



TOGETHER

ANNUAL REPORT 2016



2016 SCORECARD



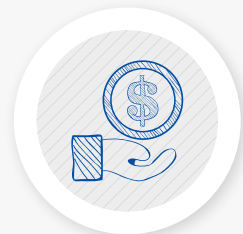
NET PROFIT AFTER TAX IN 2016

VND **2,791** BILLION



TOTAL ASSETS AS OF 31 DECEMBER 2016

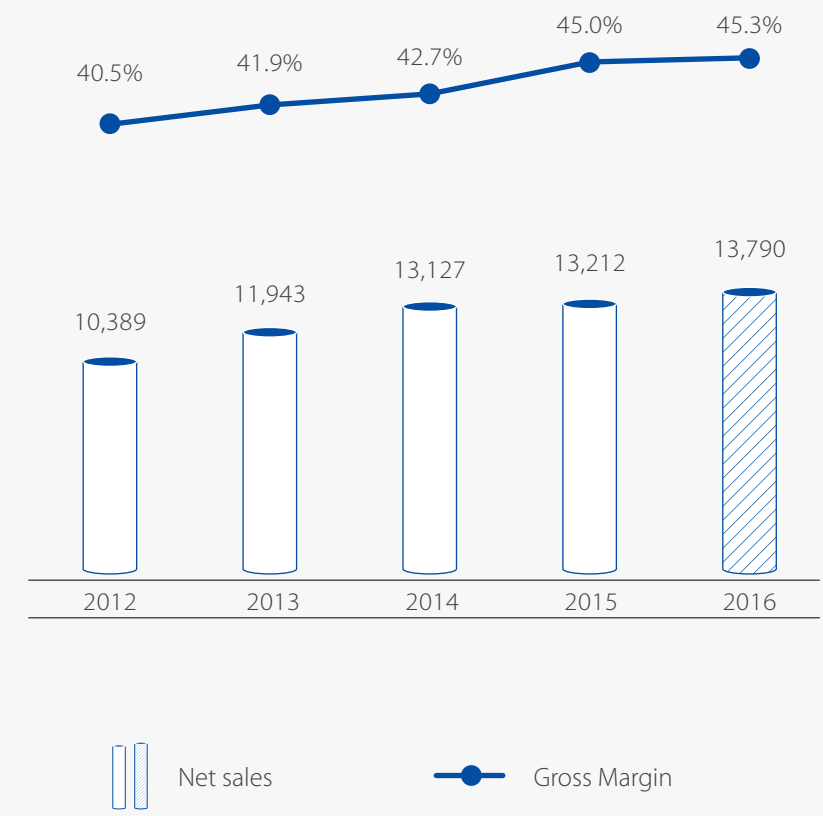
VND **17,378** BILLION



CASH BALANCE AS OF 31 DECEMBER 2016 ⁽¹⁾

VND **8,647** BILLION

Net Sales (VND billion) and Gross Margin



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MARKET SHARE IN FISH SAUCE, SOYA SAUCE, CHILI SAUCE AND COFFEE⁽²⁾

2

MARKET SHARE IN CONVENIENCE FOODS⁽²⁾

98 %

OF VIETNAMESE HOUSEHOLDS HAVE CONSUMED AT LEAST 1 MASAN PRODUCT⁽²⁾

(1) Include Short-term investment | (2) Nielsen, Kantar Worldpanel.



DEAR MASAN COMMUNITY,

“ AT MASAN, WE OFTEN SHARE THE COMMON SAYING, “IF YOU WANT TO RUN FAST, RUN ALONE. IF YOU WANT TO RUN FAR, RUN TOGETHER.” WE LIKE TO SHARE THIS ADAGE BECAUSE AT MASAN CONSUMER, THE TEAM WANTS TO BE DIFFERENT: WE AIM TO RUN BOTH FAST AND FAR; AND WE WISH TO ACHIEVE THIS TOGETHER. WHAT DO WE MEAN BY “TOGETHER” AND WHY HAVE WE CHOSEN THIS WORD AS OUR THEME FOR OUR 2020 VISION? ”

TOGETHER

At Masan, our success has been driven by an ecosystem of stakeholders who each plays an important part in our growth. Together means having a strong belief in building “win-win” relationships with the following members of the Masan Community:

Together with our consumers: Masan Consumer prides itself on putting the consumer at the center of everything we do. Our consumer-centric approach has allowed us to innovate and deliver branded products that consumers love and trust. As a result, over 98% of households in Vietnam have at least one Masan product in their homes. In 2017, we look forward to launching new products that can meet the daily needs of our consumers while adhering to our 3A model of Affordability, Availability and Assurance of Quality.

Together with our people: Our people are our most important asset and we strive everyday to make Masan Consumer the best place to work and professionally develop. Going forward, we will do more to ensure that each and everyone of our employees can share the Company's vision and be proud of our achievements and purpose.

Together with our shareholders: Over the past 3 years, we have paid out VND11,776 billion in cash dividends. In 2017, we have asked our shareholders to approve an additional VND2,341 billion in cash dividends.

Together with our partners: As we have grown into one of Vietnam's leading food and beverage companies, our business partners, from suppliers to distributors, have

also grown alongside us. In 2017, we will work more closely with our business partners to deliver sustainable growth, especially with our effort to make our route-to-market model healthier and more sustainable. We will also continue working with our strategic partner Singha Asia to serve our In-land ASEAN consumers together.

Together with our community: We are committed to improving the communities where we live and operate in, including Binh Duong, Phu Quoc, Hai Duong, Dong Nai, Binh Thuan, Ninh Thuan, Nghe An, and Quang Ninh... Not only have we prioritized local hiring to raise local income levels, but also Masan Consumer has invested in local infrastructure and facilities for the benefit of all community members. We are also committed to best-in-class environmental practices. For the first time, we have included a detailed section in our Annual Report describing all of our efforts regarding sustainability and our contribution to our communities.

Together with Vietnam: We are proud to be a Vietnamese company, serving Vietnamese consumers. As we expand our business into neighboring countries and further overseas, we will also carry forward our commitment to serving local tastes with tailored innovations, as we have done with “Chin-su Yod Thong” fish sauce in Thailand. In addition, we believe our expansion will also be a source of pride for Vietnam as we show the world that a Vietnamese company can win abroad. We are also excited to export our national flavors (from fish sauce to our unique coffee) overseas being an advocator of the Vietnamese cuisine.

CEO'S LETTER (CONTINUED)

Nevertheless, running fast and far together, and doing so in a large organization together is not easy and requires superior execution and risk management. As we have witnessed over the past few years, our desire to grow has brought along many challenges, which we want to begin addressing in 2017. This is for sustainability and to adhere more faithfully to our commitment to "win-win" partnerships with all of our stakeholders.

In particular, we must deliver on the following "must-wins" in 2017:

- » Focus on sell-out growth. Our measurement of success should be based on our market share performance and how much our end consumers are buying, in addition to our financial topline;
- » Develop a healthier and more sustainable route-to-market model for our consumers and customers. By rebalancing our distributors' inventory to better match demand with supply, we can optimize SG&A and increase operational efficiency;
- » Strategically transform to rely less on a push business model and more on a pull business model through investments to build Power Brands;
- » Do more with less, also known internally as "Fit to Growth": in a market where input costs are increasing, we must deliver superior execution to lower our operating costs so that Masan Consumer can invest in brands and innovation. This will require all teams across functions to step up.
- » Focus on our existing categories: while we will always explore new categories to better serve consumers, Masan Consumer's priority will be in existing categories where there are still many opportunities for growth and challenges that require attention. We will focus on growing and protecting our fish sauce "citadel", regaining share in convenience foods by growing the Omachi and Kokomi brands, achieving 51% market share in instant coffee, accelerating growth in bottled beverages, and building out our processed meat business.

These five "must-wins" highlighted above are very challenging and, as we embark on our 2020 journey, we appreciate that our goals are lofty. Of the US\$5 billion in revenues we want to achieve by 2020, half is expected to come from beverages and 30% from international sales. But I believe we can achieve our goals if we work together and deliver on our "must-win" initiatives.

The Masan ship has sailed for our 2020 journey and we are all on board together. To the Masaners, it is my privilege to be a part of such a passionate team. Let's go beyond what is expected as a corporation. Let's go beyond what is expected as an employee. With actions truly coming from our hearts, let's do what's right and be the force for good to truly serve the people. Isn't this why we are in Masan and isn't this what our consumers expect of us?

To everyone else in our Masan Community, from our partners to our shareholders, thank you for your continued support. In particular, I wish to thank our consumers who have chosen our brands for themselves and their families. We look forward to continuously finding ways to better serve you all.

"Doing well by doing good" I remain, together.

Sincerely,



Seokhee Won
Chief Executive Officer

1 April, 2017



TOGETHER

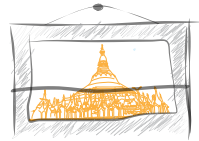
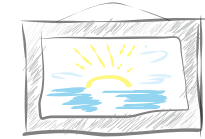
KUMHO ASIANA PLAZA



TOGETHER

we work with our consumers to develop deeper insights and fulfill their daily basic needs with quality products at affordable prices





TOGETHER

Masaners can deliver on a big dream: Every Masan product in every Vietnamese household + one Masan product in every "In-land ASEAN" household

4,625

EMPLOYEES
TOP 10 AMONG 100 BEST PLACES TO
WORK IN VIETNAM'S FMCG SECTOR.



TOGETHER

with our communities, we are doing well by doing good



TOGETHER

with our partners, we strive to improve the spiritual and material lives of In-land ASEAN consumers each and every day

First small step to serve
250 MILLION
In-land ASEAN consumers



“MASAN CONSUMER IS ONE OF VIETNAM’S LEADING FOOD AND BEVERAGE COMPANIES. AT MASAN CONSUMER, OUR BUSINESS COMMITMENT IS “TO IMPROVE THE SPIRITUAL AND MATERIAL LIVES OF VIETNAMESE CONSUMERS EACH AND EVERY DAY.””



Masan Consumer is one of Vietnam’s leading food and beverage companies. At Masan Consumer, our business commitment is “to improve the spiritual and material lives of Vietnamese consumers each and every day.” We are true to our commitment as we are a consumer-centric company that provides innovative solutions to solve consumers’ daily basic needs with quality and affordable staple products to all Vietnamese. Our beliefs in the potential of serving Vietnamese consumers, along with their growing demands, concerns, interests, and tastes have been with us since the beginning and are reflected in everything we do.

We are also focused on catering more to rural consumers, where nearly 70% of Vietnamese population reside. Everyday, they spend half of their daily consumption on daily goods such as meat, food and beverage, but often receive subpar product quality. We want to remedy this situation and satisfy their “big unmet needs” with meaningful and trusted products. This is also a huge opportunity for business growth as well as creating long-term value for everyone.

Today, not only we cater to 90 million Vietnamese consumers but we also have a bigger dream, that is “to better serve the 250 million consumers of In-land ASEAN,” a region comprising Vietnam, Thailand, Myanmar, Cambodia and Laos. In 2016, our breakthrough fish sauce product, “Chin-su Yod Thong”, made exclusively for Thai consumers marked our first small step towards unlocking In-land ASEAN’s vast potential.

Our history and track record give us reasons to believe in our ability to better serve a larger set of concerns successfully. Founded in 1996, Masan Consumer quickly became a market leader in the domestic food and beverage industry after transitioning away from an export model. In August 2003, we established Masan Trading Corporation with a total charter capital of VND28.5 billion. It marked our first big foray into the domestic market by expanding our manufacturing capacity for local consumption. Today, Masan Consumer is a multi-billion-dollar market capitalization consumer food and beverage company with a diverse portfolio of

In 2016, we introduced a breakthrough fish sauce in Thailand, Chin-su Yod Thong.

98%
of Vietnamese households
have consumed at least 1
Masan product¹

Serving
250
million Inland-ASEAN
consumers

trusted brands and products. Our products include soy sauce, fish sauce, chili sauce, noodles, congee, sausage, instant coffee, cereals, and bottled beverages. We also have an extensive distribution network in Vietnam, where 98% of consumers have at least one Masan product in their household.

In 2016, we have continued to grow our portfolio of offerings with healthy, innovative and high-quality products with affordable prices.



(1) Kantar Worldpanel.

2020 OBJECTIVE

“OUR OBJECTIVE FOR 2020 IS TO HAVE EVERY MASAN PRODUCT IN EVERY VIETNAMESE HOUSEHOLD AND ONE MASAN PRODUCT IN EVERY IN-LAND ASEAN HOUSEHOLD.”

Masan Consumer strives to be Vietnam’s leading consumer company by focusing on several key strategic areas.



EXCEPTIONAL EXECUTION

1

Uphold our “3A” mantra of Affordability, Availability and Assurance of Quality. It’s easier to deliver on two of the three A’s but being able to fulfill all 3 A’s makes Masan unique.

2

For categories where we are already the market leader, up trade consumers to mainstream and premium products through innovations with value added benefits.

3

Grow our beverage business so that the composition of our sales is 50% food and 50% beverage by 2020.

4

Broaden our business within In-land ASEAN so that international sales represents 30% of total sales by 2020, accelerated by partnering with local companies.

5

Strengthen power brands and leverage premium brand equity to optimize marketing investments.

6

Be the employer of choice and a place where entrepreneurial talent is nurtured and developed.

FINANCIAL DISCIPLINE

1

Apply our “fewer and bigger” approach which makes Masan focus on opportunities that can impact the daily lives of the most people and preserve our resources to invest for the long-term.

2

Focus in opportunities where we can achieve 30%+ gross margins, allowing us to invest in building power brands and innovations that can add value to our consumers.

3

Use a “cash on delivery” model, enabling us to optimize our working capital position and help fund our growth.



BUILDING POWER BRANDS

“ WE DEVELOPED STRONG BRANDS BY LEVERAGING OUR DEEP UNDERSTANDING OF THE VIETNAMESE CONSUMERS AND IMPLEMENTING MULTINATIONAL PRACTICES, RESULTING IN WHAT WE BELIEVE IS AN UNRIVALED PORTFOLIO. ”

We have transformed our branded food and beverage platform to become market a leader across many different categories with strong brand equity. Our approach to organically develop or acquire power brands which are trusted by the consumers is in line with our belief in focusing on the consumer’s daily basic needs. Our seasoning and coffee products are the market leaders in their respective categories. In instant noodles, we are number one in the premium segment.

We developed strong brands by leveraging our deep understanding of the Vietnamese consumers and implementing multinational practices, resulting in what we believe is an unrivalled portfolio. In a largely price-driven market, we take pride in being able to transform products that were once seen as commodities, into distinct brands that can command customer loyalty across different price points and meet the diverse needs of Vietnamese consumers.

Masan Consumer’s key brands include Chin-su, Nam Ngu, Tam Thai Tu, Omachi, Kokomi, Komi, Cao Boi, Woa! Ngon, Vinacafé, Wake-Up, Phinn, Café de Nam, Vinh Hao, Lemona, Quang Hanh and Faith, many of which have been ranked, for many years, as the fastest growing and most chosen brands by Vietnamese consumers. Our associate, Cholimex Food Joint Stock Company, in which we acquired a significant stake at the end of 2014, also has well-known sauces and condiment brands with a strong presence in on-premise channels. Overall, many of our brands are best sellers in their respective categories.

In 2016, Vinacafé Bien Hoa was recognized by Brand Finance, as one of the companies with the “Most Intangible Brand Value” in Vietnam, and was inducted into “The Top 50 Most Valuable Brands” in Vietnam in December 2016. Our coffee business also won the “Vietnam’s Top Quality Product” award for the 20th consecutive time by The Gioi Tiep Thi Newspaper.

Vinh Hao, our bottled mineral water brand with a heritage beginning in 1928 also received the “Vietnam’s Top Quality Product” award for the 20th consecutive time by The Gioi Tiep Thi Newspaper.

At the end of 2016, Masan Consumer had eight brands with sales over VND500 billion. Masan Consumer’s brands have been ranked as the most chosen brands by consumers in rural areas and the second most chosen brands by consumers in urban areas (Kantar Worldpanel).

Brands with revenue of over VND **500** billion in 2016



Market Share in 2016



Source: Nielsen 2016, management estimates.

INNOVATION MASAN WAY

“ WE HAVE INVESTED APPROXIMATELY US\$3 MILLION IN A WORLD-CLASS RESEARCH AND DEVELOPMENT (R&D) CENTER IN BINH DUONG WITH THE LATEST TECHNOLOGY AND EQUIPMENT. WITH THIS INVESTMENT, WE ARE PROUD TO HAVE ONE OF THE LARGEST RESEARCH AND DEVELOPMENT CENTERS IN VIETNAM FOR FOOD AND BEVERAGE. ”



50
MILLION
VIETNAMESE CONSUMERS
CHOOSE NAM NGU⁽¹⁾

To fulfill the big unmet needs of consumers, we must use our imagination to see the market in new ways, innovate to create opportunities, and transform our categories. As such, our consumer-centric Research and Development team is focused on delivering quality and value-added innovations to win consumer's trust. At the same time, the team is also focused on increasing productivity, helping us achieve our objective of providing affordable products to consumers.

We have invested approximately US\$3 million in a world-class Research and Development (R&D) center in Binh Duong with the latest technology and equipment. With this investment, we are proud to have one of the largest Research and Development centers in Vietnam for food and beverage.

Our Research and Development team comprises of approximately 75 employees, who work closely together with our marketing team. The team develops on average 30 products annually which we directly test with our consumers with the goal of creating our next strong brand, such as the Omachi noodles with spaghetti sauce that we introduced in 2010 to target customers in the premium segment. Masan Consumer's ability to innovate is proven by numerous successful developments, which include "chewy noodle strand" for Kokomi noodles, and the world's first single-serve brewing solution for Vietnamese coffee.

Seasonings are the essence of Vietnamese food culture and gastronomy. Masan aims to develop safe, delicious and affordable seasoning products because they are used everyday and in nearly every meal by Vietnamese consumers. Our processing technology ensures that the soya sauce we produced does not contain 3-MCPD, a harmful chemical agent. Our Chin-su and Nam Ngu fish sauces are free of bacteria and is double pasteurized through a fully automated manufacturing process.

More importantly, our innovation must make our food delicious. We are proud that over 50 million Vietnamese consumers choose Nam Ngu as their preferred fish sauce brand. Towards the end of 2016, we took our first small step to serve the 250 million In-land ASEAN consumers by launching Chin-su Yod Thong fish sauce with the support of our strategic partner Singha in Thailand. After a seven-month research and development period to find the essence of Thai fish sauce, Masan was able to develop a fish sauce that satisfies the taste buds of Thai consumers. Based on an independent survey, 95% of Thai consumers and chefs claimed that they liked and wanted to purchase Chin-su Yod Thong, of which, 75% said that they would replace their current fish sauce with Chin-su Yod Thong if available for purchase in Thailand. Not only did we win the palate of Thai consumers, but we also met the stringent standards of the Thai Food and Drug Administration, a testament to Masan's R&D capabilities and commitment to health and safety.

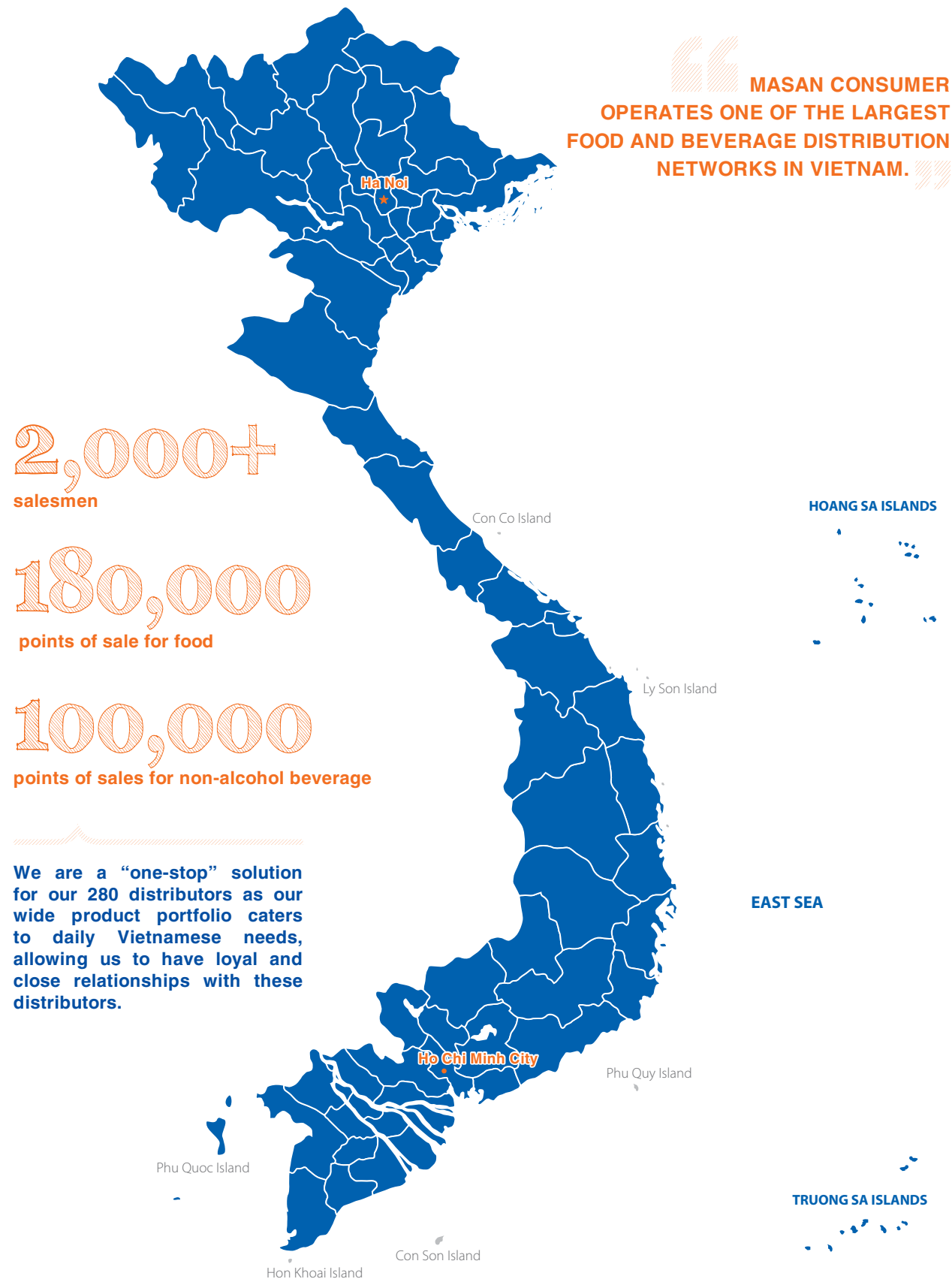
In the beverages category, Masan has been able to introduce Vietnam's 1st coffee-based energy drink, Wake-Up 247. In May 2016, we announced a breakthrough innovation in Vietnam's coffee market with Café de Nam "Phin Dien". It is the world's first single-serve brewing solution that can produce a cup of Vietnam-style coffee ("Vietnamo"). The innovation of Café de Nam "Phin Dien" was inspired by the unique and traditional Vietnamese "phin" coffee filters but with the added convenience and hygiene of contemporary coffee preparation. With a single capsule and a push of a button, consumers now are able to enjoy, within 45 seconds, a cup of 100% genuine coffee in Vietnamese style.

In August 2016, Masan Consumer made a strategic move to offer Vinacafé products made from 100% genuine coffee beans without any soy additives. Vinacafé Bien Hoa was the first company to declare this commitment and has become a pioneer of "true coffee" in Vietnam. With expertise of our R&D team, we also introduced a new 3-in-1 instant coffee Vinacafé Buon Me Thuot, which is made from 100% Robusta coffee bean from Buon Me Thuot, the coffee capital of Vietnam.

Much of Masan Consumer's success comes from our unwavering passion to keep innovating. We strive to make consumer daily staples better, healthier and more affordable.

(1) Kantar Worldpanel.

PLATFORM FOR GROWTH (CONTINUED)



We are a “one-stop” solution for our 280 distributors as our wide product portfolio caters to daily Vietnamese needs, allowing us to have loyal and close relationships with these distributors.

BEING EVERYWHERE FOR EVERYONE



Masan Consumer operates one of the largest food and beverage distribution networks in Vietnam, providing significant competitive advantages such as the ability to deliver our products to customers efficiently, while minimizing logistics costs. This is critical as nearly 70% of Vietnam's population is still rural and the retail sector continues to be led by general trade. Modern trade penetration has progressed slowly and the retail landscape remains highly fragmented.

We are a “one-stop” solution for our 280 distributors as our wide product portfolio caters to daily Vietnamese needs, allowing us to have loyal and close relationships with these distributors. Furthermore, our strategically located distribution centers provide us with the ability to distribute food and beverage products within a single day to each distributor nationwide. This also gives us the unique capability to test new products efficiently and cost-effectively across Vietnam.

After entering the beverage category, we integrated Vinh Hao and Vinacafé Bien Hoa's distribution systems into our larger platform. While integrated, we ensured that our beverage business developed its own specialized sales team, allowing us to more efficiently launch new products to the market while addressing the beverage business's unique distribution practices.

In line with our strategy to uplift productivity through innovation and technology, we believe that we have built a best-in-class technology platform to enhance our sales network with the ability to service our distributors across the network, as well as enhancing and improving our sales efforts. We have also successfully implemented a state-of-the-art Distributor Management System (“DMS”) across all of our distributors, which gives us access to real-time data including sales and outlet performance across our distribution network. Today, 98% of all Vietnamese households have a Masan Consumer product in their homes (Kantar Worldpanel).

As a result of entering the beverage category, Masan Consumer is now one of the few companies in Vietnam that covers all of the various food and beverage channels. We have grown our points of sale to 180,000 for our food and 100,000 for our non-alcohol beverage with more than 2,000 salesmen. This vast network reflects the strength of our distribution network in rural areas, where we have the strongest coverage and route-to-market strategies, and also gives us greater speed to market for new product launches and promotional initiatives.

BEST-IN-CLASS FACILITIES

“ WE HAVE A NETWORK OF WORLD-CLASS FACILITIES THAT ALLOW US TO MANUFACTURE PRODUCTS AT HIGH STANDARDS FOR HYGIENE, SAFETY AND EFFICIENCY, ALL WITHOUT COMPROMISING ON TASTE FOR OUR CONSUMERS. NOTABLY, WE WERE THE FIRST COMPANY IN THE WORLD TO ENGINEER AND BUILD A FULLY AUTOMATED FISH SAUCE MANUFACTURING LINE. ”



We believe that product and service quality are critical to brand development and winning customers. This belief is why Masan Consumer has continued to invest in building state-of-the-art manufacturing facilities to strengthen our leadership position.

We currently operate a total of 11 production facilities which are strategically located in 9 provinces across Vietnam, including Ho Chi Minh City, Binh Duong, Phu Quoc, Hai Duong, Dong Nai, Binh Thuan, Ninh Thuan, Nghe An and Quang Ninh. We have a network of world-class facilities that allow us to manufacture products at high standards for hygiene, safety and efficiency, all without compromising on taste for our consumers. Notably, we were the first company in the world to engineer and build a fully automated fish sauce manufacturing line.

In late 2015, Masan commissioned a new facility in Nghe An province, increasing our production capacity by nearly 120 million liters of fish sauce and 600 million packs of instant noodles on an annual basis. New facilities such as this will help us establishing a deeper manufacturing footprint across the country, lowering distribution costs, catering to regional tastes and generating economies of scale as we benefit from the latest world-class equipment and practices.

By the end of 2016, Masan Consumer had one of Vietnam's largest operating footprints. Through economies of scale, we aim to drive productivity that can enable us to meet the daily basic needs of consumers at more affordable price points. Our products are sold in all 63 provinces and cities. We have six distribution centers, in the Northern, Central and Southern regions. As such, we are able to optimize our supply chain and reach our customers across Vietnam in the most efficient manner.



PLATFORM FOR GROWTH (CONTINUED)

As our businesses grow and our operations become more complex (from M&A, new product launches, entry into new categories, etc.), we will need the right tools to manage growth and related risks. This requires implementing best practices, internal control policies, and a robust common ERP platform across all parts of our operations and subsidiaries.

On this basis, Masan Consumer has successfully implemented the Oracle ERP R12 Enterprise Resource Management System and has put eBusiness Suite (EBS) into operations since September 2014. All the subsidiaries of Masan Consumer have successfully joined a common ERP Platform to manage accounting, finance, and supply chain functions.

On January 2017, our US\$3 million Research and Development center came into operation. Equipped with latest technology and equipment, the facility covers three floors with areas including laboratories, a cafeteria, a pilot plant, and working stations. With this investment, we can proudly say that Masan has one of the biggest Research and Development centers in Vietnam for food and beverage.



MASAN CONSUMER IS LED BY A TEAM OF PROFESSIONALS, COMPRISED OF BOTH FOREIGN AND LOCAL TALENTS WITH A TRACK RECORD OF BUILDING SUSTAINABLE BUSINESSES AND ICONIC BRANDS IN EMERGING MARKETS. MANY OF OUR TEAM MEMBERS ARE ALSO SHAREHOLDERS, RESULTING IN OUR ENTREPRENEURIAL CULTURE AND “CAN DO” ATTITUDE. TO CONTINUE BUILDING ON OUR SUCCESS, MASAN WILL DO ITS BEST TO BECOME VIETNAM’S MOST PREFERRED PLACE TO WORK AND BUILD A PASSIONATE CULTURE THAT PUTS CONSUMERS FIRST.

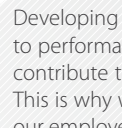
THE “CONSUMER-CENTRIC” TEAM

We believe our most important asset is our people. We want to become an attractive place for talented people where they can work in. Our mission is not only to improve the lives of consumers but also to develop the country’s next generation of business leaders.

To do this, our Human Resources Department plans to focus on four areas:



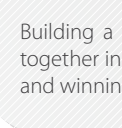
Building a robust and professional human resources to serve both Masan’s immediate and future ambitions.



Developing total rewards to ensure rewards are linked strongly to performance and potential for growth. We want people who contribute to our success to experience great financial success. This is why we are also committed to creating opportunities for our employees to invest in their future.



Managing HR platform and system effectively in a simple, practical and transparent manner so that employees can clearly understand their career paths, how they can unlock their potential for breakthrough achievements, and how to contribute to the growth of the organization; and



Building a winning culture where talented people can work together in successful teams while also developing leadership and winning spirit.



In 2016, HR achieved the following:

- Continued to develop the “HR business partner/ specialist” model and a capable team to understand and contribute to the Company’s operational activities;
- Consistently applied “Performance Management” procedures to all subsidiaries of Masan Consumer. In 2016, more than 4,558 employees took part in these “Performance Management” activities;
- Attracted external talents – In 2016, Masan Consumer recruited 1,931 new employees, including 27 for management positions with experience from other well-known companies (both multinational and local). The “Masan Young Entrepreneur” program continued with the recruitment of eight young entry-level employees who have high potential to train and develop into future leaders;
- Screened and selected more than 150 existing employees to join a training and development program to nurture our existing talents and to ensure we gradually manage our succession plan for key positions. Among these talents, 76 were promoted or chosen to participate in important projects;
- Enhanced two-way communication between the Company and employees via effective quarterly meetings, dialogues with senior management, and experience sharing. Masan Consumer started its annual “Employee Survey” to collect employees’ feedback to further promote an open environment for communication as well as building a preferred working place for winners;
- With “Masan University”, we create an active and friendly learning environment where knowledge, skills, and experience as well as unique working way of many generations of talent in Masan will be consolidated, widely used and shared to all members of Masan. Thereby maximizing the development of each individual who works in the company; and
- In 2016, we arranged 74 training courses relating to Masan’s practical requirements for 2,523 employees (mostly senior leaders and company’s talents). Also, we conducted 30 sharing sessions covering overall knowledge, professional skills and foreign language for employees.



Masan Consumer is committed to becoming a place where professionals are warmly welcomed and supported to reach their potential. Only with this commitment can our long-term goal as a company be reached in a sustainable manner.

#23

Top 100 best places to work in Vietnam in 2016⁽¹⁾

#10

Top places to work in Vietnam’s FMCG sector⁽¹⁾

(1) Source: Anphabe



DOING WELL
BY
DOING GOOD

Masan Consumer is one of the leading FMCG companies in Vietnam and we are committed to improving the material and spiritual lives of our consumers by making quality staple products that are affordable and available. In this spirit, we have strived to consistently implement sustainable business practices to ensure all stakeholders can benefit from our business operations. As with any other businesses of Masan Group, our parent company, Masan Consumer views sustainability as an integral part of our strategy. Not only do we believe in making staple products that brings value to our consumers, we also aim to contribute to society and the environment in the process.

PRODUCT INNOVATION

Masan believes in “doing well by doing good”.

“ AT MASAN CONSUMER, “DOING GOOD” MEANS MORE THAN JUST CORPORATE SOCIAL RESPONSIBILITY (“CSR”). IT’S OUR FUNDAMENTAL RESPONSIBILITY TO IMPROVE THE MATERIAL AND SPIRITUAL LIVES OF VIETNAMESE THROUGH OUR PRODUCTS AND INNOVATIONS. ”



We usually ask ourselves: How do we offer daily essentials to Vietnamese at more affordable prices? How can children in rural areas receive the same nutritional food products as their counterparts in the cities? How do we bridge the productivity gap between Vietnam and the rest of the world?

With those questions, we keep challenging ourselves to bring the best to consumers, demonstrated by many of our successful innovations.

Firstly, Masan was one of few companies in Vietnam to produce soya sauce without 3-MCPD, a chemical agent which has adverse health effects. We have also been innovative in order to make our fish sauce more savory and free of harmful bacteria, underpinned by a double pasteurization process in our fully automated and enclosed production line. Our instant coffee products contain no soybean ingredients and our single-serve coffee solution, Café de Nam, is made with 100% pure coffee that can deliver the famous Vietnamese coffee flavour.

Through economies of scale, we are able to make our products at affordable price points across different market segments.

As a result of our efforts, 98% of all Vietnamese households have at least one Masan product. Today our dream is much bigger, that is to have all Masan products in every Vietnamese household and at least one Masan product in every In-land ASEAN household by 2020.

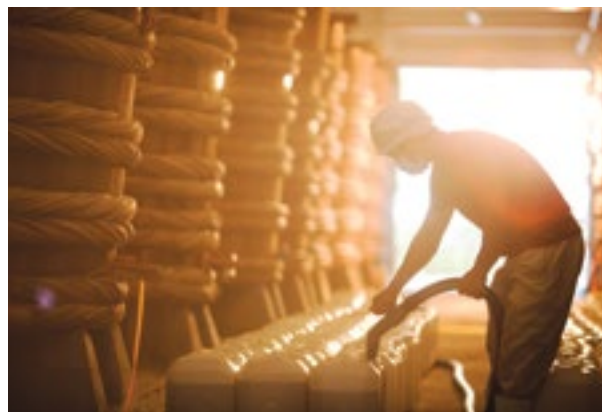


PROCUREMENT MANAGEMENT



Our main production materials are the ingredients of our food products and packing materials. The principal raw materials used in production are anchovies, palm oil, dehydrated vegetables, soya, chilies, various flavoring and spices, flour, green coffee, sugar, powder cream, mineral water, and meat. In addition, packaging materials such as paper labels, plastic, glass, carton boxes, polypropylene, paper-based cups/bowls and plastic bags, are significant components in the production cost of our products.

The quality and stable supply of input raw materials are key to delivering high product quality to our consumers. We realize that this is a challenge as well as a responsibility of the company and we can only get the best result through building long-term partnerships that are “win-win” with our suppliers. To ensure the quality and traceability of all our raw materials, we require foreign suppliers to provide us with certificates of origin, analysis, non-genetic modification and plant quarantine, and local suppliers to have certificates of food and hygiene safety, animal quarantine and good agricultural practice. Suppliers whose long-term performance record with us demonstrates reliability over time are considered “approved suppliers” and will continue to be engaged under annual contracts.



SAFETY



Our employees are our most valuable assets. We are committed to the well-being of our employees, which is reflected by our safety track record. We are responsible for providing our employees with sufficient protective equipment, occupational safety and hygiene, and comfortable working conditions in the work place. We have also carried out an extensive workshops in order to train employees our positive safety habits not only for work but also for their daily activities.

Our facilities conform to HACCP processing standards, have obtained ISO 9001 (quality management system), ISO 22000 (Food safety management system) and OHSAS 18001 certifications (occupational health and safety management systems certifications).



“ WE ARE COMMITTED TO RECRUITING AND DEVELOPING THE

BEST TALENTS IN THE INDUSTRY

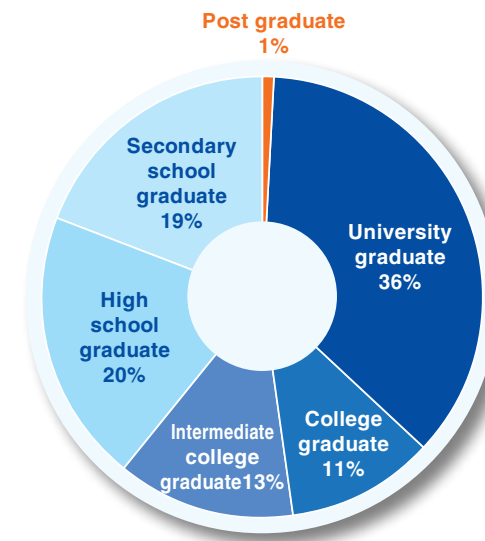
WE TREAT OUR EMPLOYEES AS PARTNERS AND CREATE AN INCLUSIVE AND DIVERSE ENVIRONMENT TO FOSTER A STRONG AND WINNING CULTURE. ”



As a result, we are proud to be one of the best places to work in Vietnam. Our purpose has always been to improve the material and spiritual lives of Vietnamese consumers, and this includes our valued employees. Our job offers provide steady income and contribute to social development, both on a local and national scale.

As of 31 December 2016, Masan Consumer Corporation has 4,625 employees, of which 2,890 are males (62%) and 1,735 are females (38%). The team is well-trained with high qualification.

Masan Consumer's employees are classified as follows:

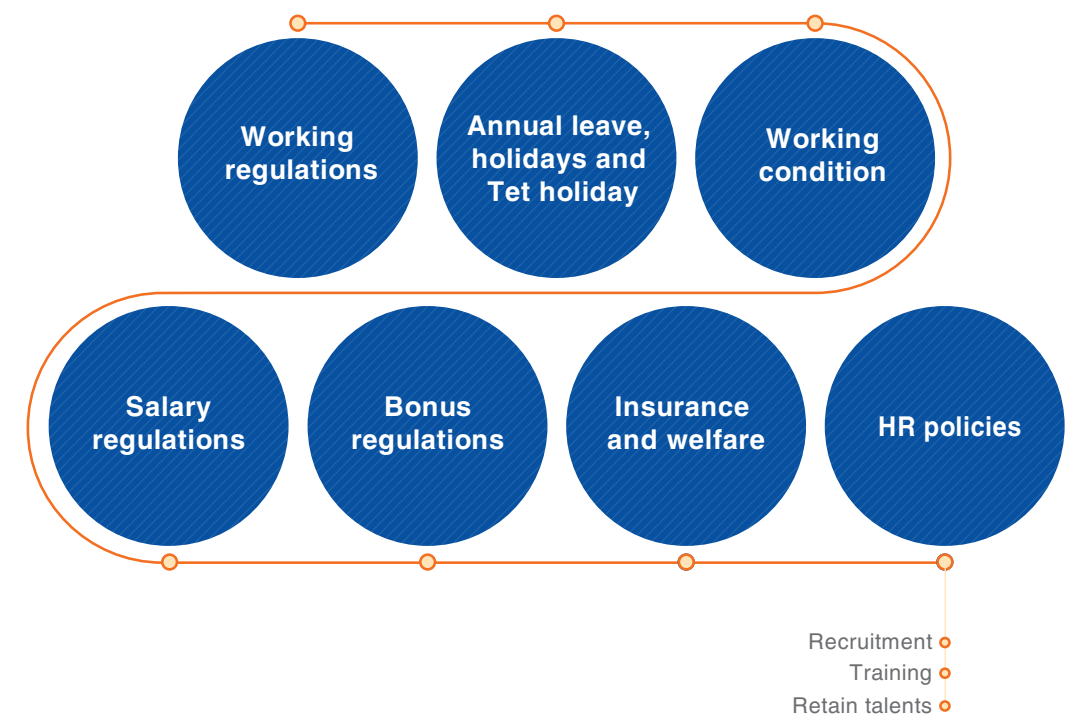


Qualification	Quantity	Percentage
Post graduate	45	1%
University graduate	1,653	36%
College graduate	520	11%
Intermediate college graduate	579	13%
High school graduate	938	20%
Secondary school graduate	890	19%

Note: Majority of employees having qualification from intermediate college or lower include employees working as direct employees of factories, warehouses, or as points of sale promotion employees, drivers or working in janitorial positions.

Today, we have 11 facilities operating in 9 provinces in Vietnam, including Ho Chi Minh City, Phu Quoc, Binh Duong, Dong Nai, Binh Thuan, Ninh Thuan, Nghe An and Hai Duong and Quang Ninh... In order to foster development at local levels, we always prioritize recruiting local human resources and intensively train our staff to meet ever-changing business demands.

Our human resources policies comply with the Labor Code and are designed to ensure the best working environment for our employees:



TALENT SUSTAINABILITY (CONTINUED)

WORKING REGULATIONS

The Company is committed to creating working opportunities for employees through business growth and market share expansion. The Company manages its human resources proactively and is also committed to creating favorable working conditions for employees to develop and be promoted throughout their careers. In order to provide employment for over 4,600 employees, the Management Board is committed to growing the business by expanding the Company's business lines, seeking new customers, partnering with new domestic and foreign partners, and expanding its addressable market.

ANNUAL LEAVE, HOLIDAYS AND TET HOLIDAY

Employees are entitled to paid holidays and Tet holiday in accordance with the Labor Code. Employees who have worked for the full year will be entitled to 12 days of annual leave.

WORKING CONDITION

The Company's working offices are periodically enlarged and renovated, equipped with modern equipment, and fully provided with labor protection equipment. The Company commits to establishing a professional, friendly working environment for all employees so that they can be fully productive and creative.

SALARY REGULATIONS

Employees are remunerated based on their pay grade, capabilities, position, company salary scale, and the Company's business performance. Annually, Masan Consumer provides salary review for employees. The Company pays a lot of attention to the income levels and living conditions of its employees.

BONUS REGULATIONS

In order to motivate employees to contribute their best to the Company, we also pay out periodic bonuses. There are quarterly and one-time bonuses for individuals and teams who have outperformed. Such bonuses, given to those who have demonstrated value, encourage employees to provide their best effort and take their own initiatives to optimize results, utilize innovations, save costs and enhance the Company's competitiveness. Masan Consumer's ESOP program is also a way to recognize and reward outstanding employees, especially in manufacturing and sales.

INSURANCE AND WELFARE

The Company adequately provides social insurance and medical insurance for all employees. In addition, the Company provides 24/24 accident insurance for its employees, as well as health insurance for executives and above in order for them to receive care from local and leading international hospitals operating in Vietnam. Annually, Masan Consumer coordinates with the Trade Union to organize at least one domestic holiday trip for all employees and overseas trip for those who received Chairman's Awards in 2016.

HR POLICIES

Our HR policies help attract and retain the best talents in the industry.



Our HR policies help attract and retain the best talents in the industry.

o **Recruitment:** The objective of the Company's HR policy is to attract talent to grow our business. This requires the Company to have set expectations and qualifications for its various positions. However, all employees must meet basic requirements such as having relevant qualifications and background, being dynamic, enthusiastic and creative. For senior or critical positions, the Company has a more stringent set of criteria, which includes working experience, analytical skills, management skills, and foreign language proficiency, etc. We are also interested in hiring senior professionals from outside to supplement our human resources and to ensure our competitiveness.

o **Training:** The Company invests in training and the professional development of its employees. We always aim to create favorable conditions for employees to take part in internal and external training courses to improve their existing capabilities and learn new skills in order to meet the current and future requirements of the Company. At the same time, Masan Consumer subsidizes all costs related to approved training courses including training salary and rewards for employees who do well in their learning.

o **Retain talents:** Our approach to retain talents is clearly defined. We foster experience and leadership, create a performance-based culture, supplement technical and soft skills and ensure our people's well-being. We also have long-term plans to prepare our best employees for future executive roles through rigorous training sessions.



At Masan, we care about our environmental footprint. We aim to ensure green practices across our all of our operations, which we believe can be achieved without sacrificing business performance. Thorough waste treatment and sustainable resource usage are critical parts of our decision making process and operations across all of our businesses, from the manufacturing of consumer products to processing minerals. Whenever a new project is under development, we take into account any potential adverse impact to the environment to develop mitigation and compliance plans before groundbreaking.

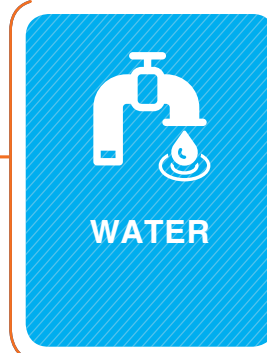


Our businesses are subject to relevant Vietnamese national and local environmental laws and regulations, which require taking preventative measures and the payment of regulatory fees in connection with activities that emit gases and discharge waste materials. Our manufacturing processes produce waste water as well as other industrial waste which we treat and store in accordance with both local and international regulatory standards. To ensure compliance with applicable regulations, we have installed environmental protection equipment and facilities to treat and, if possible, recycle wastes, including solid, liquid and gaseous ones.

Our Legal and Compliance department, together with our Safety, Health, and Environment department are responsible for nation-wide compliance and monitoring of environmental laws and regulations.

In addition, the technical department of each of our operating subsidiaries carries out sample testing of waste discharge on a periodic basis to monitor compliance with relevant environmental laws and regulations. We believe we are in full compliance in all material respects with applicable environmental regulations in Vietnam. In addition, we are subject to strict standards imposed on us by our international customers and the foreign regulatory bodies that regulate imported products.

AS A RESULT, WE BELIEVE WE ARE NATIONAL LEADERS WITHIN OUR INDUSTRIES WITH REGARDS TO ENVIRONMENTAL PRACTICES.



One of our key priorities with regards to environmental protection is the preservation our water resources. With the help of technology, we are able to monitor our water usage and replenish water sources more efficiently than ever before.

We aim to be the best-in-class for waste water treatment, proven by our investment in advanced water treatment technology and constant monitoring of any potential environmental hazard to the surroundings.

We have invested in a Dutch-designed waste water treatment systems at production facilities in Binh Duong, Hai Duong and Nghe An. All water results comply with Vietnam's highest standard of class "A". Our monitoring system reports online and on a real-time basis to the Department of Natural Resources and Environment of Binh Duong.

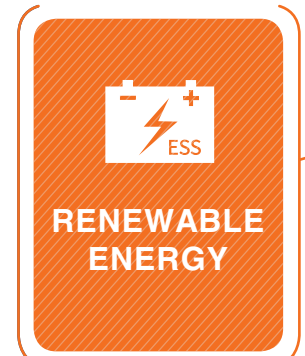
In 2016, we used 800,000 m³ of industrial and domestic water. We have invested in hi-tech waste water treatment plant that can treat over 5,000 m³ of water a day to keep our environment clean. 5% of our water waste is recycled for plant watering and cleaning the facilities.

As a coastal country, Vietnam climate change is considered as a major concern. As a result, we are focused on reducing our carbon footprint, and energy saving or resource optimization are key initiatives.

At Masan Consumer, we have implemented at all key factories the "Idea for energy saving" program, which encompasses:

- » Optimizing our processes to minimize our energy usage, such as utilizing our heat waste in our frying and pasteurizing process; avoiding heat changing process; applying energy saving technologies;
- » Training employees to develop habits of using less electricity by cleaning and maintaining frequently to optimize efficiently, saving water and recycling; and
- » Using biogas created from husk and sawdust to generate energy in our facilities. Biogas is not only a cost-effective energy source but also create jobs for local people.

Due to our efforts in reducing energy usage, we have reduced our energy usage from 15% to 40%, depending on the products as compared to 2013. Over 75% of our energy usage are from renewable sources. We have reduced 28% of our electricity usage, saving around VND30 billion a year. Moreover, approximately 27% of our packaging materials are made from recycled materials.



“ AT MASAN, WE BELIEVE IT IS OUR RESPONSIBILITY TO IMPROVE THE LIVELIHOODS OF MEMBERS OF COMMUNITIES WHERE WE HAVE OPERATIONS AND BE PARTNERS WITH LOCAL RESIDENTS. ”



Realizing the serious problems related to the lower quality of coffee beans being produced in Dak Lak province and the limited resources farmers have to address these issues, Masan and Binh Dien Fertilizer JSC. Have signed a strategic agreement to help the sustainable development of Buon Me Thuot coffee in March 2017. This comprehensive cooperation between the country's two leading companies in coffee-related products aims to improve the quality of Vietnamese coffee and popularize the "Pearl of Ban Me" brand of coffee for which the region is known.

Specifically, we will apply cutting-edge technology and know-how to build pilot models for quality coffee production, and small farming households will be consolidated into a centralized farming area to improve productivity in six villages and six hamlets in Ea Tu commune, Buon Me Thuot City. We believe that this program can give farmers long-term benefits, thereby creating momentum for sustainable agriculture development, improving the lives of farmers and putting Vietnamese coffee on the world's coffee map.

“ AT MASAN CONSUMER, MANY OF OUR SUSTAINABLE INITIATIVES ARE TO EMPOWER PEOPLE AND SUPPORT THEM AT TIMES OF NEED. WE TRY TO BRING ABOUT POSITIVE SOCIAL CHANGE AND SHARE WITH ALL STAKEHOLDERS THE VALUE OF SUSTAINABLE GROWTH AND DEVELOPMENT. TO THAT END, WE HAVE INVESTED HEAVILY ON EDUCATION OPPORTUNITIES, HOUSING AND INFRASTRUCTURE BUILDING, TRAINING, AND MENTORING. ”



Masan Consumer has provided financial support to the Dieu Giac Pagoda in Dong Nai Province, where hundreds of orphans and children with disabilities since infancy live with caring nuns.

from the Company, donated VND3.5 billion to affected areas such as Nghe An, Ha Tinh and Quang Binh. These are some of the most disadvantaged and remote villages in central Vietnam.

We have also financed the construction of housing for two Vietnamese Heroic Mothers at Chau Thanh Township, Hau Giang province.

In Tien Giang province, bridges are critical to the socio-economic development of the remote communities. As a result, Masan Consumer has sponsored the construction of two new bridges in Cai Be Township, including Ngoc Hoang and Khang Linh Bridges.

Masan Consumer's vast distribution network, combined with deep understanding and interaction with local communities, have allowed us to send help where needed. After the disastrous flooding in 2016 in central Vietnam, Masan employees, with matching contributions



Our commitment to sustainability over the years have been recognized by respected third parties, such as domestic and international agencies.



RANKED MASAN

#23

in the 2016 Vietnam Top 100 Best places to work

#10

In the Top 100 Best places to work in Vietnam's FMCG sector

MASAN CONSUMER PROUDLY RANKED

#7

in the 2016 Vietnam Top 50 Brands

#2

in for a consumer company by Brand Finance

Vinacafé Bien Hoa was recognized as the brand with most intangible value in Vietnam and is among “Vietnam Top 50 BRAND” by Brand Finance

Vinacafé Bien Hoa has “NATIONAL BRAND” been awarded as five consecutive times by Vietnam’s government and as “VIETNAM TOP QUALITY BRAND” for 20 consecutive years by The Gioi Tiep Thi newspaper.

Vinh Hao Mineral Water has received many awards for brand and product quality such as “Vietnam Golden Star”, “Top 100 Power Brands”, and has been recognized as “VIETNAM TOP QUALITY BRAND” for 20 consecutive years by The Gioi Tiep Thi newspaper.

At Masan, sustainability means harmonious co-existence and interaction between our various stakeholders and the environment. Our belief in “Doing well by doing good” exemplifies our commitment to sustainable business practices and has underpinned our remarkable achievements over the course of our corporate history.

For us, success is not only measured by our financial results but also from the positive social impact we create. Our sustainable business practices are a natural extension of our core desire to enable Vietnamese consumers to pay less for their daily basic needs, leaving them with more to improve their lives and invest in their future.





“DOMESTIC CONSUMPTION CONTINUED TO BE A STRONG GROWTH DRIVER, AS VIETNAMESE CONSUMERS’ HIGHER CONFIDENCE DURING THE FOURTH QUARTER OF 2016 HELPED LIFT THE COUNTRY TO BE AMONG THE WORLD’S FIVE MOST OPTIMISTIC NATIONS, ACCORDING TO NIELSEN.”

OVERVIEW

Vietnam’s economy continued to be one of the best performers globally in 2016 with GDP growth of 6.2%, according to the Government Statistics Office (GSO). High foreign investment flows coupled with strong domestic demand continued to support rapid economic growth. While growth slowed down from 6.7% in 2015, mainly due to environmental factors affecting the agricultural sector, GDP per capita rose 5% to a new high of USD2,215 according to the World Bank.

Environmental factors such as drought in the Mekong Delta and salt-water intrusion affected the agricultural sector adversely in the first half of the year. Lower soft commodity prices also affected value of Vietnam’s exports especially rice and coffee. However, investor appetite for Vietnamese assets continued to be strong, with foreign direct investments rising sharply. Actual foreign investment inflows rose by 9%, reaching a record high of US\$15.8 billion, according to data issued by the Ministry of Planning and Investment.

Domestic consumption continued to be a strong growth driver, as Vietnamese consumers’ higher confidence during the fourth quarter of 2016 helped lift the

country to be among the world’s five most optimistic nations, according to Nielsen. Vietnam’s consumer confidence index moved up five percentage points from the July-September quarter to 112, fifth in the world after India, Philippines, the U.S. and Indonesia. Vietnam’s growing middle class population with rising disposable income, higher education level plus the country’s stable economic outlook remains the main drivers for its ranking.

The strong rate of economic expansion was also reflected in bank lending, with credit growth of 21.8% during 2016. If the growth rate persists in 2017, the State Bank of Vietnam could raise the key interest rate to keep inflation and GDP expansion balanced. Inflation rose at a slower rate than anticipated, with consumer price index up 4.74% in 2016, lower than the 5% increase expected at the start of 2016. Stability of the Vietnamese Dong was a crucial factor to keep inflation in check with depreciation of only 1.2% against the dollar throughout the year. Unlike a number of emerging economies, which saw sharp falls in the value of their currency push up the cost of imports, Vietnam’s dong maintained a steady course throughout the year.

Growth prospects for 2017 remain strong with IMF predicting GDP to rise by 6.2%, supported by macroeconomic indicators from the fourth quarter of 2016, when GDP rose by 6.7%. This increasing pace of expansion, combined with more favorable conditions for the agricultural sector, should sustain growth in 2017.

However, growth could be adversely affected due to economic pressures and increased budget deficit. Vietnam’s economy, in spite of enormous efforts directed towards global integration, still depends on China. The Chinese economy is foreseen to decelerate in 2017 leading to a weaker Chinese currency. Uncertainties in global economy also pose challenges for Vietnam.

Political events such as the election of Donald Trump and Brexit are likely to affect global growth and international trade. Other uncertainties derived from volatile prices of commodities and energy, unusual monetary policy from developed countries, natural disasters and so on, could also derail economic expansion in 2017.



Grow our beverage business so that the composition of our sales by 2020 is

50%
food

50%
beverage

OVERVIEW (continued)

However, despite these headwinds, consumer confidence in Vietnam continues to improve and sustainable growth is supported by real structural drivers such as an increasing population, urbanization, higher disposable incomes, and greater contribution from the rural economy in Vietnam.

Our focus on the consumption potential of Vietnam was validated when our parent company, Masan Consumer Holdings, signed strategic partnership agreements with Singha Asia Pte Ltd., laying the foundation to win in In-land ASEAN. Through this partnership, Masan and Singha gain exclusive access to each other's distribution network and a broader portfolio of branded food and beverage products. In October 2016, we launched our first seasonings brand, Chin-su Yod Thong in Thailand, marking our first step in serving the 250 million consumers of In-land ASEAN, comprising Vietnam, Thailand, Myanmar, Laos and Cambodia. Going forward, we will continue to partner with leading local companies to scale up our regional business, with the aim of delivering 70/30 revenue contribution from our local and foreign businesses by 2020. In the meanwhile, we strengthen and expand our market share in beverage category through innovation and power brand so that we can achieve the revenue's contribution of beverage category up to 50% - equal to the contribution from food category.

In 2016, our new best-in-class manufacturing hub for instant noodles and fish sauce in Nghe An province were fully ramped up. The new hub will shorten the distance between us and our customers in the North, improving delivery time and lowering logistics costs. The new hub also allows us to develop fresher and more distinctive products to meet the specific tastes of our consumers in the North. This facility also enabled us to produce innovative consumer products of high quality, and launch new brands that consumers love. During 2016, we introduced various new brands to the market such as Café de Nam "Phin Dien" coffee, "Vinacafé Buon Me Thuot" and Woa! Ngon.



Masan Consumer's gross margin increased to

45.3%
in 2016

For our distribution network, in 2016, Masan Consumer increased points of sale to 180,000 for food and 100,000 for non-alcohol beverage. Much of this expansion came from our beverage business, which greatly enhanced our on-premise availability. Today, Vinacafé Bien Hoa is available on Vietnam Airlines' flights and Vietnam Railways' trains, further boosting its brand image.

In 2016, we increased our efficiency, which resulted in improved margins. Due to economies of scale, better raw material procurement, improved supply chain management, and greater efficiency in production, our gross margin increased from 45.0% in 2015 to 45.3% in 2016. We have also invested to increase our ownership in our key brands and acquired new brands to enlarge our brand portfolio. In early 2015, we became a major shareholder of Cholimex, which reflects our belief in the potential of the seasoning category. We also acquired Saigon Nutri Food to strengthen our convenience foods platform with a sausage snack portfolio and to begin our journey into the larger meat sector. In December 2015, we acquired a 65% stake in Quang Ninh Mineral Water, which when combined with Vinh Hao, makes Masan Consumer Vietnam's largest local mineral water company. More recently, in the beginning of 2016, we increased our stakes in Vinh Hao to 88.6%. Vinacafé Bien Hoa also acquired 85% stake of CDN, coffee producer company to expand our footprint into R&G coffee with new business model. In late 2016, we increased our stake in Vinacafé Bien Hoa to 68.46%.

OVERVIEW (continued)

Financially, Masan Consumer achieved revenue in 2016 of VND13,790 billion, up 4.4% compared to 2015 and reported net profit after tax of VND2,791 billion, a 3.8% decrease compared to 2015. The decrease is attributable to lower net financial income as bank interest rate decreased in 2016. However, due to the aforementioned efficiency in operations, gross profit increased by 5.1% from VND5,948 billion in 2015 to VND6,250 billion in 2016.

With Vietnam's macroeconomic outlook improving and the investments in our business platforms starting to show results, Masan is now well-positioned to benefit from Vietnam's growing consumer potential and the larger In-land ASEAN opportunity. However, the way forward is not guaranteed and there will be plenty of challenges. Vietnam, as a frontier market, is expected to experience its fair share of economic volatility, and we also anticipate more competition, especially from foreign companies. As such, we will have to stay committed to the values and beliefs that have guided us throughout our 20-year history. We must continue upholding our mantra of Affordability, Availability and Assurance of Quality. We must continue nurturing a culture where talent is inspired to drive change for tomorrow's value through innovation and a sense of purpose. Most importantly, we must do it "Together" – together with our people, our consumers, our partners, and our communities. If we are passionate about imagining and fulfilling big and unmet needs together, then we have a strong chance to achieve our 2020 objective: **Every Masan product in every Vietnamese household + one Masan product in every "In-land ASEAN" household.**



“ DURING 2016, MASAN INTRODUCED ITS FIRST SEASONINGS BRAND “CHIN-SU YOD THONG” IN THAILAND, AS PART OF A BROADER STRATEGY TO ENTER “IN-LAND ASEAN”, COMPRISING VIETNAM, THAILAND, MYANMAR, CAMBODIA, AND LAOS. ”

businesses and general availability of credit, as well as factors such as the spread of disease, large-scale acts of war, terrorism or any other adverse social, geographic or political incidents may affect Masan's business operations adversely.

In 2017, Vietnam's economy is expected to continue expanding, supported by growing domestic consumption on the back of higher disposable incomes, expanding middle class, higher rate of urbanization and a banking system with stronger asset metrics.

Internationally, expected increase in soft commodity prices during 2017 may adversely impact margins for Masan's consumer focused businesses. Rising geo-political concerns, especially in the South China Sea, may affect Vietnam's export growth leading to slower economic growth. Similar to first half of 2016, drought, salt-water intrusion etc. may affect Vietnam's agricultural sector, dampening consumer's spending power and affecting overall growth. Strong demand-side pressure and any unexpected depreciation of the Vietnamese Dong against the U.S. Dollar could make it more expensive to import goods, and push up overall prices for goods and services.

Business Environment

Masan Consumer's existing operations are focused primarily on Vietnam and our performance and the quality of our assets depend substantially on the Vietnamese economy. During 2016, Masan introduced its first seasonings brand "Chin-su Yod Thong" in Thailand, as part of a broader strategy to enter "In-land ASEAN", comprising Vietnam, Thailand, Myanmar, Cambodia, and Laos. Hence, going forward, economic environment in Vietnam and In-land ASEAN overall may significantly impact Masan's operations, in addition to a variety of external factors, including economic developments throughout Asia and the rest of the world. In addition, various macroeconomic factors including but not limited to personal expenditure and consumption patterns, inflation levels, interest rates, commodity price levels, debt service burden of consumers or

TOGETHER



Consumer Market in Vietnam

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

One-third of the population will be defined as middle-class by 2020, as rapidly rising income levels grow at nearly 8.8%, driving per capita incomes beyond USD3,400 by the end of the current decade. Domestic consumer demand will be further supported by favorable demographics, greater urbanization and a rise in disposable incomes. Infrastructure, which plays a key role in facilitating consumption, has been significantly improved in the past few years, while the retail market seems highly attractive to international retailers.

Vietnam has the third largest population in Southeast Asia, with nearly 70% of the population belonging to the working age group (15-64 years old). While Vietnam's demographic profile presents an excellent opportunity for the rise of domestic consumer demand, there are other trends allied to these demographic realities that

could result in structural changes in the consumer market. These include greater demand for convenience foods, greater focus on quality and health aspects of products, market consolidation, greater preference for branded products, and demand for new products and variants.

Vietnam's urban population was just above a quarter of the total population in 2005 and had increased to 33.6% in 2016. Comparatively, urban population rates are much higher in Southeast Asia with Thailand, Indonesia and Malaysia at 50%, 54% and 75%, respectively (World Bank). Increasing urban migration is a strong structural support pillar for consumer growth, the rural opportunity is large in Vietnam.

Vietnam's real GDP per capita, estimated at slightly more than USD2,100 for 2016 (World Bank), is similar to the levels in China and Indonesia in 2005 and 2008, respectively. Both these economies experienced sharp growth in consumer spending from these levels. As Vietnam's real GDP grows (8.5% CAGR expected over 2016 - 2020, according to the IMF), consumer expenditure is expected to increase at a CAGR of 8.0%. Vietnam, one of the fastest growing Southeast Asian economies, is poised to enter the next high-growth phase in consumer spending.

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

Masan's food and beverage portfolio continued to deliver growth in FY2016, with beverages outperforming on the back of a very successful year in bottled beverages,

due to the success of its brand building efforts (Wake-Up 247, Vinh Hao and Quang Hanh). Masan's portfolio of seasoning brands continues to evolve with line extensions of existing brands and a greater focus on premium variants. In October 2016, Masan launched Chin-su Yod Thong in Thailand to begin its In-land ASEAN journey. Convenience food revenues declined during FY2016, due to fierce competition in the economy segment and slower overall market growth. Masan has focused more on the premium and mainstream segments where gross margins allow both innovation and profitability. Going forward, Masan plans to launch innovations and full meal solutions as opposed to basic instant noodles in order to grow the entire category.

OVERVIEW (continued)

CONVENIENCE FOODS CATEGORY

Since expanding our instant noodles business into the larger convenience foods segment, we have introduced additional full meal solutions such as the launch of Komi, an instant congee. Within instant noodles, the mainstream segment has been the segment's key growth driver and therefore our main focus area. Convenience foods revenues declined by during FY2016, due to fierce competition in the economy segment and slower overall market growth, though Masan's market share remained stable around 24%. Masan's premium brands grew in FY2016 though the overall market has de-grown as the competitors continued to lower prices in the economy segment to win market share at any cost. Masan has focused more on the premium and mainstream segments where gross margins allow for both innovation and profitability. Masan plans to launch innovations and full meal solutions as opposed to basic instant noodles to grow the entire category.

In the beginning of 2015, Masan acquired a 99.99% stake in Saigon Nutri Food Joint Stock Company, primarily a snack sausage company in its current form but also a stepping stone to the larger meat sector which has a market size of approximately USD18 billion. This acquisition will help our goal of providing nutritious and affordable food to consumers as processed meat is a rich source of protein and it complements our existing convenience foods portfolio.

Processed meat represents less than 1% of total meat consumption, a number that is set to increase as income levels rise. Masan has recently launched a new brand, "Wow Ngon", to grow its presence in the snack sausage category and to define trends in this fast evolving category. This new product has received good feedback from consumers and is an opportunity for us to tap into the meat market, especially in rural area where nearly 70% of total population live.



SEASONING CATEGORY

We have restructured the whole sauce portfolio, introducing new options to consumers in fish sauce, soy sauce, chili sauce at various price points. Masan's strategy of consolidating the remaining unbranded market is showing strong results in the south of Vietnam, while the next growth driver will be the launch of new innovations in the more premium segments to upgrade consumers to better product quality. The launch of our fish sauce Chin-su Yod Thong in Thailand, as part of the collaboration with Singha, is expected to provide a further boost to seasoning category growth. We are also a major shareholder of Cholimex Food Joint Stock Company, which has well-known brands in the spice and seasoning category, especially in chili sauce, in Vietnam.



COFFEE CATEGORY

"Wake-Up 247" has been successful beverage innovation, providing busy consumers with a convenient caffeinated alternative. Moreover, "Vinacafe" has emerged as a strong umbrella brand. We have launched a new variant, "Vinacafe Chat" in late 2015, which applies a breakthrough technology to extract coffee at low temperatures in order to keep its original flavor. In early 2016, we launched "Cafe de Nam", targeting consumers who currently prefer the taste of roast and ground coffee, which itself presents the largest opportunity within the coffee segment going forward. We have also introduced a new 3-in-1 instant coffee, "Vinacafe Buon Me Thuot", which is made from 100% Robusta coffee bean from Buon Me Thuot – coffee capital of Vietnam. This new product has been well received by consumers, and is expected to be one of our key drivers going forward for our coffee business.



BEVERAGE CATEGORY

After acquiring Vinh Hao, Vietnam's oldest mineral water brand, we have broadened its product portfolio from mineral water to cover other bottled beverage offerings. We refreshed the Vinh Hao brand by re-launching Vinh Hao mineral water and the Lemona brand nationwide. Lemona is a carbonated lemon drink using mineral water and has a refreshing flavor very familiar to Vietnamese people.

With the acquisition of a 65.7% stake in Quang Ninh Mineral Water Company in northern Vietnam, Masan is now the largest local mineral water company in the country. Vietnam's mineral water sources are an important part of the country's heritage and a valued natural resource that consumers prefer. More importantly, we now have a nationwide footprint that can support the growth of our overall beverage platform.

“ WITH THE ACQUISITION OF 65.7% STAKE IN QUANG NINH MINERAL WATER COMPANY IN NORTHERN VIETNAM, MASAN IS NOW THE LARGEST LOCAL MINERAL WATER COMPANY IN THE COUNTRY. ”

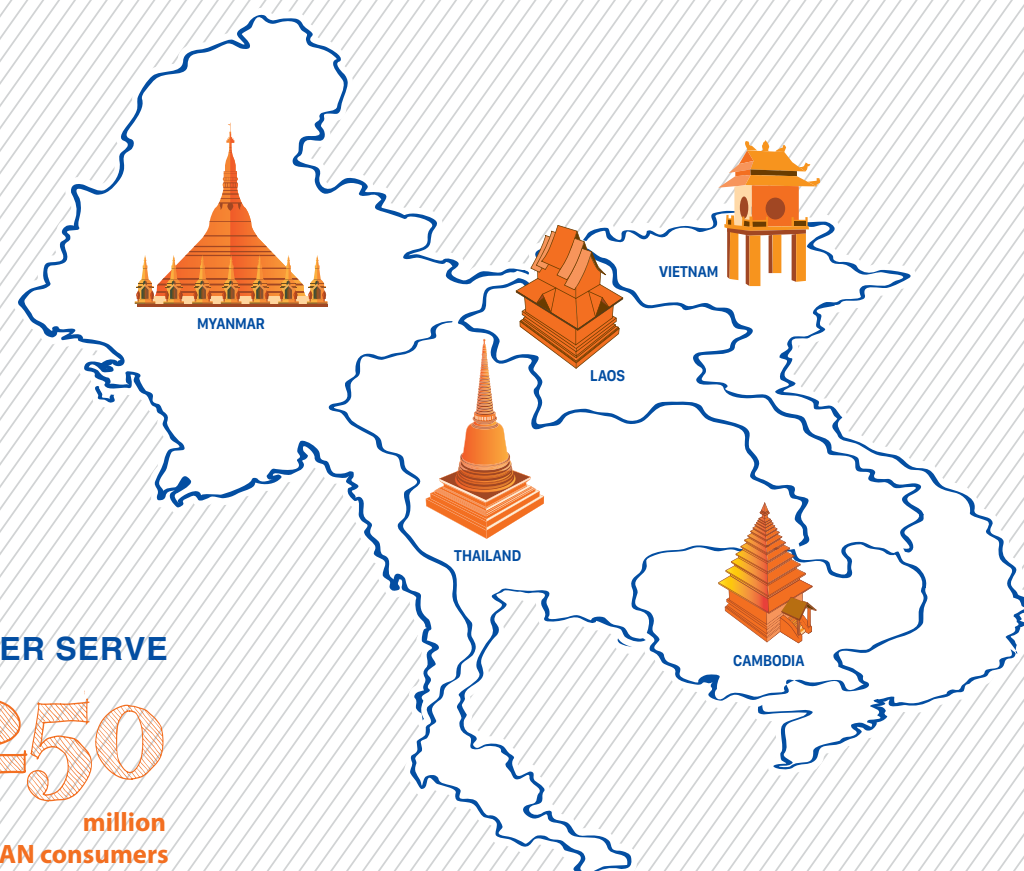
OVERVIEW (continued)

In-land ASEAN

In December 2015, our parent company, Masan Consumer Holdings, signed agreements to become a strategic partner of Singha Asia Holding Pte Ltd. (Singha). As a result, we immediately gained access to the Thailand market and to our strategic partner's broad portfolio of branded food and beverage products which we can sell in Vietnam. More excitingly, the partnership is the first step to our journey to better serve the 250 million people of In-land ASEAN, comprising of Vietnam, Thailand, Myanmar, Cambodia and Laos. We believe the countries that make up In-land ASEAN share many similarities that are not just geographical (land-locked, proximity). The

people of In-land ASEAN also share cultural (Buddhism) and culinary (rice based diets and fondness for fish sauce) similarities.

We are excited to have made our first small step into In-land ASEAN market by launching "Chin-su Yod Thong" fish sauce in Thailand in the end of 2016. While winning this larger market will not be easy, we believe that our existing business platform, together with Singha's support, puts us in a strong position to transform our categories abroad.



FACTORS AFFECTING OUR BUSINESS AND RESULTS OF OPERATIONS

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

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

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

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

Masan Consumer's cost is not always stable.

Masan Consumer's products rely heavily on the supply of raw materials, which we have no control of. If the prices of raw materials rise, we might suffer revenue loss since it is not optimal to rise the product price due to competition from other companies with similar products.

Masan Consumer depends on a continued ability to recruit or retain appropriately skilled personnel for its key management positions.

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

Masan Consumer's sales are affected by our brand image.

Masan Consumer strives to protect our image as a well, positive, ambitious company. Nevertheless, unexpected events can occur which impact on our image, such as unhealthy competition. Our brand image affects our sales heavily, and we might suffer loss in sales which results in lower revenue as well as extra funds to recover our image.

We may not be successful in the development of new products.

We have an in-house research and development team, dedicated to developing new products and new variations of existing products. In particular, it focuses on creating new innovative, healthy, affordable and convenient products. The development and launch of new products may require substantial expenditure, including higher cost in administration, production and marketing.

Successful market acceptance of our new products is largely dependent on our ability to successfully cater to the market's demands, taste and the changing dietary preference of consumers. We cannot assure that the market will respond favorably to new products we produce. If our products are not successful, we will not be able to recover the research and development expenses incurred and this may have an adverse effect on our business, financial condition, results of operation and prospects.

Masan Consumer's successful expansion into In-land ASEAN is not guaranteed.

Through our partnership with Singha, Masan aims to launch products in Thailand and eventually expand to neighboring markets within In-land ASEAN. Even though this gives us an opportunity to expand and grow in a bigger market, we are not certain yet if we will be successful since this is the beginning of a challenging task.

DISCUSSION ON AUDITED RESULTS

REVENUE

In 2016, Masan Consumer's net revenue reached VND13,790 billion, representing a 4.4% increase compared to 2015. The increase is attributable to the strong growth of our beverage business of 22.8%, offset by the decline in the convenience food category, driven by the overall decline in the instant noodles market and fierce competition in the economy segment.



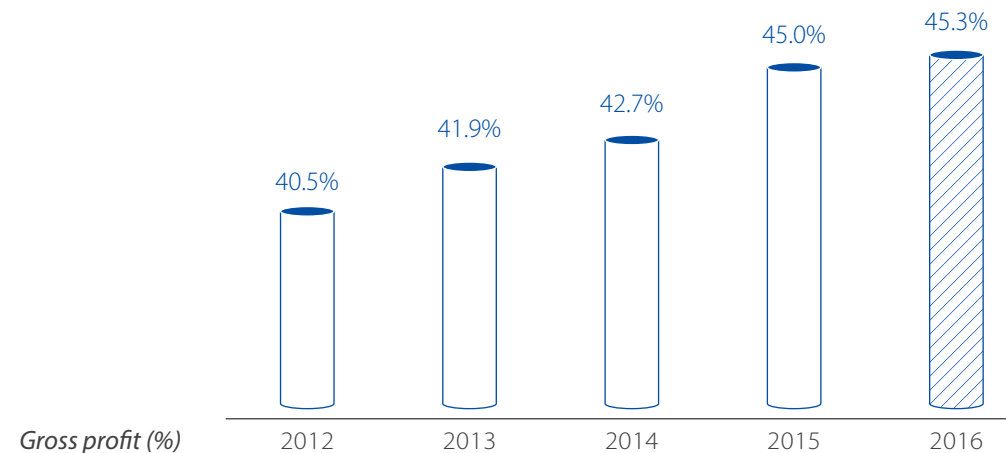
Net revenue
VND 13,790
BILLION

COST OF GOODS SOLD

Cost of goods sold (as a percentage of net sales) slightly decreased to 54.7% in 2016 from 55.0% in 2015. The decrease is attributable to greater production efficiencies and cost saving initiatives across all categories including seasoning, convenience foods, bottled beverage and instant coffee.

GROSS PROFIT

Masan's gross profit reached VND6,250 billion in 2016, an increase of 5.1% compared to 2015. Gross margin in 2016 increased to 45.3% compared to 45.0% in 2015. The improvement in Masan Consumer's gross margin was supported by operational efficiency, lower raw material prices and cost saving initiatives.



SELLING, GENERAL AND ADMINISTRATION EXPENSES

Selling, General and Administration expenses (SG&A) in 2016 were VND3,460 billion, compared to VND3,195 billion in 2015. SG&A as a percentage of net sales in 2016 increased to 25.1% from 24.2% in 2015 due to Masan Consumer's continuing investment in brand building and new products launching.



Selling, General and Administration expenses in 2016
VND 3,460
BILLION

NET FINANCIAL INCOME

Net financial income recorded VND366 billion in 2016 from VND668 billion in 2015, a decrease of 45.2% driven by higher borrowing interest expense and lower cash balance as a result of the VND2,896 billion cash dividend paid in 2016.



Net financial income
VND 366
BILLION

NET PROFIT

In 2016, net profit after tax reached VND2,791 billion, decreasing by 3.8% versus 2015. This decrease was mainly due to an increase in SG&A and lower financial income in 2016.



Net profit
VND 2,791
BILLION

DISCUSSION ON AUDITED RESULTS (continued)

CASH POSITION

Masan Consumer cash balance as at 31 December 2016 was VND8,647 billion (include short-term investment), increasing by 156.8% compared to that of VND3,367 billion as at 31 December 2015. This increase was due our treasury and cash management activities moving from loan investments into cash and shorter term deposits.



Cash balance
as at 31 December 2016
VND 8,647
BILLION

FIXED ASSETS

As at 31 December 2016, fixed assets (include construction in progress) amounted to VND4,816billion, increasing by 1.0% from VND4,767 billion as at 31 December 2015. Our fixed assets as at 31 December 2016 remain flat as our capital expenditure of our facility in Nghe An has been capitalized from construction in progress to tangible fixed asset.



Fixed assets
as at 31 December 2016
VND 4,816
BILLION

INVESTMENTS IN
ASSOCIATES

Investments in associates represented 32.8% effective economic interest in Cholimex Food Joint Stock Company as at 31 December 2016.

TOTAL ASSETS

Total assets decreased by 1.2% to VND17,378 billion as at 31 December 2016 from VND17,591 billion as at 31 December 2015 due to the change in working capital.



Total assets
as at 31 December 2016
VND 17,378
BILLION

BORROWINGS

As at 31 December 2016 short and long-term borrowings increased by 37.8% to VND3,098 billion from VND2,249 billion as at 31 December 2015. This increase mainly came from the increase of our short-term debt from VND1,929 as at 31 December 2015 to VND2,888 billion as at 31 December 2016.

OWNERS' EQUITY

Owners' equity as at 31 December 2016 was VND11,928 billion, as compared to VND12,815 billion as at 31 December 2015. Our owners' equity growth decreased by 6.9% due to our high cash dividend payout of VND2,896 billion during the year.



Owners' equity
as at 31 December 2016
VND 11,928
BILLION

2017 FINANCIAL OUTLOOK

For 2017, Masan Consumer's focus would be on transforming its business model and practices, with a clear focus on sell-out growth and building win-win relationships with its ecosystem of suppliers and distributors. Growth rates will be impacted during the first half of 2017, as Masan's will rebalance the inventory levels at its distributors to better match market demand and supply, particularly in the food categories. This will enable Masan to deliver strong second half results and ensure sustainable growth in the medium term for our food and beverage business. In addition, the initiative will optimize SG&A, driving profitability and providing cash flows to build power brands. The increased focus on building power brands would also change the model from a push focus to one, which will be based on pull created by end-consumer's demand.

Further, margins could be impacted by expected higher input costs which will increase material costs and impact margins. However, focus on innovation would help to reduce conversion and input costs, offsetting the input price pressures. In addition, superior operational execution could also minimize logistics and indirect costs, lifting operating margins.

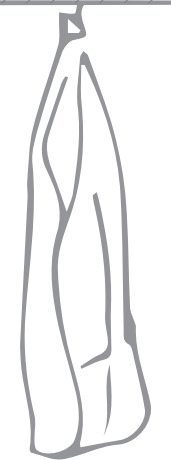
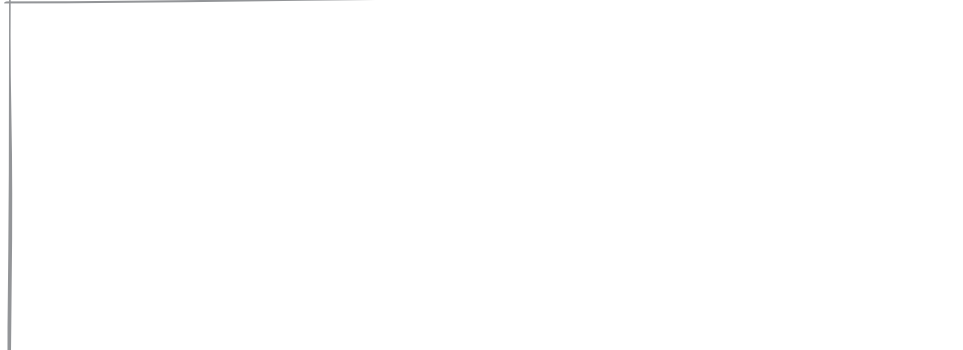
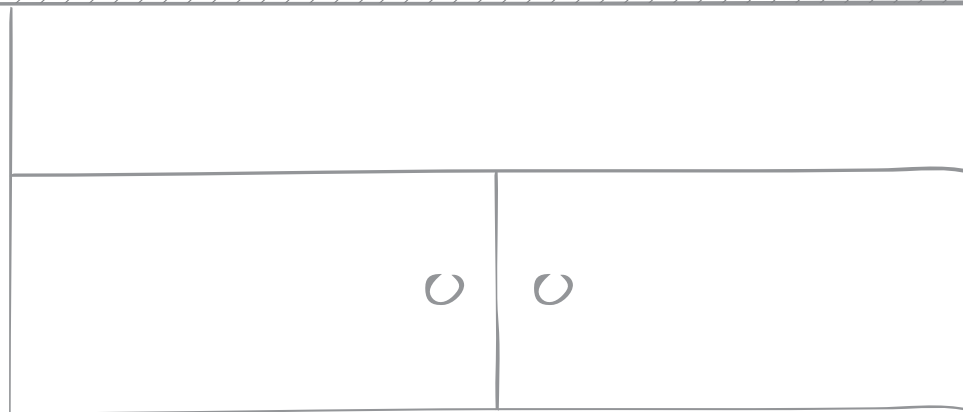
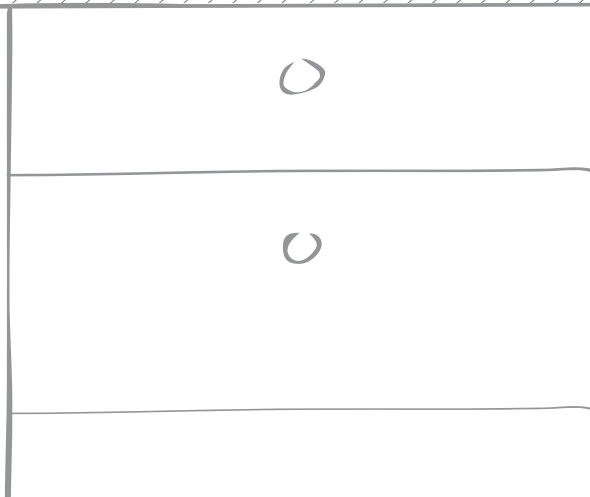
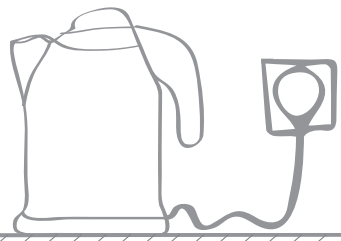
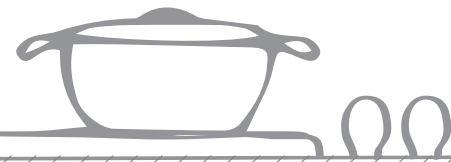
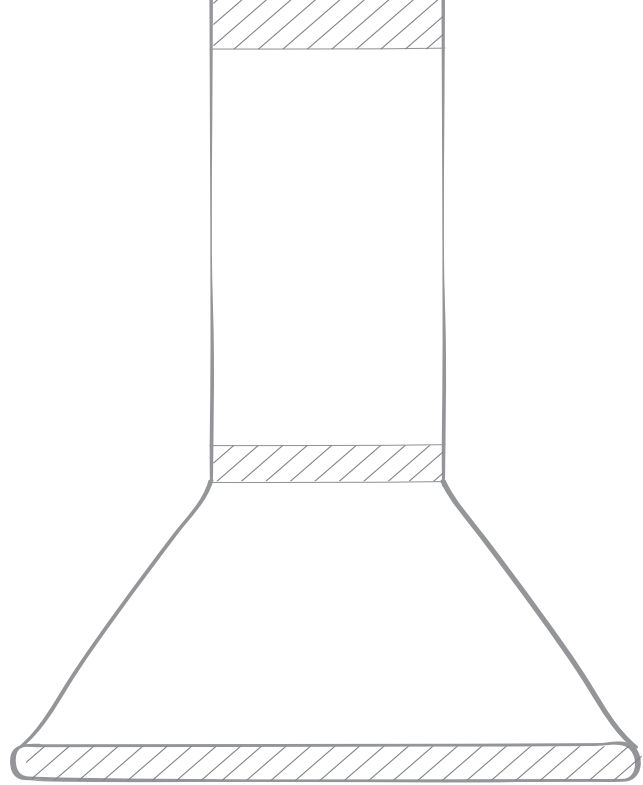
In terms of product categories, the focus would be build and consolidate Masan's position within the fish sauce category in Vietnam, with expansion into In-land ASEAN as the next growth driver.

Focus on building premium and mainstream categories within convenience foods to generate sustainable cash flows, and building further successful brands like Omachi and Kokomi.

Within the beverages segment, focus would be reaching majority market share in coffee and accelerating the growth of our liquid beverages portfolio.

Finally, addition of a new scale category like meat, could add further impetus to our growth profile in the near future.

Based on these, Masan Consumer expects to deliver a 5% to 11% growth in topline for FY2017, with net profit after tax and post-minority interest expected to be down 5% to up 5%, due to above mentioned expected higher input prices and lower net financial income due to our robust cash dividend policy.



CORPORATE INFORMATION

Business Registration Certificate No.

0302017440

31 May 2000

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

Board of Directors

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

Board of Management

Mr Seokhee Won	Chief Executive Officer
Ms Nguyen Hoang Yen	Deputy Chief Executive Officer
Mr Pham Hong Son	Deputy Chief Executive Officer
Mr Pham Dinh Toai	Deputy Chief Executive Officer
Mr Le Trung Thanh	Deputy Chief Executive Officer (until 15 February 2017)
Mr Nguyen Anh Nguyen	Deputy Chief Executive Officer
Ms Dinh Kim Nhung	Deputy Chief Executive Officer (from 31 May 2016)

Registered Office

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

Auditor

KPMG Limited
Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Masan Consumer Corporation ("the Company") presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2016.

The Company's Board of Management is responsible for the preparation and fair presentation of the consolidated 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:

- the consolidated financial statements set out on pages 72 to 129 give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated results of operations and its 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
- at the date of this statement, there are no reasons to believe that 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 consolidated financial statements for issue.

On behalf of the Board of Management



Seokhee Won

Chief Executive Officer

Ho Chi Minh City, 15 March 2017

INDEPENDENT AUDITOR'S REPORT

To the Shareholders Masan Consumer Corporation

We have audited the accompanying consolidated financial statements of Masan Consumer Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2016, the consolidated statement of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 15 March 2017, as set out on pages 72 to 129.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

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

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

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Masan Consumer Corporation and its subsidiaries as at 31 December 2016 and of their consolidated results of operations and their 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.: 16-01-723



Chang Hung Chun

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

Ho Chi Minh City, 15 March 2017

Chong Kwang Puay

Practicing Auditor Registration
Certificate No. 0864-2013-007-1

CONSOLIDATED BALANCE SHEET

as at 31 December 2016

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

	Code	Note	31/12/2016 VND	1/1/2016 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		11,519,694,860,637	4,736,863,860,399
Cash and cash equivalents	110	6	6,914,244,921,330	3,366,663,621,920
Cash	111		113,124,921,330	262,513,621,920
Cash equivalents	112		6,801,120,000,000	3,104,150,000,000
Short-term financial investments	120		1,732,948,841,175	-
Held-to-maturity investments	123	7(a)	1,732,948,841,175	-
Accounts receivable – short-term	130		2,121,205,426,935	524,172,871,757
Accounts receivable from customers	131	8	232,759,444,755	204,488,051,594
Prepayments to suppliers	132		61,482,083,206	293,268,256,650
Short-term loans receivable	135	12	1,663,716,876,592	-
Other short-term receivables	136	9(a)	164,464,049,739	27,198,707,736
Allowance for doubtful debts	137	10	(1,217,027,357)	(805,801,581)
Shortage of assets awaiting resolution	139		-	23,657,358
Inventories	140	11	715,921,028,319	790,231,721,814
Inventories	141		729,024,288,790	806,854,622,797
Allowance for inventories	149		(13,103,260,471)	(16,622,900,983)
Other current assets	150		35,374,642,878	55,795,644,908
Short-term prepaid expenses	151		19,718,137,599	12,528,673,029
Deductible value added tax	152		15,656,505,279	43,109,758,161
Taxes receivables from State Treasury	153		-	157,213,718

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

CONSOLIDATED BALANCE SHEET

as at 31 December 2016 (continued)

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

	Code	Note	31/12/2016 VND	1/1/2016 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		5,858,131,385,763	12,853,782,649,222
Accounts receivable – long-term	210		24,757,902,339	7,123,035,720,424
Long-term loans receivable	215		-	6,729,614,068,000
Other long-term receivables	216	9(b)	24,757,902,339	393,421,652,424
Fixed assets	220		4,444,692,083,576	4,047,507,545,881
Tangible fixed assets	221	13	3,132,110,361,000	2,592,621,284,887
Cost	222		4,694,881,086,995	3,743,546,719,305
Accumulated depreciation	223		(1,562,770,725,995)	(1,150,925,434,418)
Intangible fixed assets	227	14	1,312,581,722,576	1,454,886,260,994
Cost	228		2,102,498,034,268	2,052,630,727,848
Accumulated amortisation	229		(789,916,311,692)	(597,744,466,854)
Long-term work in progress	240		371,351,502,339	719,382,303,260
Construction in progress	242	15	371,351,502,339	719,382,303,260
Long-term financial investments	250		249,391,858,906	254,802,292,906
Investment in an associate	252	7(b)	249,391,858,906	254,802,292,906
Other long-term assets	260		767,938,038,603	709,054,786,751
Long-term prepaid expenses	261	16	193,229,086,523	126,947,338,090
Deferred tax assets	262	17	150,172,693,140	117,078,881,599
Goodwill	269	18	424,536,258,940	465,028,567,062
TOTAL ASSETS (270 = 100 + 200)	270		17,377,826,246,400	17,590,646,509,621

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

CONSOLIDATED BALANCE SHEET

as at 31 December 2016 (continued)

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

	Code	Note	31/12/2016 VND	1/1/2016 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		5,449,387,898,339	4,775,199,506,191
Current liabilities	310		4,942,371,387,944	4,149,379,994,667
Accounts payable to suppliers – short-term	311	19	708,987,463,602	888,714,668,760
Advances from customers	312		18,887,115,066	33,942,871,425
Taxes payable to State Treasury	313	20	312,750,964,401	277,975,491,700
Payables to employees	314		4,383,144,705	16,179,341,565
Accrued expenses	315	21	958,703,296,344	864,961,703,475
Other short-term payables	319	22(a)	27,461,089,550	104,479,000,714
Short-term borrowings	320	23(a)	2,887,958,787,537	1,928,631,096,153
Bonus and welfare funds	322		23,239,526,739	34,495,820,875
Long-term liabilities	330		507,016,510,395	625,819,511,524
Accounts payable to suppliers – long-term	331	19	88,334,503,000	75,845,316,000
Other long-term payables	337	22(b)	22,360,630,839	22,803,867,543
Long-term borrowings	338	23(b)	209,856,177,246	319,890,279,824
Deferred tax liabilities	341	17	177,354,781,060	205,232,109,782
Provisions – long-term	342		9,110,418,250	2,047,938,375
EQUITY (400 = 410)	400		11,928,438,348,061	12,815,447,003,430
Owners' equity	410	24	11,928,438,348,061	12,815,447,003,430
Share capital	411	25	5,381,601,170,000	5,351,601,170,000
Share premium	412	25	5,088,056,394,992	5,088,056,394,992
Other capital	414		(265,775,657,006)	(265,775,657,006)
Treasury shares	415	25	(1,640,252,631,255)	(1,640,252,631,255)
Foreign exchange differences	417		(2,253,725,216)	-
Investment and development fund	418		22,731,972,844	22,731,972,844
Undistributed profits after tax	421		2,434,650,312,379	2,984,708,427,270
Non-controlling interests	429		909,680,511,323	1,274,377,326,585
TOTAL RESOURCES (440 = 300 + 400)	440		17,377,826,246,400	17,590,646,509,621

15 March 2017

Prepared by:


Huynh Viet Thang
Chief Accountant

Approved by:


Nguyen Hoang Tung
Interim Chief Financial Officer


Seokhee Won
Chief Executive Officer



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

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2016

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

	Code	Note	2016 VND	2016 VND
Revenue from sales of goods and provision of services	01	28	13,971,502,083,035	13,395,193,258,142
Revenue deductions	02	28	181,742,640,558	183,268,214,315
Net revenue (10 = 01 - 02)	10	28	13,789,759,442,477	13,211,925,043,827
Cost of sales	11	29	7,539,940,954,915	7,264,239,572,313
Gross profit (20 = 10 - 11)	20		6,249,818,487,562	5,947,685,471,514
Financial income	21	30	486,486,717,049	1,151,095,979,529
Financial expenses	22	31	120,181,485,914	483,121,282,748
<i>In which: Interest expense</i>	23		117,857,140,158	335,761,168,464
Share of profit in an associate	24		6,648,042,500	14,377,236,580
Selling expenses	25	32	2,619,544,147,421	2,451,004,233,235
General and administration expenses	26	33	840,490,029,516	743,978,469,840
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		3,162,737,584,260	3,435,054,701,800
Other income	31		3,946,391,087	4,260,887,581
Other expenses	32		3,831,459,210	12,772,930,635
Results of other activities (40 = 31 - 32)	40		114,931,877	(8,512,043,054)
Accounting profit before tax (50 = 30 + 40)	50		3,162,852,516,137	3,426,542,658,746
Income tax expense – current	51	34	432,682,942,969	550,865,518,617
Income tax benefit – deferred	52	34	(60,942,674,227)	(25,040,545,188)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		2,791,112,247,395	2,900,717,685,317

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

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2016 (continued)

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

	Code	Note	2016 VND	2015 VND
Net profit after tax (brought forward from previous page)	60		2,791,112,247,395	2,900,717,685,317
Attributable to:				
Equity holders of the Company	61		2,679,382,871,020	2,822,340,170,298
Non-controlling interests	62		111,729,376,375	78,377,515,019
Earnings per share				
Basic earnings per share	70	35	5,165	5,479

15 March 2017

Prepared by:  **Huynh Viet Thang**
Chief Accountant

Approved by:  **Nguyen Hoang Tung**
Interim Chief Financial Officer

 **Seokhee Won**
Chief Executive Officer



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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2016 (Indirect method)

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

	Code	2016 VND	2015 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	3,162,852,516,137	3,426,542,658,746
Adjustments for			
Depreciation and amortisation	02	684,365,934,207	569,089,790,695
Allowances and provisions	03	52,262,080,735	92,508,919,639
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	88,494,016	(6,522,336,545)
Losses on disposals of fixed assets and construction in progress	05	1,935,134,443	10,684,115,455
Interest income from investing activities	05	(480,348,042,703)	(1,137,715,591,754)
Loss on disposal of an associate	05	-	1,800,000,000
Share of profit in an associate	05	(6,648,042,500)	(14,377,236,580)
Interest expense	06	117,857,140,158	335,761,168,464
Operating profit before changes in working capital	08	3,532,365,214,493	3,277,771,488,120
Change in receivables and other current assets	09	42,648,772,998	(27,888,375,712)
Change in inventories	10	34,018,360,660	63,301,972,816
Change in payables and other liabilities	11	(108,318,131,689)	475,841,759,438
Change in prepaid expenses	12	25,963,823,781	20,190,850,653
		3,526,678,040,243	3,809,217,695,315
Interest paid	14	(115,044,203,443)	(203,807,081,700)
Corporate income tax paid	15	(431,051,744,862)	(1,122,692,332,265)
Other payments for operating activities	17	(12,840,046,137)	(6,429,605,721)
Net cash flows from operating activities	20	2,967,742,045,801	2,476,288,675,629

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2016 (Indirect method - continued)

Form B 03 – DN/HH
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	Code	2016 VND	2015 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(634,843,683,452)	(1,154,673,055,924)
Proceeds from disposals of fixed assets and construction in progress	22	3,863,456,185	2,542,787,564
Loans provided	23	(3,559,078,712,592)	(8,285,000,000,000)
Collections of loans	24	6,735,714,068,000	11,175,158,802,265
Placement of term deposits to banks	23	(41,036,269,841,175)	(34,267,508,726,883)
Withdrawal of term deposits from banks	24	39,303,321,000,000	38,129,156,940,966
Payments for investments in an associate and acquisition of non-controlling interests in subsidiaries	25	(773,433,922,965)	(354,108,064,193)
Acquisition of a subsidiary, net of cash acquired (Note 5(a))	25	(11,555,624,763)	(236,743,058,482)
Proceeds from disposals of interests in a subsidiary and an associate and pre-acquisition dividends received from an associate	26	5,410,434,000	501,800,000,000
Receipts of interest and dividends	27	724,885,024,521	840,336,503,800
Net cash flows from investing activities	30	758,012,197,759	6,350,962,129,113
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share capital issued	31	30,000,000,000	38,337,950,000
Proceeds from capital contribution in a subsidiary by non-controlling interest	31	134,010	1,475,060,000
Proceeds from borrowings from banks	33	8,481,450,471,251	11,603,228,942,899
Payments to settle loan principals to banks	34	(7,682,156,882,445)	(17,625,477,362,486)
Payments of dividends	36	(1,005,198,769,200)	(3,080,229,986,000)
Net cash flows from financing activities	40	(175,905,046,384)	(9,062,665,395,587)
Net cash flows during the year (50 = 20 + 30 + 40)	50	3,549,849,197,176	(235,414,590,845)
Cash and cash equivalents at the beginning of the year	60	3,366,663,621,920	3,595,756,092,576
Effect of exchange rate fluctuations on cash and cash equivalents	61	(14,167,886)	6,322,120,189
Currency translation differences	61	(2,253,729,880)	-
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 6)	70	6,914,244,921,330	3,366,663,621,920

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2016 (Indirect method - continued)

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NON-CASH INVESTING AND FINANCING ACTIVITIES

	2016 VND	2015 VND
Net-off dividend payable with loans receivable from the parent company	1,889,261,836,000	-

15 March 2017

Prepared by: 
Huynh Viet Thang
Chief Accountant

Approved by:  
Nguyen Hoang Tung **Seokhee Won**
Interim Chief Financial Officer Chief Executive Officer



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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016

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

1. REPORTING ENTITY

(a) Ownership structure

Masan Consumer Corporation (“the Company”) is a joint stock company incorporated in Vietnam. The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in an associate.

(b) Principal activities

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

(c) Normal operating cycle

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

d. Group structure

As at 31 December 2016, the Group has 4 directly owned subsidiaries, 13 indirectly owned subsidiaries and 1 associate (1/1/2016: 3 directly owned subsidiaries, 11 indirectly owned subsidiaries and 1 associate). Information of the subsidiaries and an associate are described as follows:

Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			31/12/2016	1/1/2016	31/12/2016	1/1/2016
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 ĐN 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%
Masan Consumer (Thailand) Limited	(vii) Trading and distribution	4 th Floor, 83 Amnuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand	99,99%	-	99,99%	-
Indirectly owned subsidiaries						
Masan 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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

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Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			31/12/2016	1/1/2016	31/12/2016	1/1/2016
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.	99.99%	94.50%	99.99%	94.50%
Masan 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) Seasonings, convenience food manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam.	100%	100%	100%	100%
Saigon Nutri Food Joint Stock Company	(ii) 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%	99.99%	99.99%
Nam Ngu Phu Quoc One Member Company Limited	(ii), (vi) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam.	100%	-	100%	-

Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
			31/12/2016	1/1/2016	31/12/2016	1/1/2016
VinaCafé Bien Hoa Joint Stock Company	(iii) Beverage manufacturing and trading	Bien Hoa Industrial Park I, Bien Hoa City, Dong Nai Province, Vietnam.	68.46%	53.20%	68.46%	53.20%
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.	88.56%	63.95%	88.56%	63.95%
KronFa., JSC	(iv) Beverage manufacturing	Km 37, Highway 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam.	88.55%	63.94%	99.99%	99.99%
Quang Ninh Mineral Water Corporation	(iii) Beverage manufacturing and trading	Group 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam.	65.68%	65%	65.68%	65%
CDN Production Trading Corporation	(v) Beverage manufacturing and trading	10 Hung Gia 2, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam.	58.19%	-	85%	-
An associate						
Cholimex Food Joint Stock Company	(ii) Seasonings manufacturing and trading	Lot C40 – 43/1, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.	32.8%	32.8%	32.8%	32.8%

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for the year ended 31 December 2016 (continued)

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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. The Board of Management Resolution No.7/2016/NQ-HDQT-MSC on 28 March 2016 resolved and approved to liquidate MDN. As at the date of issuance of these consolidated financial statements, the liquidation process of MDN is still in progress.
- (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) KronFa., JSC is indirectly owned by the Company through Vinh Hao Mineral Water Corporation.
- (v) CDN Production Trading Corporation (“CDN”) was acquired by VinaCafé Bien Hoa Joint Stock Company (“VCF”), a subsidiary indirectly owned by the Company through MSB, in May 2016 for a cash consideration of VND35,000 million excluding transactions costs (Note 5(a)). As a result of this transaction, CDN became a subsidiary indirectly owned by the Company through VCF.
- (vi) Nam Ngu Phu Quoc One Member Company Limited (“NPQ”) was established on 21 June 2016 under the Business Registration Certificate No. 1702051991 issued by the Department of Planning and Investment of Kien Giang Province. NPQ is indirectly owned by the Company through MSF. As at 31 December 2016, NPQ has not commenced operations and is still under construction.
- (vii) In July 2016, the Company established a new subsidiary – Masan Consumer (Thailand) Limited (“MTH”) to enter into the Inland ASEAN market under the Certificate of Registration of Partner and Company No.0105559105553 issued by the Department of Business Development, Thailand.

MTH is incorporated in Thailand. Other subsidiaries and an associate are incorporated in Vietnam.

As at 31 December 2016, the Group had 4,625 employees (1/1/2016: 4,822 employees).

2. BASIS OF PREPARATION

(a) Statement of compliance

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Group’s accounting currency is Vietnam Dong (“VND”) which is also the currency used for financial statement presentation purpose.

(e) Corresponding figures

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated 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.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with shareholders. Prior to 1 January 2015, 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. From 1 January 2015, as a result of the adoption of Circular 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance (“Circular 202”), such difference is recorded directly in undistributed profits after tax under equity.

(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 recognised 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.

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for the year ended 31 December 2016 (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. From 1 January 2015, as a result of the adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity.

The consolidated statement of income, consolidated statement of changes in equity and consolidated statement 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 years presented, or where the companies were incorporated at a date later than the beginning of the earliest years presented, for the year from the date of incorporation to the end of the relevant reporting periods.

(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 acquiree, 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 statement of income.

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

(i) Foreign currency transactions

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

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the average of the account transfer buying rates and selling rates at the end of the annual accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions.

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

(ii) Foreign operations

All assets and liabilities of foreign operations are translated to VND at the average of the account transfer buying rates and selling rates at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions. Capital is translated to VND at historical exchange rate. Accumulated loss is derived from the translated net loss from which they were appropriated. Revenues, income and expenses, and cash flows during the year of foreign operations are translated to VND at the exchange rates which approximate actual exchange rates ruling on the date of transactions.

Foreign currency differences arising from the translation of foreign operation's financial statements to VND are recognised in the consolidated balance sheet under the caption "Foreign exchange differences" in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

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(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) Held-to-maturity investments

Held-to-maturity investments are those that the Boards of Management of the Company and its subsidiaries have the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investments are stated at costs less allowance for doubtful debts.

(e) Accounts receivable from customers and other receivables

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

(f) Inventories

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

The Group applies 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 consolidated 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

(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 rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over their useful lives ranging from 19 to 50 years.

(ii) Software

Cost of 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 on obtaining exploitation rights for mineral water resources is capitalised and treated as an intangible asset. Amortisation is computed on a straight-line basis over their useful lives ranging from 8 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 a subsidiary 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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for the year ended 31 December 2016 (continued)

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(v) Customer relationships

The fair value of customer relationships that is acquired by the Group on the acquisition of a subsidiary is 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 is acquired by the Group on the acquisition of a subsidiary is capitalised and treated as an intangible asset. The fair value of mineral water resources acquired in a business combination is 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 land use rights certificate was obtained but are not qualified as intangible fixed assets under prevailing regulation and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease from 42 to 50 years.

(ii) Goodwill from equitisation

Goodwill arising from equitisation of the state-owned enterprise is recognised as long-term prepaid expenses. Goodwill arising from equitisation of the state-owned enterprise 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 equitisation of the state-owned enterprise is amortised on a straight-line basis over 10 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 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.

(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 and is not amortised.

(l) Accounts payable to suppliers and other payables

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

(m) Provisions

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

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.

Provision for severance allowance to be paid to the existing eligible employees as of 31 December 2016 has been made based on the eligible employees' years of service, being the total employees' years of service less the number of years for which the employees participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group, if any, and their average salary for the year prior to the end of the annual accounting period.

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(n) 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 consolidated 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 consolidated statement of income.

(o) Equity

(i) Share capital and share premium

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

(ii) Other capital

Equity movements resulted from common control business combination and acquisition of/disposal to non-controlling interests for the period before 1 January 2015 that do not result in a loss of control are recorded in other capital under equity.

(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.

(p) Taxation

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

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

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

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

(q) Revenue

(i) Sale of goods

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

(ii) Rental income

Rental income from leased property is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(iii) Provision of services

Revenue from provision of services is recognised in the consolidated 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.

(r) Financial income and financial expenses

(i) Financial income

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

(ii) Financial expenses

Financial expenses mainly comprise interest expenses on borrowings from banks and associated costs, foreign exchange losses and realised losses from derivative financial instruments.

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of 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.

(s) Operating lease payments

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

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(t) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the consolidated 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 consolidated 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.

The consolidated profit or loss attributable to the ordinary shareholders of the Company is determined after deducting any amounts appropriated to bonus and welfare funds for the annual accounting period.

(u) Segment reporting

A segment is 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 segment. The Group’s primary format for segment reporting is based on business segments.

Segment results, assets and liabilities include items 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 headquarter’s 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.

(v) Related parties

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

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

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

4. 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 segment includes warehouse rental and others.

	Seasonings VND	Convenience food (*) VND	Beverage (*) VND	Others VND	Consolidated VND
For the year ended 31 December 2016					
Total segment revenue – net	5,929,762,801,607	3,684,213,605,945	4,159,968,086,897	15,814,948,028	13,789,759,442,477
Segment gross profit	3,227,439,094,975	1,396,930,220,837	1,620,108,969,229	5,340,202,521	6,249,818,487,562
Segment results	2,303,210,024,677	585,704,199,827	340,759,488,342	5,340,202,521	3,235,013,915,367
Unallocated general and administration expenses					(438,581,562,242)
Financial income					486,486,717,049
Financial expenses					(120,181,485,914)
Net operating profit					3,162,737,584,260
Other income					3,946,391,087
Other expenses					(3,831,459,210)
Income tax expense					(371,740,268,742)
Net profit after tax					2,791,112,247,395

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For the year ended 31 December 2015					
	Seasonings VND	Convenience food (*) VND	Beverage (*) VND	Others VND	Consolidated VND
Total segment revenue - net	5,646,133,836,572	4,141,969,337,151	3,388,624,227,274	35,197,642,830	13,211,925,043,827
Segment gross profit	3,201,552,578,979	1,517,188,122,868	1,222,885,288,905	6,059,480,762	5,947,685,471,514
Segment results	2,399,143,141,280	650,685,998,053	101,487,979,916	6,059,480,762	3,157,376,600,011
Unallocated general and administration expenses					(390,296,594,992)
Financial income					1,151,095,979,529
Financial expenses					(483,121,282,748)
Net operating profit					3,435,054,701,800
Other income					4,260,887,581
Other expenses					(12,772,930,635)
Income tax expense					(525,824,973,429)
Net profit after tax					2,900,717,685,317

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

(*) The segment results of the Convenience food and Beverage segments included amortisation of goodwill amounting to VND67,668 million (2015: VND65,837 million), amortisation of fair values of intangible fixed assets arisen in business combinations amounting to VND150,125 million (2015: VND138,103 million) and depreciation of fair values uplift of tangible fixed assets arisen in business combinations amounting to VND24,705 million (2015: VND25,389 million) during the year.

As at 31 December 2016				
	Seasonings VND	Convenience food VND	Beverage VND	Consolidated VND
Segment assets	1,875,082,609,128	1,356,020,120,800	2,783,135,920,430	6,014,238,650,358
Unallocated assets				11,363,587,596,042
Total assets				17,377,826,246,400
Segment liabilities	181,934,564,179	170,732,625,606	702,777,024,481	1,055,444,214,266
Unallocated liabilities				4,393,943,684,073
Total liabilities				5,449,387,898,339
For the year ended 31 December 2016				
Capital expenditure	318,695,966,674	53,310,673,834	128,398,417,563	500,405,058,071
Unallocated capital expenditure	-	-	-	220,675,756,456
Depreciation of tangible fixed assets	178,152,639,224	108,019,559,648	123,621,072,455	409,793,271,327
Unallocated depreciation of tangible fixed assets	-	-	-	14,039,906,819
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	5,510,165,970	21,399,760,419	226,167,066,610	253,076,992,999
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses	-	-	-	48,754,062,252

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	Seasonings VND	Convenience food VND	Beverage VND	Consolidated VND
As at 1 January 2016				
Segment assets	1,462,565,696,956	1,200,498,321,968	3,172,238,930,632	5,835,302,949,556
Unallocated assets				11,755,343,560,065
Total assets				17,590,646,509,621
Segment liabilities	113,543,169,908	119,183,003,852	756,352,583,636	989,078,757,396
Unallocated liabilities				3,786,120,748,795
Total liabilities				4,775,199,506,191
For year ended 31 December 2015				
Capital expenditure	231,545,268,110	106,494,269,165	203,976,613,164	542,016,150,439
Unallocated capital expenditure				503,988,090,772
Depreciation of tangible fixed assets	128,422,294,311	101,239,389,606	104,499,546,195	334,161,230,112
Unallocated depreciation of tangible fixed assets				6,674,329,048
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	5,835,212,577	17,539,338,203	202,439,507,417	225,814,058,197
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses				183,799,207,018

Details of unallocated assets and unallocated liabilities are as follows:

	31/12/2016 VND	1/1/2016 VND
Cash and cash equivalents	6,914,244,921,330	3,366,663,621,920
Held-to-maturity investments – short-term	1,732,948,841,175	-
Accounts receivable – short-term – net	2,029,920,765,380	316,474,528,749
Inventories	103,734,755,658	87,861,390,774
Other current assets	11,967,257,413	49,745,232,734
Accounts receivable – long-term	24,757,902,339	7,123,035,720,424
Fixed assets	278,110,907,616	286,532,885,308
Construction in progress	22,495,594,849	378,283,553,087
Other long-term assets	245,406,650,282	146,746,627,069
Unallocated assets	11,363,587,596,042	11,755,343,560,065
Accounts payable to suppliers – short-term	155,692,783,011	526,112,327,209
Advances from customers	9,862,385,864	18,283,250,322
Taxes payable to State Treasury	266,538,737,389	239,418,537,782
Payables to employees	14,847,747	8,615,000
Accrued expenses	664,106,554,350	530,660,379,908
Other short-term payables	20,934,183,491	14,874,943,144
Short-term borrowings	2,887,958,787,537	1,928,631,096,153
Other long-term payables	1,624,446,378	3,009,209,671
Long-term borrowings	209,856,177,246	319,890,279,824
Deferred tax liabilities	177,354,781,060	205,232,109,782
Unallocated liabilities	4,393,943,684,073	3,786,120,748,795

(b) Geographical segments

The Group operates in Vietnam and Thailand. The Thailand business is currently immaterial to the Group.

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5. BUSINESS COMBINATION AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of CDN Production Trading Corporation – non-common control transaction

In May 2016, VinaCafé Bien Hoa Joint Stock Company (“VCF”), a subsidiary of the Company, acquired 85% equity interest in CDN Production Trading Corporation (“CDN”) for a total consideration of VND35,000 million excluding transactions costs. Such acquisition resulted in the Company having 58.19% effective economic interest in CDN as at 31 December 2016.

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

	Pre-acquisition carrying amounts VND	Fair value adjustments VND	Recognised value on acquisition VND
Cash and cash equivalents	23,444,375,237	-	23,444,375,237
Accounts receivable from customers	361,699,396	-	361,699,396
Prepayment to suppliers	20,893,841,858	-	20,893,841,858
Other short-term receivables	394,448,888	-	394,448,888
Inventories	4,437,565,909	-	4,437,565,909
Short-term prepaid expenses	1,573,379,697	-	1,573,379,697
Deductible value added tax	1,614,397,960	-	1,614,397,960
Tangible fixed assets	8,023,114,445	-	8,023,114,445
Construction in progress	512,819,546	-	512,819,546
Long-term prepaid expenses	1,203,165,220	-	1,203,165,220
Deferred tax assets	28,466,036	-	28,466,036
Accounts payable to suppliers – short-term	(575,538,404)	-	(575,538,404)
Taxes payable to State Treasury	(111,135,384)	-	(111,135,384)
Payables to employees	(412,231,529)	-	(412,231,529)
Accrued expenses	(1,567,029,008)	-	(1,567,029,008)
Other short-term payables	(616,759,903)	-	(616,759,903)
Short-term borrowings	(50,000,000,000)	-	(50,000,000,000)
Total net identifiable assets acquired	9,204,579,964	-	9,204,579,964
Share of net assets acquired			7,823,892,969
Goodwill on acquisition (Note 18)			27,176,107,031
Consideration paid			35,000,000,000
Cash acquired			(23,444,375,237)
Net cash outflow			11,555,624,763

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 2016, net revenue and net loss of the acquired business are VND16,854 million and VND20,809 million, respectively.

(b) Acquisition of additional equity interests in Vinh Hao Mineral Water Corporation

The Company’s equity interest in Vinh Hao Mineral Water Corporation (“VHC”) increased from 63.95% to 88.56% as a result of the acquisition of further 24.61% equity interest of VHC as follows:

- On 6 January 2016, Masan Beverage Company Limited (“MSB”), a subsidiary of the Company, acquired further 2,657,641 shares of VHC, for a total consideration of VND113,922 million.
- On 28 April 2016, MSB acquired further 566,288 shares of VHC, for a total consideration of VND23,275 million.

The acquisitions have the following effects:

	VND
Cost of acquisition - in cash	137,196,800,523
Proportionate carrying amount of net assets acquired	(135,083,880,318)
Differences recorded in undistributed profits after tax (Note 24)	2,112,920,205

(c) Acquisition of additional equity interests in VCF

The Company’s equity interest in VCF increased from 53.20% to 68.46% as a result of the acquisition of further 15.26% equity interest of VCF as follows:

- On 24 February 2016, MSB acquired further 1,850,000 shares of VCF, for a total consideration of VND290,595 million.
- On 9 December 2016, MSB acquired further 2,204,863 shares of VCF, for a total consideration of VND375,189 million.

The acquisitions has the following effects:

	VND
Cost of acquisition - in cash	665,784,583,648
Proportionate carrying amount of net assets acquired	(336,782,515,012)
Difference recorded in undistributed profits after tax (Note 24)	329,002,068,636

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(d) Acquisition of additional equity interests in Quang Ninh Mineral Water Corporation

On 28 April 2016, MSB acquired further 54,100 shares of Quang Ninh Mineral Water Corporation (“QNW”), for a total consideration of VND623 million. As a result, the Company’s equity interest in QNW increased from 65.00% to 65.68%.

The acquisition has the following effects:

	VND
Cost of acquisition - in cash	622,862,317
Proportionate carrying amount of net assets acquired	(1,370,694,835)
Difference recorded in undistributed profits after tax (Note 24)	(747,832,518)

(e) Transactions with non-controlling interests in Ma San PQ Corporation

On 6 October 2016, Masan Food Company Limited (“MSF”), a subsidiary of the Company, had the following transactions:

- Acquire further 385,000 shares of Ma San PQ Corporation (“MPQ”), for a total consideration of VND5,964 million.
- Dispose 20 shares of MPQ to non-controlling interests (“NCI”) for a consideration of VND309,000.

As a result of the above transactions, the Company’s equity interest in MPQ increased from 94.50% to 99.99%.

The acquisition has the following effects:

	VND
Cost of acquisition - in cash	5,963,650,000
Proportionate carrying amount of net assets acquired	(3,953,498,116)
Difference recorded in undistributed profits after tax (Note 24)	2,010,151,884

The disposal to non-controlling interests have the following effects:

	VND
Consideration received – in cash	309,800
Proportionate carrying amount of net assets disposed	(205,380)
Differences recorded in undistributed profit after tax (Note 24)	104,420

6. CASH AND CASH EQUIVALENTS

	31/12/2016 VND	1/1/2016 VND
Cash on hand	2,064,520,061	6,714,138,115
Cash in banks	111,060,401,269	255,799,483,805
Cash equivalents	6,801,120,000,000	3,104,150,000,000
Cash and cash equivalents in the consolidated statement of cash flows	6,914,244,921,330	3,366,663,621,920

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

7. INVESTMENTS

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

	31/12/2016 VND	1/1/2016 VND
Held-to-maturity investments – short-term		
• Term deposits at banks	1,732,948,841,175	-

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

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(b) Investment in an associate

	31/12/2016		1/1/2016	
	Number of shares	% of equity owned and % of voting rights	Number of shares	% of equity owned and % of voting rights
Investments in an associate:				
• Cholimax Food Joint Stock Company	2,659,217	32.8%	2,660,217	32.8%
				Carrying value under equity method VND
				249,391,858,906
				254,802,292,906

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

During the year, the Group does not have any significant transactions with Cholimax Food Joint Stock Company ("CLX"). Please see Note 1(d) for principal activities of CLX.

Movement in carrying amount of investment in an associate of the Group during the year were as follows:

	Cholimax Food Joint Stock Company VND
Carrying amount of investment in an associate at the beginning of the year	254,802,292,906
Share of post-acquisition profit in an associate during the year	6,648,042,500
Pre-acquisition dividends received from an associate	(5,410,434,000)
Post-acquisition dividends received from an associate	(6,648,042,500)
Carrying amount of investment in an associate at the end of the year	249,391,858,906

8. ACCOUNTS RECEIVABLE FROM CUSTOMERS

Accounts receivable from customers who are related parties:

	31/12/2016 VND	1/1/2016 VND
Other related parties		
• Masan Brewery PY One Member Company Limited	5,644,586	218,586,661
• Masan Brewery Distribution One Member Company Limited	31,752,716,796	16,639,970,914
• Masan Brewery HG One Member Company Limited	3,833,035,010	6,957,627,234

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

9. OTHER RECEIVABLES

(a) Other short-term receivables

	31/12/2016 VND	1/1/2016 VND
Non-trade amounts due from related parties		
• Accrued interest receivables (*)	114,905,802,559	-
• Other receivables (**)	11,546,396,400	-
Accrued interests receivable from deposits at banks	26,870,375,441	6,134,424,327
Short-term deposits	3,932,192,910	15,378,332,182
Others	7,209,282,429	5,685,951,227
	164,464,049,739	27,198,707,736

(*) These represented interest income receivable from loans provided to a related party. Please see Notes 12 and 36 for further information.

(**) Other receivables from related parties were unsecured, interest free and are receivable on demand.

(b) Other long-term receivables

	31/12/2016 VND	1/1/2016 VND
Accrued interests receivable	-	373,495,304,103
Long-term deposits	24,757,902,339	19,926,348,321
	24,757,902,339	393,421,652,424

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10. ALLOWANCE FOR DOUBTFUL DEBTS

Overdue days	31/12/2016			1/1/2016		
	Cost VND	Allowance VND	Recoverable amount VND	Cost VND	Allowance VND	Recoverable amount VND
0 – 30 days	43,712,307,539	-	43,712,307,539	53,855,360,311	-	53,855,360,311
31 – 180 days	562,712,024	-	562,712,024	1,274,690,676	-	1,274,690,676
181 – 365 days	119,942,347	(4,553,821)	115,388,526	112,706,563	(33,811,969)	78,894,594
Over 365 days	1,283,068,350	(1,212,473,536)	70,594,814	1,469,678,246	(771,989,612)	697,688,634
Allowance for doubtful debts	45,678,030,260	(1,217,027,357)	44,461,002,903	56,712,435,796	(805,801,581)	55,906,634,215
		(1,217,027,357)		(805,801,581)		

	2016 VND	2015 VND
Opening balance	805,801,581	2,063,747,655
Increase in allowance during the year	611,371,481	209,584,106
Allowance utilised during the year	(58,476,340)	(598,710,895)
Written back	(141,669,365)	(868,819,285)
Closing balance	1,217,027,357	805,801,581

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

11. INVENTORIES

	31/12/2016		1/1/2016	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	23,020,158,807	-	52,076,694,647	-
Raw materials	350,142,495,576	(9,590,373,377)	460,875,351,554	(10,283,181,128)
Tools and supplies	71,745,888,578	-	66,744,430,628	-
Work in progress	67,061,968,283	-	54,162,719,531	-
Finished goods	212,346,462,681	(3,512,887,094)	169,571,819,977	(5,906,339,559)
Merchandise inventories	4,707,314,865	-	3,423,606,460	(433,380,296)
	729,024,288,790	(13,103,260,471)	806,854,622,797	(16,622,900,983)

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

	2016 VND	2015 VND
Opening balance	16,622,900,983	22,318,186,169
Increase in allowance during the year	49,109,986,107	94,986,484,380
Allowance utilised during the year	(48,249,539,256)	(99,504,636,005)
Written back	(4,380,087,363)	(1,177,133,561)
Closing balance	13,103,260,471	16,622,900,983

Included in inventories of the Group as at 31 December 2016 was VND13,103 million (1/1/2016: VND16,623 million) of slow-moving inventories.

12. SHORT-TERM LOANS RECEIVABLE

	31/12/2016 VND	1/1/2016 VND
Loans receivable from the parent company	1,663,716,876,592	-

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

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13. TANGIBLE FIXED ASSETS

	Buildings VND	Leasehold improvements VND	Office equipment VND	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost						
Opening balance	1,024,775,104,570	10,622,457,648	54,463,116,431	2,621,959,990,570	31,726,050,086	3,743,546,719,305
Acquisition of a subsidiary	-	-	66,966,491	7,431,656,488	524,491,466	8,023,114,445
Additions during the year	103,114,200	-	153,933,036	1,647,581,616	725,712,000	2,630,340,852
Transfer from construction in progress	303,630,532,968	52,168,653,336	10,126,708,718	586,361,433,015	88,714,693	952,376,042,730
Transfer from/(transfer to) long-term prepaid expenses	(1,624,302,165)	-	-	3,132,848,600	-	1,508,546,435
Disposals	(1,930,414,206)	-	(1,401,807,166)	(8,370,427,853)	(902,479,286)	(12,605,128,511)
Written off	-	-	-	(598,548,261)	-	(598,548,261)
Closing balance	1,324,954,035,367	62,791,110,984	63,408,917,510	3,211,564,534,175	32,162,488,959	4,694,881,086,995
Accumulated depreciation						
Opening balance	169,394,043,997	9,215,700,908	26,115,841,837	931,850,243,550	14,349,604,126	1,150,925,434,418
Charge for the year	66,996,045,822	10,268,545,627	8,055,093,576	334,417,078,351	4,096,414,770	423,833,178,146
Disposals	(1,604,733,941)	-	(1,376,689,570)	(7,644,861,631)	(763,053,166)	(11,389,338,308)
Written off	-	-	-	(598,548,261)	-	(598,548,261)
Closing balance	234,785,355,878	19,484,246,535	32,794,245,843	1,258,023,912,009	17,682,965,730	1,562,770,725,995
Net book value						
Opening balance	855,381,060,573	1,406,756,740	28,347,274,594	1,690,109,747,020	17,376,445,960	2,592,621,284,887
Closing balance	1,090,168,679,489	43,306,864,449	30,614,671,667	1,953,540,622,166	14,479,523,229	3,132,110,361,000

Included in the cost of tangible fixed assets of the Group were assets costing VND303,992 million, which were fully depreciated as of 31 December 2016 (1/1/2016: VND147,224 million), but which are still in active use.

As at 31 December 2016 and 1 January 2016, certain of the Group's tangible fixed assets were pledged with banks as security for loans granted to the Group and the parent company.

There are no tangible fixed assets that were retired from active use and held for disposal as of 31 December 2016 (1/1/2016: VND2,555 million).

The carrying amount of the Group's temporarily idle equipment in tangible fixed assets amounted to VND11,261 million as of 31 December 2016 (1/1/2016: VND64,989 million).

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14. INTANGIBLE FIXED ASSETS

	Land use rights VND	Software VND	Exploitation rights VND	Brand name VND	Customer relationships VND	Mineral water resources VND	Total VND
Cost							
Opening balance	123,577,684,764	266,353,638,873	88,408,197,667	757,478,531,332	404,114,911,701	412,697,763,511	2,052,630,727,848
Additions during the year	-	-	27,597,137,629	-	-	-	27,597,137,629
Transfer from construction in progress	-	24,090,871,914	1,794,878,000	876,285,239	-	-	26,762,035,153
Transfer to long-term prepaid expenses	(4,491,866,362)	-	-	-	-	-	(4,491,866,362)
Closing balance	119,085,818,402	290,444,510,787	117,800,213,296	758,354,816,571	404,114,911,701	412,697,763,511	2,102,498,034,268
Accumulated amortisation							
Opening balance	22,787,494,728	30,082,466,090	2,594,792,443	251,480,915,252	283,205,016,061	7,593,782,280	597,744,466,854
Charge for the year	3,973,493,884	33,298,237,584	5,222,895,451	66,854,958,673	61,580,087,040	21,934,668,276	192,864,340,908
Transfer to long-term prepaid expenses	(692,496,070)	-	-	-	-	-	(692,496,070)
Closing balance	26,068,492,542	63,380,703,674	7,817,687,894	318,335,873,925	344,785,103,101	29,528,450,556	789,916,311,692
Net book value							
Opening balance	100,790,190,036	236,271,172,783	85,813,405,224	505,997,616,080	120,909,895,640	405,103,981,231	1,454,886,260,994
Closing balance	93,017,325,860	227,063,807,113	109,982,525,402	440,018,942,646	59,329,808,600	383,169,312,955	1,312,581,722,576

Included in the cost of intangible fixed assets of the Group were assets costing VND30,767 million, which were fully amortised as of 31 December 2016 (1/1/2016: VND9,894 million), but which are still in active use.

15. CONSTRUCTION IN PROGRESS

	2016 VND
Opening balance	719,382,303,260
Acquisition of a subsidiary	512,819,546
Additions during the year	688,531,869,266
Transfer to tangible fixed assets	(952,376,042,730)
Transfer to intangible fixed assets	(26,762,035,153)
Transfer to long-term prepaid expenses	(53,354,611,425)
Disposals	(4,582,800,425)
Closing balance	371,351,502,339

Major constructions in progress were as follows:

	31/12/2016 VND	1/1/2016 VND
Buildings	188,404,304,707	151,875,818,946
Leasehold improvements	-	55,268,590,055
Machinery and equipment	181,049,669,637	481,713,466,070
Software	197,379,408	3,542,760,093
Others	1,700,148,587	26,981,668,096
	371,351,502,339	719,382,303,260

As at 31 December 2016 and 1 January 2016, certain construction in progress of the Group was pledged with banks as security for loans granted to the Group and the parent company.

During the year, borrowing costs capitalised into construction in progress of the Group amounted to VND7,251 million (2015: VND69,641 million).

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16. LONG-TERM PREPAID EXPENSES

	Prepaid land costs VND	Goodwill from equitisation VND	Tools and supplies VND	Total VND
Opening balance	45,566,425,643	31,343,711,533	50,037,200,914	126,947,338,090
Acquisition of a subsidiary	-	-	1,203,165,220	1,203,165,220
Additions during the year	42,064,673,420	-	8,491,583,924	50,556,257,344
Transfer from construction in progress	-	-	53,354,611,425	53,354,611,425
Transfer from intangible fixed assets	-	-	3,799,370,292	3,799,370,292
Transfer from short-term prepaid expenses	-	-	177,109,882	177,109,882
Net transfer to tangible fixed assets	-	-	(1,508,546,435)	(1,508,546,435)
Amortisation for the year	(2,258,462,168)	(3,134,371,152)	(35,905,465,870)	(41,298,299,190)
Disposals	-	-	(1,920,105)	(1,920,105)
Closing balance	85,372,636,895	28,209,340,381	79,647,109,247	193,229,086,523

As at 31 December 2016, there was no prepaid land costs (1/1/2016: VND15,709 million) of the Group were pledged with banks as security for loans granted to the Group.

17. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

	31/12/2016		1/1/2016	
	Deferred tax assets VND	Deferred tax liabilities VND	Deferred tax assets VND	Deferred tax liabilities VND
Accrued advertising and promotion expenses	105,248,849,406	-	79,681,805,106	-
Accrued logistic expenses	17,374,503,772	-	8,313,593,022	-
Accrued sales discounts	5,161,030,851	-	6,899,887,301	-
Other accruals	18,846,737,999	-	18,713,216,710	-
Unrealised profits	3,541,571,112	-	3,470,379,460	-
Tangible fixed assets	-	(5,546,199,648)	-	(8,947,644,157)
Intangible fixed assets	-	(171,808,581,412)	-	(196,284,465,625)
	150,172,693,140	(177,354,781,060)	117,078,881,599	(205,232,109,782)

18. GOODWILL

	2016 VND
Cost	
Opening balance	666,785,307,196
Additions during the year	27,176,107,031
Closing balance	693,961,414,227
Accumulated amortisation	
Opening balance	201,756,740,134
Charge for the year	67,668,415,153
Closing balance	269,425,155,287
Net book value	
Opening balance	465,028,567,062
Closing balance	424,536,258,940

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19. ACCOUNTS PAYABLE TO SUPPLIERS

Accounts payable to suppliers classified by payment term

	31/12/2016		1/1/2016	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Short-term	708,987,463,602	708,987,463,602	888,714,668,760	888,714,668,760
Long-term	88,334,503,000	88,334,503,000	75,845,316,000	75,845,316,000
	797,321,966,602	797,321,966,602	964,559,984,760	964,559,984,760

20. TAXES PAYABLE TO STATE TREASURY

	1/1/2016 VND	Acquisition of a subsidiary VND	Incurred VND	Paid/refunded VND	Deducted VND	31/12/2016 VND
Value added tax	110,670,581,994	-	2,332,702,465,657	(470,564,900,291)	(1,830,522,372,095)	142,285,775,265
Import-export tax	-	-	11,791,828,372	(11,791,828,372)	-	-
Corporate income tax	164,291,190,154	-	432,682,942,969	(431,051,744,862)	-	165,922,388,261
Personal income tax	2,132,724,666	111,135,384	54,374,966,199	(53,191,005,845)	(170,233,630)	3,257,586,774
Other taxes	880,994,886	-	17,747,103,709	(17,342,884,494)	-	1,285,214,101
	277,975,491,700	111,135,384	2,849,299,306,906	(983,942,363,864)	(1,830,692,605,725)	312,750,964,401

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21. ACCRUED EXPENSES

	31/12/2016 VND	1/1/2016 VND
Advertising and promotion expenses	572,533,158,360	442,111,166,641
Logistic expenses	92,335,239,793	53,668,827,458
Exhibition expense	19,595,353,810	23,335,862,860
Bonus and 13 th month salary	88,970,497,961	80,883,701,607
Sales discounts	29,710,794,483	43,210,817,606
Market research expenses	16,534,099,796	28,512,695,162
Accrued interest expenses	5,786,985,888	2,795,596,169
Construction in progress	26,528,811,619	9,692,424,510
Purchases not yet received invoices	29,565,152,100	42,307,537,977
Payables in relation to acquisition	-	77,788,700,000
Others	77,143,202,534	60,654,373,485
	958,703,296,344	864,961,703,475

22. OTHER PAYABLES

(a) Other short-term payables

	31/12/2016 VND	1/1/2016 VND
Payables for equitisation of a subsidiary	-	81,604,798,989
Trade union fees, social, health and unemployment insurances	12,599,617,645	8,626,250,289
Short-term deposits	5,108,373,944	6,444,167,762
Dividend payable	3,074,462,000	2,625,877,218
Others	6,678,635,961	5,177,906,456
	27,461,089,550	104,479,000,714

(b) Other long-term payables

	31/12/2016 VND	1/1/2016 VND
Long-term deposits	22,360,630,839	22,803,867,543

23. BORROWINGS

(a) Short-term borrowings

	1/1/2016		Movement during the year			31/12/2016	
	Carrying amount VND	Amount within repayment capacity VND	Acquisition of a subsidiary VND	Addition VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	1,821,049,413,817	1,821,049,413,817	50,000,000,000	8,425,383,975,487	(7,492,130,784,147)	2,804,302,605,157	2,804,302,605,157
Current portion of long-term borrowings	107,581,682,336	107,581,682,336	-	83,656,182,380	(107,581,682,336)	83,656,182,380	83,656,182,380
	1,928,631,096,153	1,928,631,096,153	50,000,000,000	8,509,040,157,867	(7,599,712,466,483)	2,887,958,787,537	2,887,958,787,537

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

	Currency	Annual interest rate	31/12/2016 VND	1/1/2016 VND
Short-term borrowings				
• Secured bank loans	VND	4.0% - 4.5%	453,236,733,465	561,916,299,850
• Unsecured bank loans	VND	4.0% - 4.7%	2,351,065,871,692	1,259,133,113,967
			2,804,302,605,157	1,821,049,413,817

As at December 2016 and 1 January 2016, the secured bank loans of the Group were guaranteed by the Company.

(b) Long-term borrowings

	31/12/2016 VND	1/1/2016 VND
Long-term borrowings	293,512,359,626	427,471,962,160
Repayable within twelve months	(83,656,182,380)	(107,581,682,336)
Repayable after twelve months	209,856,177,246	319,890,279,824

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

	Currency	Annual interest rate	Year of maturity	31/12/2016 VND	1/1/2016 VND
Long-term borrowings					
• Secured bank loans	VND	8% - 9.3%	2020	293,512,359,626	427,471,962,160

The secured bank loans of the Group were secured over fixed assets and construction in progress of the Group with a carrying amount of VND816,233 million and VND3,306 million, respectively (1/1/2016: fixed assets and construction in progress with carrying amount of VND784,683 million and VND427,871 million, respectively).

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

As at 31 December 2016 and 1 January 2016, the Group does not have any overdue borrowings including principle and interest.

24. CHANGES IN OWNERS' EQUITY

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Investment and development fund (*) VND	Undistributed profits after tax VND	Non-controlling interests ("NCI") VND	Total VND
Balance at 1 January 2015	5,313,263,220,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	22,731,972,844	3,245,457,980,524	1,128,253,921,282	12,891,735,201,381
Share capital issued (Note 25)	38,337,950,000	-	-	-	-	-	-	38,337,950,000
Net profit for the year	-	-	-	-	-	2,822,340,170,298	78,377,515,019	2,900,717,685,317
Dividends (Note 26)	-	-	-	-	-	(3,079,957,932,000)	-	(3,079,957,932,000)
Appropriation to bonus and welfare funds	-	-	-	-	-	(1,452,567,034)	-	(1,452,567,034)
Payment for Board of Directors fees of a subsidiary	-	-	-	-	-	(1,679,224,518)	(1,477,031,482)	(3,156,256,000)
Acquisition of subsidiary with NCI	-	-	-	-	-	-	67,747,861,766	67,747,861,766
Capital contribution in a subsidiary by NCI	-	-	-	-	-	-	1,475,060,000	1,475,060,000
Balance at 31 December 2015	5,351,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	22,731,972,844	2,984,708,427,270	1,274,377,326,585	12,815,447,003,430

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	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund (*) VND	Undistributed profits after tax VND	Non-controlling interests ("NCI") VND	Total VND
Balance at 1 January 2016	5,351,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	-	22,731,972,844	2,984,708,427,270	1,274,377,326,585	12,815,447,003,430
Share capital issued (Note 25)	30,000,000,000	-	-	-	-	-	-	-	30,000,000,000
Net profit for the year	-	-	-	-	-	-	2,679,382,871,020	111,729,376,375	2,791,112,247,395
Dividends (Note 26)	-	-	-	-	-	-	(2,896,096,655,200)	-	(2,896,096,655,200)
Payment for Board of Directors fees of a subsidiary	-	-	-	-	-	-	(967,126,924)	(616,625,077)	(1,583,752,001)
Acquisition of NCI (Notes 5(b), 5(c), 5(d) and 5(e))	-	-	-	-	-	-	(332,377,308,207)	(477,190,588,281)	(809,567,896,488)
Disposal to NCI without a change in control (Note 5(e))	-	-	-	-	-	-	104,420	205,380	309,800
Acquisition of subsidiary with NCI (Note 5(a))	-	-	-	-	-	-	-	1,380,686,995	1,380,686,995
Capital contribution in a subsidiary by NCI	-	-	-	-	-	-	-	134,010	134,010
Currency translation differences	-	-	-	-	(2,253,725,216)	-	-	(4,664)	(2,253,729,880)
Balance at 31 December 2016	5,381,601,170,000	5,088,056,394,992	(265,775,657,006)	(1,640,252,631,255)	(2,253,725,216)	22,731,972,844	2,434,650,312,379	909,680,511,323	11,928,438,348,061

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

25. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

The Company's authorised and issued share capital are:

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

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

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

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

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

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

26. DIVIDENDS

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

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27. OFF BALANCE SHEET ITEMS

(a) Lease commitments

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

	31/12/2016 VND	1/1/2016 VND
Within 1 year	130,627,053,331	97,315,640,429
Within 2 to 5 years	105,726,617,900	169,304,282,490
	236,353,671,231	266,619,922,919

(b) Foreign currencies

	31/12/2016		1/1/2016	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	616,066	13,997,015,659	6,045,007	135,401,815,720
THB	97,959,692	60,637,049,233	-	-
		74,634,064,892		135,401,815,720

(c) Capital expenditure commitments

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

	31/12/2016 VND	1/1/2016 VND
Approved and contracted	260,303,831,552	80,840,029,341
Approved but not contracted	125,949,862,404	679,491,415,314
	386,253,693,956	760,331,444,655

28. 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:

	2016 VND	2015 VND
Total revenue		
• Sales of goods	13,932,802,827,746	13,314,693,316,861
• Services and other sales	38,699,255,289	80,499,941,281
	13,971,502,083,035	13,395,193,258,142
Less revenue deductions		
• Sales discounts	129,354,512,110	93,203,256,408
• Sales returns	52,388,128,448	90,064,957,907
	181,742,640,558	183,268,214,315
Net revenue	13,789,759,442,477	13,211,925,043,827

29. COST OF SALES

	2016 VND	2015 VND
Total cost of sales		
• Goods sold	7,444,564,708,089	7,099,821,098,738
• Services provided and other cost of goods sold	50,646,348,082	70,609,122,756
• Allowance for inventories	44,729,898,744	93,809,350,819
	7,539,940,954,915	7,264,239,572,313

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30. FINANCIAL INCOME

	2016 VND	2015 VND
Interest income from deposits at banks	310,130,343,695	230,147,227,042
Interest income from loans provided to related parties	114,905,802,559	533,086,759,239
Interest income from other loan investing activities	55,311,896,449	374,481,605,473
Foreign exchange gains	3,617,735,128	9,363,293,885
Realised gains from derivative financial instruments	2,509,420,890	4,017,093,890
Other financial income	11,518,328	-
	486,486,717,049	1,151,095,979,529

31. FINANCIAL EXPENSES

	2016 VND	2015 VND
Interest expense on borrowings from banks	117,857,140,158	335,761,168,464
Withholding tax on interest expense and extension fee	-	15,974,611,922
Foreign exchange losses	2,243,573,433	117,571,521,431
Realised losses from derivative financial instruments	-	12,013,980,931
Losses from disposal of an associate	-	1,800,000,000
Other financial expenses	80,772,323	-
	120,181,485,914	483,121,282,748

32. SELLING EXPENSES

	2016 VND	2015 VND
Advertising and promotion expenses	1,651,243,161,739	1,453,556,407,048
Logistic expenses	574,860,334,364	597,010,522,139
Staff costs	278,924,620,729	242,638,266,253
Exhibition expenses	40,237,657,913	53,327,568,856
Marketing research expenses	24,364,413,803	46,121,328,928
Others	49,913,958,873	58,350,140,011
	2,619,544,147,421	2,451,004,233,235

33. GENERAL AND ADMINISTRATION EXPENSES

	2016 VND	2015 VND
Staff costs	272,314,162,990	237,165,269,661
Amortisation of fair value uplift of fixed assets arising in business combination	174,829,829,682	163,492,245,004
Leased line system and information technology services	130,636,650,920	86,992,654,154
Amortisation of goodwill	67,668,415,153	65,836,690,684
Office rental	50,502,129,664	40,219,396,759
Research and development expenses	32,098,863,136	21,224,937,152
Depreciation and amortisation of fixed assets	58,377,753,606	31,582,485,227
Others	54,062,224,365	97,464,791,199
	840,490,029,516	743,978,469,840

34. INCOME TAX

(a) Recognised in the consolidated statement of income

	2016 VND	2015 VND
Current tax expense		
Current year	432,202,862,289	560,900,410,375
Under/(over) provision in prior years	480,080,680	(10,034,891,758)
	432,682,942,969	550,865,518,617
Deferred tax benefit		
Origination and reversal of temporary differences	(60,942,674,227)	(34,615,781,394)
Effect of change in tax rate	-	9,575,236,206
	(60,942,674,227)	(25,040,545,188)
Income tax expense	371,740,268,742	525,824,973,429

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

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dated 22 December 2014 of the Ministry of Finance)

(b) Reconciliation of effective tax rate

	2016 VND	2015 VND
Accounting profit before tax	3,162,852,516,137	3,426,542,658,746
Tax at the Company's income tax rate	632,570,503,227	753,839,384,705
Effect of incentive tax rates in subsidiaries	(268,624,750,119)	(225,680,578,595)
Effect of share of profit in an associate	(1,329,608,500)	(3,162,992,048)
Non-deductible expenses	3,449,838,134	489,411,497
Under/(over) provision in prior years	480,080,680	(10,034,891,758)
Effect of change in tax rate	-	9,575,236,206
Deferred tax assets not recognised	5,194,205,320	799,403,422
	371,740,268,742	525,824,973,429

(c) Applicable tax rates

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

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

(d) Tax contingencies

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

35. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2016 was based on the profit attributable to ordinary shareholders of the Company after deducting the amounts appropriated to bonus and welfare funds for the annual accounting period, of VND2,679,382 million (for the year ended 31 December 2015: VND2,822,340 million) and a weighted average number of ordinary shares outstanding of 518,746,418 (for the year ended 31 December 2015: 515,111,925), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2016 VND	2015 VND
Net profit attributable to ordinary shareholders	2,679,382,871,020	2,822,340,170,298

(ii) Weighted average number of ordinary shares

	2016	2015
Issued ordinary shares at the beginning of the year - currently in circulation	517,160,117	513,326,322
Effect of shares issued during the year	1,586,301	1,785,603
Weighted average number of ordinary shares at the end of the year - currently in circulation	518,746,418	515,111,925

(iii) Basic earnings per share

	2016 VND	2015 VND
Basic earnings per share	5,165	5,479

(b) Diluted earnings per share

As at 31 December 2016 and 1 January 2016, the Company did not have potential ordinary shares therefore the presentation of diluted earnings per share is not applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

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36. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

During the year and as at the year ended, the Group has the following significant transactions and balances with their related parties:

Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2016 VND	2015 VND	31/12/2016 VND	1/1/2016 VND
Parent company					
Masan Consumer Holdings Company Limited	Loans provided	3,559,078,712,592	-	1,663,716,876,592	-
	Collection of loans	6,100,000,000	9,619,772,870,265	-	-
	Collection of loan through net-off with dividends payable	1,889,261,836,000	-	-	-
	Interest income receivable from loans	114,905,802,559	533,086,759,239	114,905,802,559	-
	Collection of interest income	-	552,062,749,559	-	-
	Dividends declared	2,799,261,836,000	2,413,111,542,000	-	-
Associate					
Cholimex Food Joint Stock Company	Pre-acquisition dividends received	5,410,434,000	-	-	-
	Post-acquisition dividends received	6,648,042,500	-	-	-
Other related parties					
Masan Master Brewer Company Limited	Sales of goods	-	518,984,879	-	-
	Purchases of goods	150,070	46,955,091	5,644,586	218,586,661
Masan Brewery PY One Member Company Limited	Sales of goods	39,439,978	15,937,854	-	-

Relationships	Nature of transactions	Transaction value		Receivables/(payables) as at	
		2016 VND	2015 VND	31/12/2016 VND	1/1/2016 VND
Masan Brewery Distribution One Member Company Limited	Purchases of goods	1,880,413,261	175,592,727	-	-
	Sales of goods	1,153,360	307,692,000	31,752,716,796	-
	Management service charge	28,990,613,560	15,185,119,012	-	16,639,970,914
Masan Brewery One Member HG Company Limited	Sales of goods	34,422,542	-	6,107,257	-
	Management service charge	3,479,025,231	6,325,115,667	3,826,927,753	6,957,627,234
	Payment on behalf of land rental fee	11,546,396,400	-	11,546,396,400	-
Key management personnel	Remuneration to key management personnel (*)	29,984,910,463	25,265,348,225	-	-

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

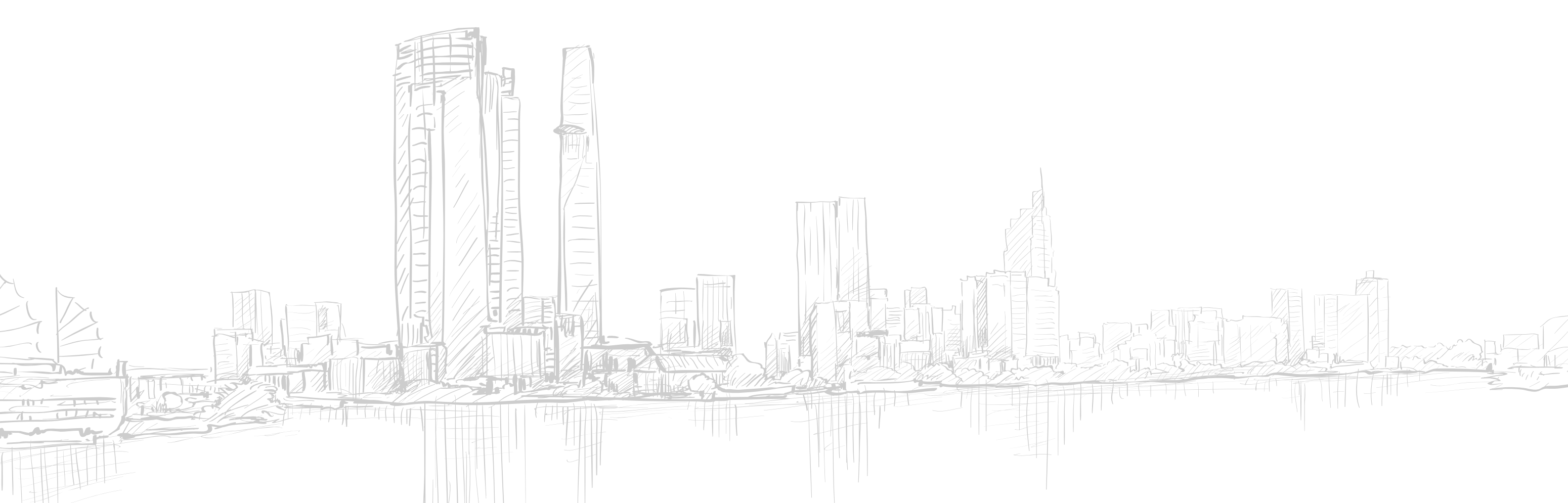
15 March 2017

Prepared by: 
Huynh Viet Thang
 Chief Accountant

Approved by:  
Nguyen Hoang Tung
 Interim Chief Financial Officer


Seokhee Won
 Chief Executive Officer

This Financial Report is consolidated audited financial statements. For separate audited financial statements, please find in the below links: https://www.masanconsumer.com/category/shareholder-annual-report/?lang_ui=en



CORPORATE HISTORY

On 1 April: Masan established an import company based in Russia to sell food products in the Eastern European market.

On 20 June: Viet Tien Industry - Technology - Trading JSC was established, specializing in food processing and food seasoning.

1996

2000

On 31 May: Minh Viet Industrial Import - Export JSC was established, specializing in trading food products.

On 1 August: Viet Tien Industry - Technology - Trading JSC merged with Minh Viet Industry Import - Export JSC and changed its name to Ma San Trading Corporation (the "Company") with total charter capital of VND28,500,000,000

2003

2004

On 14 June: the Company increased its charter capital to VND45,000,000,000.

On 20 July: the Company increased its charter capital to VND72,250,000,000.

On 14 September: the Company increased its charter capital to VND85,000,000,000.

2006

2007

On 28 February: the Company increased its charter capital to VND113,395,360,000.

On 25 December: the Company increased its charter capital to VND138,395,360,000.

On 10 May: the Company increased its charter capital to VND257,191,230,000.

On 11 December: the Company changed its name to Ma San Food Corporation.

2008

2009

On 11 June: the Company increased its charter capital to VND 630,000,000,000.

On 1 July: the Company added an additional business line: producing seasoning (not producing at its head office) and spices (excluding basic chemicals production).

On 22 December: the Company moved its head office to 12th Floor, Kumho Asiana Plaza Saigon Building, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City.

CORPORATE HISTORY (CONTINUED)

On 29 September: the Company increased its charter capital to VND1,300,000,000,000.

2010

2011

On 9 March: the Company changed its name to Ma San Consumer Corporation.

On 15 April: the Company issued ordinary shares to KKR, representing a 10% equity interest.

On 20 July: the Company increased its charter capital to VND2,500,000,000,000.

On 17 October and 04 November: the Company acquired 50.25% of Vinacafé Bien Hoa.

On 8 June: the Company increased its charter capital to VND5,025,000,000,000.

In December: the Company acquired an additional 2.95% equity interest in Vinacafé Bien Hoa, increasing its ownership to 53.20%.

2012

2013

On 1 February: the Company acquired a 24.9% equity interest in Vinh Hao Mineral Water Corporation.

On 6 February: the Company increased its charter capital to VND5,253,409,090,000 by issuing additional shares to its strategic shareholder, KKR, an equivalent to 4.35% of its enlarged charter capital, increasing KKR's (through the funds they manage) total ownership to 18.04%.

In March: the Company acquired a 38.61% equity interest in Vinh Hao Mineral Water Corporation, increasing its ownership to 63.51%.

On 1 July: the Company increased its charter capital to VND5,273,359,100,000.

On 27 June: the Company increased its charter capital to VND5,313,263,220,000.

On 30 December: Masan Food Company Limited, a subsidiary of the Company, acquired 32.83% of Cholimex Food Joint Stock Company.

2014

2015

On 14 January: Masan Food Company Limited, a subsidiary of the Company, acquired 99.99% of Saigon Nutri Food Joint Stock Company.

On 10 June: the Company changed its name to Masan Consumer Corporation.

On 6 August: the Company increased its charter capital to VND5,351,601,170,000.

On 25 December: Masan Beverage Company Limited, a subsidiary of the Company, acquired 65% of Quang Ninh Mineral Water Corporation.

2016

On 6 January: Masan Beverage Company Limited, a subsidiary of the Company, acquired an additional 20.28% equity interest in Vinh Hao Mineral Water Corporation, increasing its ownership to 84.23%.

In February 2016: Masan Beverage Company Limited also increased its direct ownership in Vinacafé to 60.16%.

On 28 April: Masan Beverage Company Limited acquired an additional 4.32% stake in Vinh Hao Mineral Water Corporation, increasing its ownership to 88.56%.

On 23 May: Vinacafé Bien Hoa Joint Stock Company acquired 85.0% stake of CDN Production Trading Corporation - a company is operating in the coffee business.

On 21 Jun: Masan Food Company Limited established a subsidiary is Nam Ngu Phu Quoc One Member Company Limited at Phu Quoc.

In July 2016: a subsidiary of the Company is Masan Consumer (Thailand) Limited was established at Thailand.

On 4 August: the Company increased its charter capital to VND5,381,601,170,000.

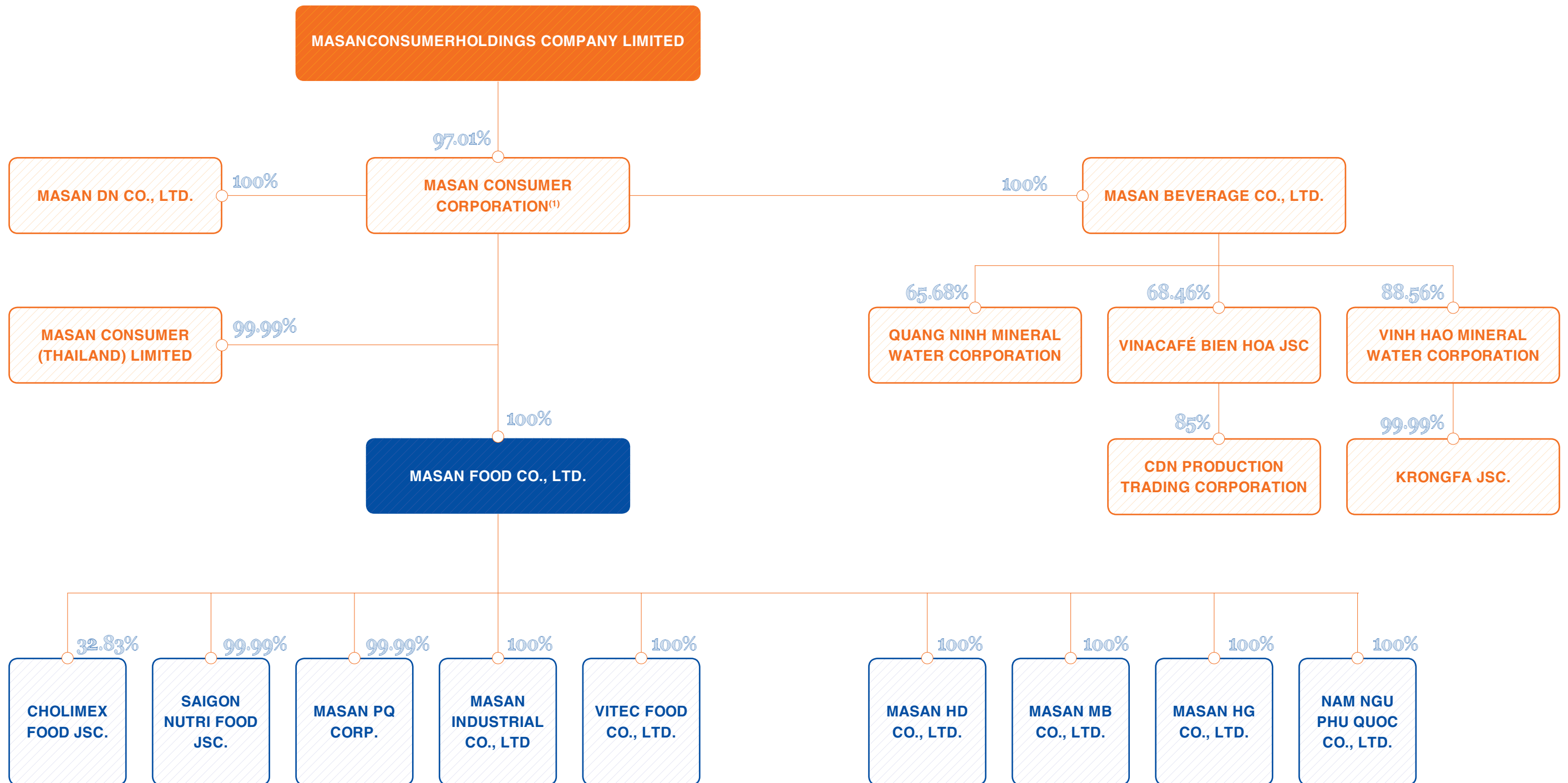
In October: Masan Food Company Limited increased its stake in Masan PQ Coporation to 99.99%.

In early December: Masan Beverage Company Limited also increased its direct ownership in Vinacafé to 68.46% by tender offer.

TOGETHER

GROUP STRUCTURE

As of 31 December 2016, unless otherwise disclosed. Full legal names for each entity are provided for in the audited financial statements.



1. Based on total outstanding shares as at 31 December 2016



BOARD OF DIRECTORS

Chairman

Full name: Nguyen Dang Quang
 Gender: Male
 Year of birth: 1963
 Qualification: Doctorate

Member (To 27 January 2016)

Full name: Ming Lu
 Gender: Male
 Year of birth: 1958
 Qualification: University graduate

Member

Full name: Ho Hung Anh
 Gender : Male
 Year of birth: 1970
 Qualification: University graduate

Member

Full name: Seokhee Won
 Gender: Male
 Year of birth: 1969
 Qualification: University graduate

Member (To 27 January 2016)

Full name: David Tan Wei Ming
 Gender: Male
 Year of birth: 1980
 Qualification: University graduate

Member

Full name: Nguyen Hoang Yen
 Gender: Female
 Year of birth: 1963
 Qualification: University graduate

Member

Full name: Nguyen Thieu Quang
 Gender: Male
 Year of birth: 1959
 Qualification: University graduate



SUPERVISORY BOARD

Head of the Supervisory Board

Full name: Nguyen Quynh Lam
 Gender: Male
 Year of birth: 1965
 Qualification: University graduate

Member

Full name: Doan Thi My Duyen
 Gender: Female
 Year of birth: 1985
 Qualification: Master's Degree

Member

Full name: Do Thi Hoang Yen
 Gender: Female
 Year of birth: 1983
 Qualification: University graduate



MANAGEMENT BOARD

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
 (to 15 February 2017)

Mr. **Nguyen Anh Nguyen**
 Deputy Chief Executive Officer

Ms. **Dinh Kim Nhung**
 Deputy Chief Executive Officer
 (from 31 May 2016)

CORPORATE GOVERNANCE

As at 31 December 2016

BOARD OF DIRECTORS

Name of members	Position	Number of share	Shareholding (%) ⁽¹⁾	Independent member
Nguyen Dang Quang	Chairman	23,000	0.004%	
Ho Hung Anh	Member	-	-	X
Seokhee Won	Member	56,272	0.011%	
Nguyen Thieu Quang	Member	110,228	0.021%	X
Nguyen Hoang Yen	Member	261,335	0.05%	

1. Based on total outstanding shares as at 31 December 2016.

Activities of Board of Directors

The Board of Directors is elected by shareholders to oversee the activities of the Company. Members of the Board of Directors regularly meet to discuss strategic decisions raised by the Management Board. The Board of Directors has a minimum of three members and maximum of 11 members. In 2016, the Board of Directors had five members as two members resigned since 28 January 2016.

The Board of Directors can hold periodical meetings or extraordinary meetings at the head office of the Company or other places. Periodical meetings are organized on a quarterly basis.

The Board of Directors passes decisions by voting at meetings or by collecting opinions in writing. Each member of Board of Directors has one vote.

In 2016, Board of Directors participated in:

- » Overseeing the activities of the Chief Executive Officer and other managers related to the daily operations of the Company;

- » Coordinating closely with the Chief Executive Officer and Management Board to discuss strategy and issues of the Company;
- » Deciding on restructuring the business model and organizational structure of the Company to be more efficient; and
- » Deciding on investment projects of the Company and its subsidiaries.

In 2016, there were no transactions between Masan Consumer Corporation and members of the Board of Directors of the Company.

In 2016, the Board of Directors received no compensation.

Activities of Chief Executive Officer and Management Board

The Management Board is responsible for implementing the Company's business strategy and managing day to day operations. The Chief Executive Officer chairs the Management Board.

SUPERVISORY BOARD

Name of members	Position	Number of share	Shareholding
Nguyen Quynh Lam	Head of Supervisory Board	-	-
Doan Thi My Duyen	Member	-	-
Do Thi Hoang Yen	Member	-	-

Activities of Supervisory Board and Supervisors

The Supervisory Board of the Company can have three to five members. Members of the Supervisory Board can be re-elected with an unlimited number of terms. In 2016, the Supervisory Board had three members.

A member of the Supervisory Board must be at least 21 years old, not be the spouse, parent, adopted parent, adopted child, or sibling of any members of the Board of Directors, Chief Executive Officer and other managers of the Company.

The Supervisory Board oversees activities of the Board of Directors and Management Board in compliance with the Company's Charter. In particular, the Supervisory Board participates in regular and extraordinary meetings of the Board of Directors and shareholders' meetings.

In 2016, the Supervisory Board received no compensation.

In 2016, there were no transactions between Masan Consumer Corporation and members of the Company's Supervisory Board.

Activities of Supervisory Board in 2016

In 2016, the Supervisory Board:

- » Ensured the overseeing activities of the Board of Directors and the Management Board in compliance with the Company's Charter and relevant laws; assessed the appropriateness of decisions made by Board of Directors and CEO;

- » Reviewed and supervised the execution of the Company's business plan in 2016; supervised the execution of Annual General Meetings' resolutions;

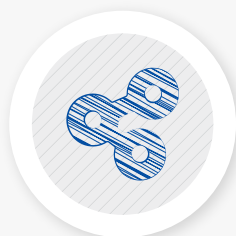
- » Reviewed the Company's procedures in issuing rules, policies, processes and other documents;

- » Reviewed the reasonability, legality, integrity and carefulness in business management, accounting, statistics and financial reporting;

- » Reviewed the reports from the Independent Auditors and the internal control of the Company prior to the Board of Directors' approval; provided opinions on the appointment of an Independent Auditor. Business performance and financial statements were strictly reviewed, ensuring the accuracy and legality in financial recording. The Company and its subsidiaries' financial statements were audited by KPMG Vietnam Ltd. to ensure that these reports gave a true and fair view, in all material aspects, in accordance with Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting;

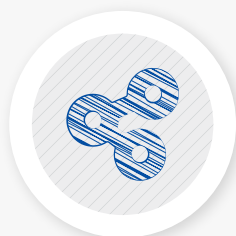
- » Evaluated reports on business performance, the Company's half year and full year financial statements, reported on the assessment of the Board of Directors' oversight; evaluated Annual General Meetings' documents; and

- » In 2016, the Supervisory Board met 2 times to discuss the issues within their responsibilities.



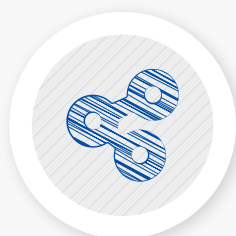
Number of shares issued as at 31 December 2016

538,160,117 SHARES



Number of outstanding shares as at 31 December 2016

520,160,117 SHARES



Number of treasury shares as at 31 December 2016

18,000,000 SHARES

Number of preference share restricted from being transferred according to legal regulations: 0 shares

DOMESTIC SHAREHOLDERS

Domestic shareholder ownership: 99.63% ⁽¹⁾

Detailed information about major shareholders

Name of shareholder	Place of permanent residence/ head office	Occupation/ business lines	Number of shares	Percent % ⁽¹⁾
MasanConsumerHoldings Company Limited	Room 802, Floor 8, Central Plaza Building, 17 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City	Investment	504,596,934	97.01%

FOREIGN SHAREHOLDERS

Foreign shareholder ownership: 0.37% ⁽¹⁾

There are no major foreign shareholders.

⁽¹⁾ Based on total outstanding shares as at 31 December 2016.



GLOSSARY OF TERMS

CDN	CDN Production Trading Corporation
Cholimex	Cholimex Food Joint Stock Company
ESOP	Employees' Share Ownership Program
GDP	Gross Domestic Product
BOD	Board of Directors
CEO	Chief Executive Officer
FMCG	Fast-moving Consumer Goods
HCMC	Ho Chi Minh City
HORECA	Hotel, restaurants, and cafes
HR	Human resources
In-land ASEAN	A region comprising Vietnam, Thailand, Myanmar, Cambodia and Laos
IT	Information Technology
Key account or KA	Major Customers
Ltd	Limited liability company
M&A	Mergers and Acquisitions

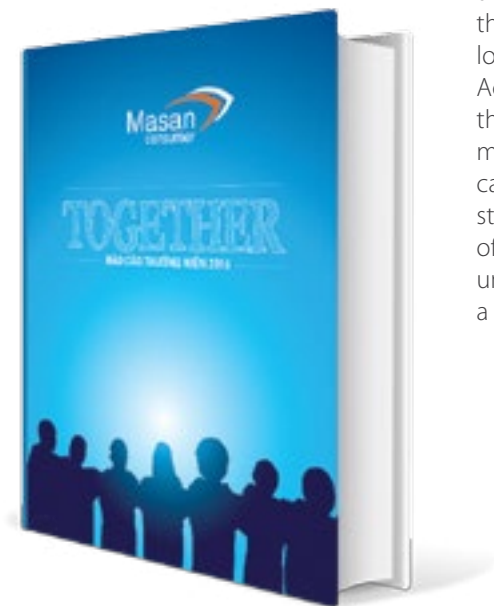
Masan or Masan Consumer	Masan Consumer Corporation and its subsidiaries
Masan Consumer Holdings	MasanConsumerHoldings Company, Ltd.
MNC	Multinational Company
Quang Ninh Mineral Water	Quang Ninh Mineral Water Corporation
R&D	Research and Development
Saigon Nutri Food or SNF	Saigon Nutri Food JSC.
Singha	Singha Asia Holding Pte Ltd.
SG&A	Sales, General and Admin Expenses
The Group or the Company	Masan Consumer
USD	United States Dollar, U.S. Dollar
Vinacafé Bien Hoa	Vinacafé Bien Hoa Joint Stock Company
Vinacafé	Trade mark of Vinacafé Bien Hoa Joint Stock Company
Vinh Hao	Vinh Hao Mineral Water Corporation
VND	Vietnamese Dong
YoY	Year-over-year

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

“OUR OUTLOOK IS PREDOMINANTLY BASED ON OUR INTERPRETATION OF WHAT WE CONSIDER TO BE THE KEY ECONOMIC FACTORS AFFECTING OUR BUSINESS, THE VIETNAMESE ECONOMY AND THE SECTORS WE OPERATE IN. ALTHOUGH WE BELIEVE THE ASSUMPTIONS UPON WHICH THESE FORWARD-LOOKING STATEMENTS ARE BASED ARE REASONABLE, ANY OF THESE ASSUMPTIONS COULD PROVE TO BE INACCURATE, AND THE FORWARD-LOOKING STATEMENTS BASED ON THESE ASSUMPTIONS COULD BE INCORRECT.”

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

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




Masan Consumer Corporation


English name	MASAN CONSUMER CORPORATION
Abbreviated name	MSC or MASAN CONSUMER CORP.
Head office	12 th floor, Kumho Asiana Plaza Saigon Building, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Tel	+84 8 62555 660
Fax	+84 8 3810 9463
Web	www.masanconsumer.com
Tax code	0302017440
Charter capital	VND5,381,601,170,000 (Five thousand three hundred eighty one billion, six hundred and one million, one hundred seventy thousand Vietnamese dong)




MASAN CONSUMER CORPORATION

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