,000
▪ Held-to-maturity investments short-term	(*) -	2,337,900,000
▪ Accounts receivable from customers	(*) 235,284,661	220,365,545
▪ Other short-term receivables	(*) 1,702,358,478	2,098,425,062
▪ Other long-term receivables	(*) 373,495,304	26,958,027
▪ Receivables on long-term lending loans	(*) 6,729,614,068	9,669,772,870
▪ Held-to-maturity investments long-term	(*) -	143,300,000
	10,488,965,317	16,143,954,276
Financial liabilities		
<i>Categorised as liabilities at amortised cost:</i>		
▪ Accounts payable to suppliers – short-term	(*) (1,668,709,011)	(2,028,927,617)
▪ Payables to employees	(*) (8,615)	(13,693)
▪ Accrued expenses	(*) (463,366,355)	(223,087,394)
▪ Other short-term payables	(*) (11,580,468)	(6,230,748)
▪ Short-term borrowings	(*) (953,440,779)	(2,247,511,608)
▪ Other long-term payables	(*) -	(135,132,041)
▪ Long-term borrowings	(*) -	(2,874,312,072)
<i>Categorised as financial liabilities at fair value through profit or loss:</i>		
▪ Guarantees issued	(**) -	-
	(3,097,105,228)	(7,515,215,173)

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(ii) Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction on the measurement date.

- (*) The Group and the Company have not determined fair values of these financial instruments for disclosure in these financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these financial instruments may differ from their carrying amounts.
- (**) Guarantees received and issued are under the category of financial assets and financial liabilities at fair value through profit or loss but they are not recognised in these financial statements. Fair value of the guarantees received and issued have not been determined as information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises.

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38. Significant transactions with related parties

During the year and as at the year end, the Company and its subsidiaries have the following transactions and balances with related parties:

Group	Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
			2015	2014	31/12/2015	1/1/2015
			VND'000	VND'000	VND'000	VND'000
	Parent of the parent company					
	Masan Group Corporation (formerly known as “Ma San Group Corporation”)	Interest income receivable from loans	-	220,086,980	-	-
		Facility fee income receivable	-	2,894,240	-	-
		Deposit interest income payable	-	1,123	-	-
		Loan provided	-	735,000,000	-	-
		Related income from disposal of a subsidiary	-	141,548,525	-	-
		Proceeds from disposal of a subsidiary	-	1,104,947,070	-	-
		Dividends declared	-	1,240,800,000	-	-
		Collection of loans through net-off with dividends payable	-	1,435,701,850	-	-
		Collection of loans, interest and facility income through assignment of loans to MasanConsumerHoldings Company Limited	-	10,540,923,173	-	-
	Parent company					
	MasanConsumerHoldings Company Limited	Loans provided	-	10,540,923,173	-	9,619,772,870
		Collection of loans	9,619,772,870	921,150,303	-	-
		Interest income receivable from loans	533,086,759	1,024,339,584	-	18,975,990
		Collection of interest income	552,062,749	1,005,363,594	-	-
		Dividends declared	2,413,111,542	3,269,521,981	-	-

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries
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<u>Group</u>	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2015 VND'000	2014 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Other related parties					
Masan Master Brewer Company Limited (formerly known as “Lamka One Member Company Limited”)	Trade mark fee	-	-	-	1,100,000
	Sales of merchandise inventories	431,885	-	-	-
	Purchases of goods	133,964	-	-	(475,200)
Masan Brewery PY One Member Company Limited (formerly known as “Phu Yen Beer and Beverage Joint Stock Company”)	Sales of merchandise inventories	20,483	-	218,587	976,855
	Sales of fixed assets	45,000	-	-	-
Masan Brewery Distribution One Member Company Limited	Purchases of goods	175,593	-	-	-
	Sales of merchandise inventories	307,692	-	-	-
	Management service charge	15,127,246	-	16,639,971	-
Masan Brewery HG Company Limited	Management service charge	6,325,116	-	6,957,627	-
Vietnamese – French Cattle Feed Joint Stock Company	Dividends income	-	80,000,000	-	-
Key management personnel	Remuneration to key management personnel (*)	25,265,348	24,878,569	-	-

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<u>Company</u>	Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
			2015 VND'000	2014 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
	Parent of the parent company					
	Masan Group Corporation (formerly known as “Ma San Group Corporation”)	Interest income from loans	-	220,086,980	-	-
		Facility fee income receivable	-	2,894,240	-	-
		Deposit interest income payable	-	1,123	-	-
		Loan provided	-	735,000,000	-	-
		Related income from disposal of a subsidiary	-	141,548,525	-	-
		Proceeds from disposal of a subsidiary	-	1,104,947,070	-	-
		Dividends declared	-	1,240,800,000	-	-
		Collection of loans through net-off with dividends payable	-	1,435,701,850	-	-
		Collection of loans, interest and facility income through assignment of loans to MasanConsumerHoldings Company Limited	-	10,540,923,173	-	-
	Parent company					
	MasanConsumerHoldings Company Limited	Loan provided	-	10,540,923,173	-	9,619,772,870
		Collection of loans	9,619,772,870	921,150,303	-	-
		Interest income from loans	533,086,759	1,024,339,584	-	18,975,990
		Collection of interest income	552,062,749	1,005,363,594	-	-
		Dividends declared	2,413,111,542	3,269,521,981	-	-

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries
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Company		Transaction value		Receivables/(payables) as at	
Relationships	Nature of transactions	2015	2014	31/12/2015	1/1/2015
		VND'000	VND'000	VND'000	VND'000
Subsidiaries					
Masan Food Company Limited	Distributed profits (**)	2,474,860,474	2,042,941,932	152,518,463	210,000,000
Masan Industrial One Member Company Limited (formerly known as “Ma San Industrial One Member Company Limited”)	Sales of merchandise inventories	310,410,284	302,327,335	-	-
	Sales of scraps	1,791,129	-	-	-
	Purchases of goods	4,940,732,079	5,591,232,441	(508,010,104)	(962,560,656)
	Purchases of scraps	6,977,773	-	-	-
	Sales of fixed assets	-	359,858	-	-
	Facility fee charge	-	37,088,788	-	-
	Interest expense from loans	201,240,671	331,455,329	-	(135,132,041)
	Loan received	-	254,000,000	-	(2,874,312,072)
	Loan payment	2,874,312,072	84,000,000	-	-
	Deposit interest income receivable	-	132,719	-	-
	Distributed profits (**)	-	-	1,038,200,445	1,154,782,800
	Convert interest income, interest expense and facility fee into loan principal	-	581,112,072	-	-
Viet Tien Food Technology One Member Company Limited	Purchases of goods	887,996,673	1,144,477,071	(344,787,533)	(510,278,394)
	Purchases of scraps	643,777	-	-	-
	Sales of merchandise inventories	21,997,342	21,278,453	-	-
	Sales of scraps	26,955	-	-	-
	Distributed profits (**)	-	-	254,925,839	364,868,909

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<u>Company</u>	<u>Relationships</u>	<u>Nature of transactions</u>	<u>Transaction value</u>		<u>Receivables/(payables) as at</u>	
			<u>2015</u>	<u>2014</u>	<u>31/12/2015</u>	<u>1/1/2015</u>
			<u>VND'000</u>	<u>VND'000</u>	<u>VND'000</u>	<u>VND'000</u>
	Masan HD One Member Company Limited (formerly known as “Ma San HD One Member Company Limited”)	Sales of merchandise inventories	19,205,828	31,125,303	-	-
		Sales of scraps	723,233	-	-	-
		Sales of fixed assets	-	23,120	-	-
		Purchases of goods	1,687,428,075	2,005,187,050	(328,550,461)	(442,518,678)
		Purchases of scraps	57,819	-	-	-
		Distributed profits (**)	-	-	251,552,930	270,786,234
	Ma San PQ Corporation	Sales of merchandise inventories	6,426	4,525	-	-
	Vinacafé Bien Hoa Joint Stock Company	Sales of merchandise inventories	41,656,093	3,569,451	5,244,746	102,933
		Sales of scraps	374,900	-	-	-
		Purchases of goods	1,627,102	152,730	-	-
		Purchases of scraps	10,031,588	-	-	-
		Management service charge	138,890,026	126,671,916	57,419,561	54,655,987
		Dividends income	-	16,969,093	-	-
	Masan MB One Member Company Limited	Sales of merchandise inventories	15,675,821	-	-	-
		Sales of construction in progress	16,354,545	-	-	-
		Purchases of goods	493,184,710	-	(273,111,052)	-
		Purchases of scraps	12,645	-	-	-
	Saigon Nutri Food Joint Stock Company	Purchases of goods	15,164,085	-	(3,675,717)	-
		Sales of merchandise inventories	1,112,329	-	-	-

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<u>Company</u>	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2015 VND'000	2014 VND'000	31/12/2015 VND'000	1/1/2015 VND'000
Relationships					
Vinh Hao Mineral Water Corporation	Purchases of goods	2,939,046	648,155	-	(7,831)
	Purchases of scraps	10,818	-	-	-
	Sales of merchandise inventories	12,552,496	16,824,709	1,104,331	-
	Sales of scraps	11,687,350	-	-	-
	Loan provided	-	50,000,000	-	50,000,000
	Collection of loan	50,000,000	-	-	-
	Interest income from loans	2,718,147	3,287,967	-	3,287,967
	Management service charge	20,428,930	-	22,471,823	-
Other related parties					
Masan Master Brewer Company Limited (formerly known as “Lamka One Member Company Limited”)	Trade mark fee	-	-	-	1,100,000
	Sales of merchandise inventories	1,100	-	-	-
	Purchases of goods	117,436	-	-	(475,200)
Masan Brewery PY One Member Company Limited (formerly known as “Phu Yen Beer and Beverage Joint Stock Company”)	Sales of merchandise inventories	15,938	-	218,587	976,855
Masan Brewery Distribution One Member Company Limited	Purchases of goods	175,593	-	-	-
	Sales of merchandise inventories	307,692	-	-	-
	Management service charge	15,127,246	-	16,639,971	-
Masan Brewery HG One Member Company Limited	Management service charge	6,325,116	-	6,957,627	-
Key management personnel	Remuneration to key management personnel (*)	25,265,348	24,878,569	-	-

Masan Consumer Corporation (formerly known as “Ma San Consumer Corporation”) and its subsidiaries

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- (*) No board fees were paid to Board of Directors members for the years ended 31 December 2015 and 31 December 2014.
- (**) On 10 April 2015, the Chairman of MSI, VTF and MHD, the Company’s subsidiaries, resolved to advance all their profits for the period ended 31 March 2015 amounting to VND442,257 million to Masan Food Company Limited (“MSF”), the Company’s subsidiary. At the same time, the Chairman of MSF resolved to distribute all profits received from subsidiaries to the Company and instructed those subsidiaries to pay such profits directly to the Company instead of to MSF.

On 13 November 2015, the Chairman of MSF resolved to distribute all of its profits for the year 2014 amounting to VND335,406 million to the Company.

On 31 December 2015, the Chairman of MSI, VTF and MHD resolved to distribute all their profits for the remaining period of the year 2015 amounting to VND1,694,679 million to MSF. At the same time, the Chairman of MSF resolved to distribute its remaining profit for the year 2015 amounting to VND1,697,198 million of which VND1,544,679 million will be paid directly to the Company by those subsidiaries (2014: distribute profit of VND2,042,942 million of which VND1,832,942 million were paid directly to the company by subsidiaries).

39. Post balance sheet events

(i) Acquisition of additional equity interest in subsidiaries

In January 2016, Masan Beverage Company limited (“MSB”), a subsidiary directly owned by the Company, completed the additional acquisition of 2,657,641 shares of Vinh Hao Mineral Water Corporation (“VHC”), a subsidiary indirectly owned by the Company through MSB. Such transaction resulted in the Company’s equity interest in VHC being increased from 63.95% to 84.23%.

In February 2016, MSB also completed the additional acquisition of 1,850,000 shares of Vinacafé Bien Hoa Joint Stock Company (“VCF”), a subsidiary indirectly owned by the Company through MSB. Such transaction resulted in the Company’s equity interest in VCF being increased from 53.2% to 60.16%.

(ii) Early collection of receivables on long-term lending loans

In January 2016, all outstanding balance of receivables on long-term lending loans with its accumulated interest income as at 31 December 2015 amounting to VND6,729,614 million and VND373,495 million, respectively, were collected in advance of the schedule.

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40. Corresponding figures

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

(a) Separate and consolidated balance sheets

	<u>Group</u>		<u>Company</u>	
	1/1/2015 (as reclassified) VND'000	1/1/2015 (as previously reported) VND'000	1/1/2015 (as reclassified) VND'000	1/1/2015 (as previously reported) VND'000
Other short-term receivables	69,861,243	63,494,465	2,100,739,911	2,097,257,340
Shortage of assets awaiting resolution	591,869	-	-	-
Other current assets	-	6,958,647	-	3,482,571
Receivables on long-term lending loans	9,619,772,870	-	9,669,772,870	-
Other long-term receivables	35,467,666	9,643,460,930	37,816,345	9,696,730,897
Other long-term assets	-	11,779,606	-	10,858,318
Investment and development fund	22,731,973	18,324,741	-	-
Financial reserve	-	4,407,232	-	-

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(b) Separate and consolidated statements of income

	<u>Group</u>		<u>Company</u>	
	2014 (as reclassified) VND'000	2014 (as previously reported) VND'000	2014 (as reclassified) VND'000	2014 (as previously reported) VND'000
Revenue from sales of goods and provision of services	13,356,824,174	13,328,462,984	10,140,183,005	10,137,404,365
Cost of sales	7,522,653,011	7,326,977,401	9,095,226,430	9,092,666,651
Selling expenses	2,533,483,012	2,710,498,707	-	-
Other income	21,794,910	59,263,142	10,157,289	12,935,929
Other expenses	25,610,788	53,377,745	9,582,039	12,141,818

7 March 2016

Prepared by:


Huynh Viet Thang
Chief Accountant

Approved by:


Pham Dinh Toai
Chief Financial Officer


Seokhee Won
Chief Executive Officer

