

MASAN
GROUP



NEW HORIZON

2014

ANNUAL REPORT



N E W H O R I Z O N

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A N N U A L R E P O R T

C O N T E N T S

Chairman's Letter	3
Our Story	16
Management Report	24
Financial Report	42
General Corporate Information	138



A PASSION TO
IMAGINE AND FULFILL
BIG UNMET NEEDS

DEAR SHAREHOLDERS,

Almost 20 years ago, a shared passion to imagine and fulfill big unmet needs sparked the founding of Masan.

Since then, the world, and especially Vietnam, has been changing constantly in significant ways. Masan has also changed, from being a small foodstuff trading company to one of Vietnam's largest private sector business groups with business platforms that are leaders in their respective industries. However, despite all of these developments, our original passion has not changed. If anything, **our passion to imagine and fulfill big unmet needs** has been reaffirmed – understanding what this means will be key to understanding how our next 20 years may look like.

I use the word “passion” because it properly reflects the intensity of our motivation and because it is different from beliefs. Beliefs are about “how”, principles relating to business execution and risk management. Passions, a bit more personal and core, are about “why,” our purpose. When Masan was established, which was during Vietnam's economic reforms and early transition to a more market-oriented economy, we were motivated and excited by the chance to potentially change our lives for the better. More importantly, and beyond personal motives, we saw a chance to contribute to Vietnam: to become the pride of the country as a local private sector champion, showing the world that a local enterprise can also win big; and to improving the lives of Vietnamese people.

Our passion also involves the word “imagine”. To start on any meaningful journey, you need a vision. And to get to your destination, you need to have continuous creative breakthroughs. Both require an imagination to see what hasn't been done before and the courage to act on them. At Masan, we do not want to win by copying others or doing the same thing but better. We want to win with innovations and new insights that change the rules of the game.

We are passionate about fulfilling the big unmet needs, because value comes from leadership and scale in large opportunities that are underserved. Before Masan, many of our key categories were fragmented or lacking innovation. Before Masan, there were no local premium brands for Vietnamese food products. Before Masan, the global industrial mineral and

chemical market did not see a new tungsten mine goes into operation outside of China for over a decade. Looking ahead, we still see significant gaps to bridge unmet needs, such as the inefficiencies in Vietnam's agricultural sector, in particular the protein value chain. We also see many unmet needs in Vietnam's consumption-related sectors and we are passionate about being the local company that can fulfill them. Only then can Masan be considered the pride of Vietnam.

Masan is also optimistic that we are the right company to fulfill these big unmet needs due to our track record of superior execution and strong beliefs about building leading businesses. Our “how” has been validated by our transformation and, more recently, record financial results. At Masan, we believe in **doing fewer but bigger**, which addresses many of Vietnam's business risks relating to competitiveness, sustainability and profitability. We believe in building long-term business champions, as opposed to asset trading, allowing us to win through economic cycles.

Masan Group today is now at a very exciting phase in its history: a-20 year period of start-ups, transformation, investment and consolidation is setting, and a new, promising era is rising. Promising because we are not building from scratch, but with strong businesses that are about to reach their respective inflection points and next waves of transformation. To pass this new horizon, Masan needs to be a thought leader in training the next generation of **Vietnamese entrepreneurs who share the same passion to imagine and fulfill big unmet needs**. To me, that would be a major contribution to Vietnam of which we can be most proud.

Yours sincerely,

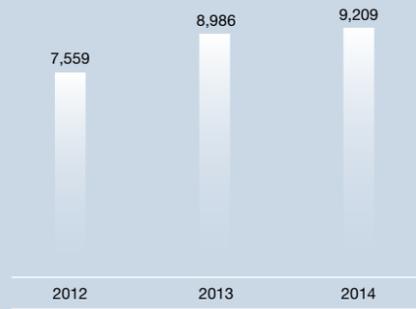


Nguyen Dang Quang
Chairman of the Board

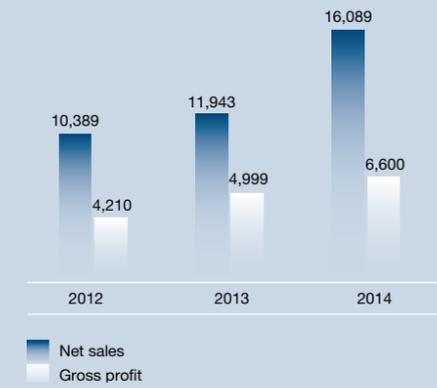
10 April, 2015

2014 SCORECARD

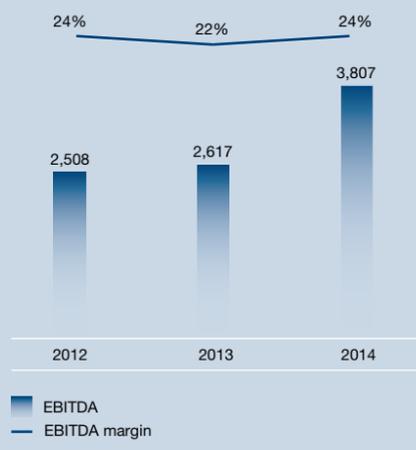
Cash Balance¹ (VND billion)



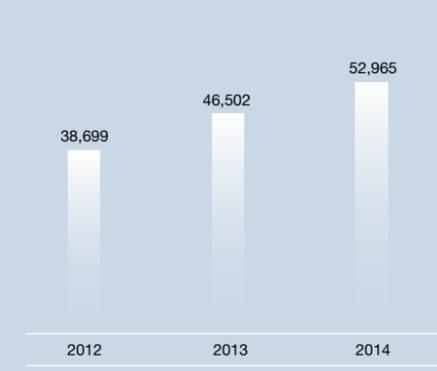
Net Sales and Gross Profit (VND billion)



EBITDA (VND billion) and EBITDA Margin



Total Assets (VND billion)



1. Includes short-term investments.





IT STARTS WITH
A VISION AND A
PASSION TO IMAGINE

IMPROVING THE
LIVES OF VIETNAMESE
CONSUMERS IS
NOT A JOB, BUT
A PURPOSE





TO FULFILL
THE NEEDS AND
DREAMS OF
AN EMERGING
VIETNAM

A photograph of two pink piglets grazing in a lush green field. The piglets are in the lower right foreground, facing right. The field is filled with tall green grass and some yellow wildflowers. In the background, there is a line of trees and a clear blue sky with some light clouds. A white rectangular box with a thin border is positioned in the upper left quadrant, containing text.

TO BRIDGE THE
GAP BETWEEN
VIETNAM'S PROTEIN
PRODUCTIVITY AND
THE WORLD'S

A family of five is walking away from the camera on a sandy beach at sunset. They are holding hands in a line. From left to right: a young girl in a white dress, a woman in a white top and shorts, a woman in a light blue shirt and shorts, a man in a light blue shirt and shorts, and a man in a light blue shirt and shorts. The sun is low on the horizon, creating a warm, golden glow. The ocean waves are visible in the background. The sky is a mix of blue and orange.

TOGETHER,
WE WELCOME YOU
TO JOIN US IN OUR
JOURNEY TO NEW
HORIZONS

WHO WE ARE

To be and be recognized as the pride of Vietnam

Masan Group is one of Vietnam's largest private sector companies focused on building market-leading businesses that capitalize on Vietnam's structural consumption and resources stories. We have a track record of actively building, acquiring and managing large-scale operating platforms.

Over the years, we have created some of the most recognizable consumer brands, developed Vietnam's most extensive distribution networks for our products and services, constructed state-of-the-art facilities, and put together a diverse team of seasoned professionals who can win in emerging markets – altogether an operating platform that can continuously grow.

Our success comes from our commitment to being Vietnam's local private sector champion in terms of scale, profitability and shareholder return and being the country's growth partner and employer of choice. To achieve these objectives, we operate in sectors where a local private sector company can be a market leader and where we can develop scale through focus and consolidation.

While shareholder value is a key measurement of our success, we are driven by a passion to show the world that a Vietnamese company can become a leader and to improving the lives of Vietnamese people each and every day by imagining and fulfilling big unmet needs. We want to become the pride of Vietnam.

Doing fewer but bigger

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

Imagining and fulfilling big unmet needs

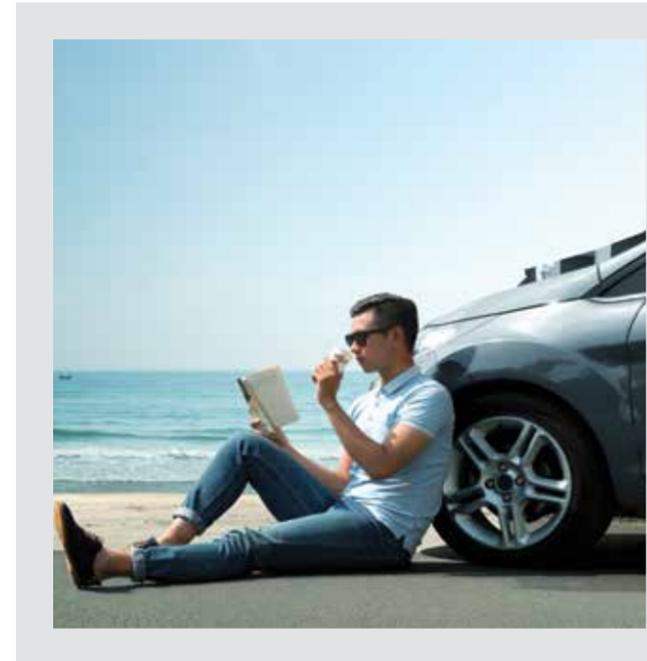
Masan believes that value comes from leadership and scale in large opportunities that are underserved. We also believe that imagination and creativity are critical to not only envision such unmet needs, but to envision ways to fulfill them with innovation or new insights. We do not want to do what others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

Over the past two years, we have redefined our categories and entered into new areas to expand our addressable market in the consumption-related businesses from US\$1.1 billion to US\$9.0 billion. This does not include our recent entry into Vietnam's animal-based protein market, where Vietnam spends approximately US\$16 billion on meat products per year. Altogether, with foods, non-alcoholic beverages, beer, and meat, the opportunity is tremendous. Vietnamese consumers will continue to demand better quality, brands, access, and value for money.

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

Building scale and leadership

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



harness economies of scale, be cost-competitive and earn market-leading margins.

As a result, today, we have dominant positions in most of the markets and/or categories where we compete. We are Vietnam's number one player in seasoning (where we are leaders in fish sauce, soya sauce and chili sauce). In convenience food, we expect to become the number one instant noodles producer by the end of 2015. In beverages, Vinacafé and Kachi are among the best-selling instant coffee and instant cereal brands, respectively.

After the successful commissioning of the Nui Phao project, we are now a globally significant player across several key industrial minerals, namely tungsten, fluorspar and bismuth.

The European Union has stated that tungsten and fluorspar are among the four "critical raw materials" for Europe (Critical Raw Materials for the E.U., July 2010) due to concentration of supply sources and importance to European industry.

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

Cash flow generating businesses

Masan believes that sustainable growth in a developing market like Vietnam requires building cash flow generating businesses. We do not engage in asset trading, such as purchasing land banks or participating in short-term speculation. We compete only in sectors with strong growth fundamentals, a proven private sector regional business model and the potential to build a business of scale. Therefore, we have chosen to focus on the consumption and resources sectors.

In 2014, we reported pro forma EBITDA of VND3,999 billion and a consolidated cash balance of VND9,209 billion, which includes short-term investments in the form of term deposits.

Stringent capital allocation and capital structure

Over the last few years we have raised almost US\$2 billion in long-term capital, which allows for more strategic business building and investing in Vietnam. We have demonstrated stringent capital allocation by using most of the proceeds to increase our ownership and invest in our existing businesses. We acquired the Nui Phao project on a primarily cashless basis, and less than 20% of the capital we have raised has been deployed to acquire new businesses – namely, Vinacafe Bien Hoa, Vinh Hao, a brewery, and Saigon Nutri Food. We believe these companies and their iconic brands provide us avenues to go deeper into other consumption-related categories.

Platform for transformation

Sustainable growth can be achieved only through building best-in-class systems and operating platforms. When we enter into a sector, we develop a bespoke strategy and repeatable models to drive market leadership in each business line. This enables us to invest continually in best-in-class operating platforms. Over the past several years, we have invested in new products, brands, production facilities, distribution networks, information systems and most importantly, talent.

The right team and the “MASAN WAY”

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

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

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

Most importantly, we believe in hiring professionals who demonstrate our entrepreneurial values and are project managers of transformative initiatives within a fast-growing

organization. Our team is comprised of young, global, proven and flexible professionals who can execute on diverse projects to create maximum shareholder value.

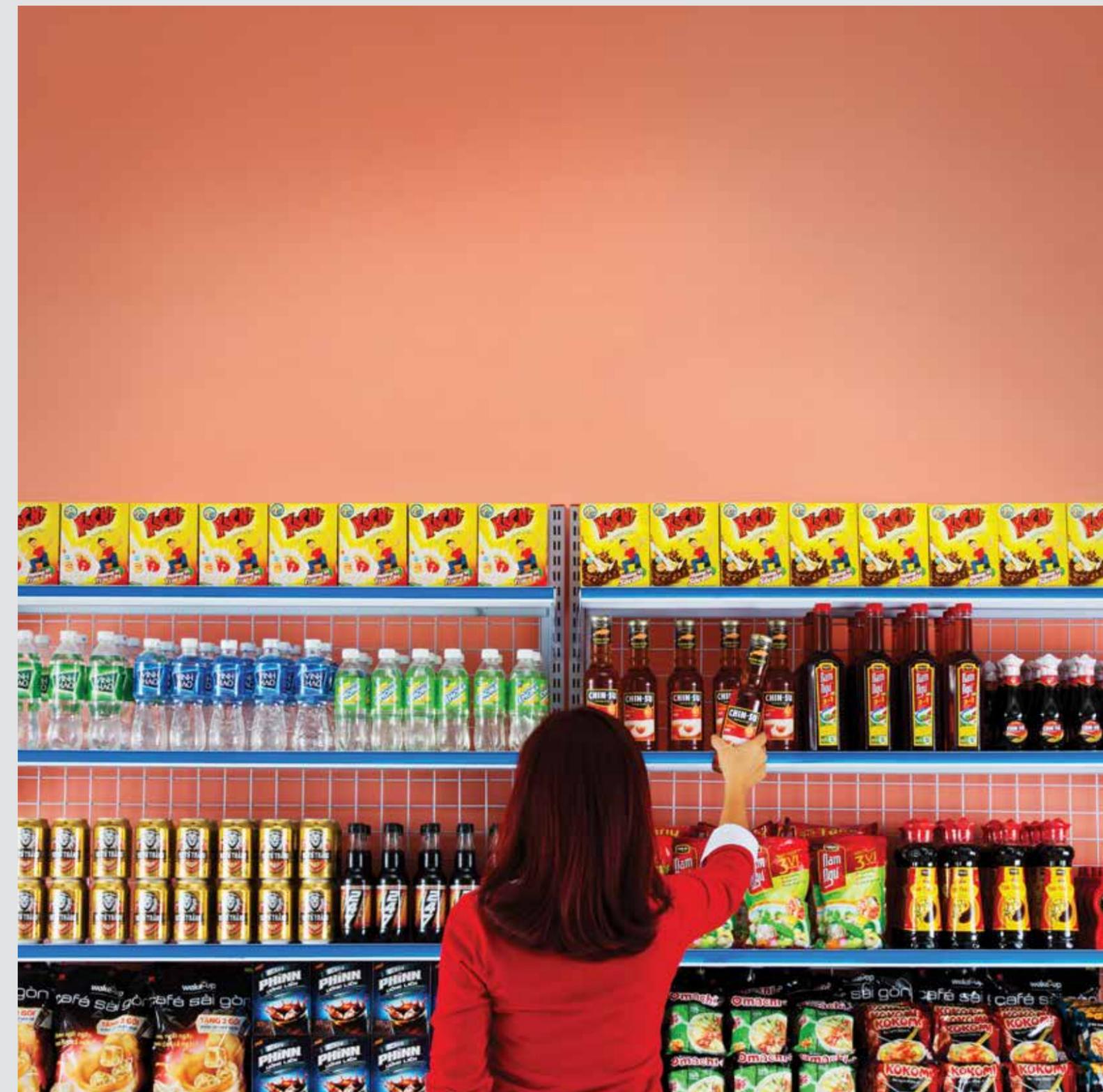
Together, we have created a unique execution platform and have established a continual record of success in a frontier market. Our management team has been instrumental in transforming Masan Group from a closely held private office with a wide portfolio of businesses and investments into one of Vietnam’s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

Brands that consumers know and trust

We have built an unrivaled portfolio of brands that Vietnamese consumers admire and trust. In a largely price-driven market, we take pride in being able to transform products that were once seen as commodities into distinct brands that can command customer loyalty across different price points and meet the diverse needs of Vietnamese consumers.

Our key brands include: Chin-su, Nam Ngu and Tam Thai Tu for seasoning; Omachi, Kokomi, Sagami, B’fast and Komi for convenience foods (which include instant noodles and breakfast meals); and Vinacafé, Wake Up, Phinn, Kachi and Vinh Hao for beverages. Many of our brands are best sellers in their respective categories. In 2014, Wake Up, our organically developed beverage brand, was ranked as one of the top 10 fastest growing beverage brands in Vietnam by Kantar Worldpanel.

Outside of food and beverages, our associate companies have some of the most recognizable national brands. Techcombank, as one of Vietnam’s largest private sector joint stock commercial banks, is recognized as a trusted provider of financial services and products, especially by retail and SME clients. Cholimex Foods Joint Stock Company, in which we acquired a significant stake at the end of 2014, has well-known sauces and condiments brands with a strong presence on on-premise channels.



Best-in-class facilities

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

For consumer products, we currently operate production facilities at Binh Duong, Tan Binh, Phu Quoc, Hai Duong, Bien Hoa, Long Thanh, Binh Thuan and Phu Yen. These world-class facilities allow us to manufacture products at high standards for hygiene, safety and efficiency, all without compromising on taste for our consumers. Currently, we are building new manufacturing hubs in Nghe An and Hau Giang to expand capacity, install the latest production technologies, and get closer to our customers.

In 2013, we entered into a joint venture agreement to establish a tungsten chemical processing business with H.C. Starck, a global manufacturer of technology metals. Through this partnership, Masan has brought proprietary technical know-how to Vietnam, to go deeper in the tungsten value chain and compete globally.

Reaching consumers

We have the largest and deepest distribution network in Vietnam to deliver our products and services to customers.

For our consumer products, we have developed a nationwide distribution network with 230 distributors, covering approximately 230,000 points of sale. This network is one of the largest and deepest in Vietnam's FMCG sector. We enhanced our distribution capabilities over the past few years with the addition of more distributors for beverages and on-premise points of sale. This achievement makes our business one of the few in Vietnam with both a strong on and off-premise presence for food and beverages. We have also successfully



implemented a state-of-the-art Distributor Management System ("DMS") across all of our distributors, which gives us access to real-time data across our distribution network.

In 2014, Techcombank continued serving the needs of Vietnamese customers through 1,231 ATMs, and 313 branches and transaction offices, altogether one of the largest networks for a private joint stock commercial bank in Vietnam.

Having the right partners and access to capital

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

Over the years, we have raised over US\$2 billion of capital from branded partners, including major private equity firms such as BankInvest/ PENM Partners, TPG Growth, Goldman Sachs, KKR, Mount Kellett, the IFC, Dragon Capital and the Chandler Corporation. We have also been one of the few Vietnamese companies to have successfully tapped the international, U.S. Dollar loan market, having drawn down facilities arranged by J.P. Morgan and Standard Chartered. Most recently, we became the first Vietnamese company to issue a local VND bond guaranteed by the Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank. The guarantee allowed us to achieve the longest tenure and lowest coupon deal in Vietnam's private sector history.

At Masan Resources, we have established a joint venture agreement with H.C. Starck, a global supplier of technology metals and advanced ceramics. The partnership will bring highly specialized processing technology to Vietnam and allow us to go deeper into the tungsten value chain.

Partnering with our communities

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

Our economic restoration program at the Nui Phao project continues to build momentum and return viable results for participants. In 2014, more than 950 project affected people (38% of the total workforce, including contractors) were employed at Nui Phao. Four local enterprises have been established as part of our economic restoration programs providing employment for project affected people.

In 2014 we enjoyed greater participation of our host communities in identifying impacts and finding solutions to them. We implemented new schedules of weekly and monthly meetings with various project affected communities in 2014, providing an opportunity for issues to be raised and discussed by all stakeholders. We conducted 76 meetings which involved 2,093 participants in 2014. We also improved our efficacy in resolving community complaints, mainly relating to resettlement and compensation, and environmental matters (noise, dust and water), and resolved most of those.

We were delighted to be publically recognized for our efforts in 2014 by receiving a number of prestigious awards. In October 2014, we received "Asia Pacific Excellence" Award by Asia-Pacific Economic Review. This award recognized our contribution to the national socio-economic development of Vietnam. In November 2014, we were the only enterprise from Thai Nguyen province to be honored with a Green Brand Award. The Green Brand Awards are awarded by Economics and Forecast Magazine, Ministry of Planning and Investment for its strong environmental performance.

VIETNAM'S GROWTH STORY

Masan Group's strategy is driven by our view of Vietnam's opportunities as one of Southeast Asia's fastest growing economies. Real GDP has grown at a compound annual growth rate of 6.8% between 2005 and 2014. Vietnam's growth has been supported by low labor costs and productivity gains as a result of the Doi Moi ("renovation") reforms, which opened up the markets, but we believe Vietnam's true value lies in its domestic consumption potential and untapped natural resources.

Domestic consumption potential

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

Vietnam's expanding workforce is expected to drive consumer spending. In addition, combined effects of continuous economic growth, rapid urbanization, "demographic dividend", emergence of middle income earners, and an expanding modern retail network, will fuel the growth of overall food consumption in the medium- and long-term. Vietnam's food and beverage sector is expected to maintain double-digit growth rates for the near future, primarily due to increased domestic consumer demand fueled by a rise in disposable income.

Underdeveloped resources potential

Mineral resources and agribusiness constitute a significant percentage of Vietnam's GDP. Further growth is anticipated in these areas. As a mineral rich country, Vietnam's potential remains largely untapped as many areas remain unexplored. Agriculture, forestry and fisheries, which constituted over 24% of Vietnam's 2012 GDP, will benefit from rising domestic consumption, new export markets and institutional support from government and trade groups.

Vietnam's constraints drive our business model

Vietnam has recently experienced macroeconomic challenges, including high non-performing loans and the scaling back of credit activities, which hampered GDP growth over the past few years. In 2014, Vietnam has experienced greater economic stability, a contrast to the previous years of high inflation and currency devaluation, although many challenges remain, particularly in the banking sector. Additionally, the private sector, while growing strongly, remains fragmented as demonstrated by low revenues and market share. Private sector companies are further challenged by constrained availability of long-term capital, lack of professional expertise and competition from larger multinationals. Masan Group manages these risks and addresses Vietnam's private sector constraints by building scale and creating leading operating platforms to weather financial cycles, and by consolidating and growing market share.





MANAGEMENT
REPORT

OVERVIEW

The past few years for the Vietnamese economy have been a period of consolidation and stabilization in the face of many challenges. After the volatility of the preceding years, 2013 and 2014 witnessed a stable currency, benign inflation, strong exports and robust FDI inflows, providing a conducive environment for an uptick in GDP growth to 5.98% in 2014 from 5.42% in 2013. It is against this backdrop of macroeconomic stability that credit rating agencies Moody's and Fitch upgraded Vietnam's sovereign credit rating. Nevertheless, significant challenges still remain. On the banking sector, material strides have been made in addressing sector asset concerns, but a period of restructuring still lies ahead. Meanwhile, private consumption spending has remained muted.

But there are positive signs on the horizon. Consumer confidence has shown signs of picking up, and lower global oil prices are expected to help support consumer demand. New orders and output in the manufacturing sector have also shown signs of strength.

Masan Group has used the last two years to consolidate its platforms and lay the foundation for the next phase of transformation. Over the last six years, from the time of the Group's listing on the Ho Chi Minh Stock Exchange until today, Masan has experienced many changes. From primarily being a sauces manufacturer, we have transformed into a major consumption-focused group with market-leading businesses across several key industries. This transformation has been driven by our belief in the consumption potential of Vietnam, and creating sustainable businesses through focus, scale, leadership and a long-term view.

A long-term view drives our commitment to building world-class operating platforms, which means investing in brands, talent, distribution, and world-class manufacturing facilities. Over the last two years, by consolidating and sharpening our existing platforms, and creating new growth engines, the strategic drivers are in place for Masan Group to begin its next phase of strong value creation.

In our core consumption platform, we now have four key engines, which will drive future growth: foods, non-alcoholic beverages, beer and animal-based protein.

In the foods space, we have redefined the categories in which we compete by expanding from sauces to the broader seasonings market and from instant noodles to the larger convenience foods category. In seasonings, we have built on our leading market share in fish sauce, soya sauce and chili sauce to go deeper into the space, such as introducing granule products, and have restructured our product portfolio to better address the premium and the mainstream segment. We became a significant shareholder in Cholimex Foods Joint Stock Company, a well-known sauces and condiments company in Vietnam that will provide us even greater access to the value segment. In convenience foods, our instant noodles portfolio now straddles the premium, mass and value segments, as well as complete meal and congee products, and we are on track for our goal of achieving a leadership position in 2015. Our strength in building strong brands was validated as Kantar Worldpanel ranked Masan's food brands as the #1 and #2 most chosen brands in the rural and urban market, respectively, in Vietnam in 2014.

In the non-alcoholic beverage space, we have built a competitive platform in record time, with experienced managers, a strong on- as well as off-premise distribution network and a robust product pipeline. Our efforts have begun to yield results, as evidenced in the success of the Wake-Up brand, with Wake-Up Saigon being rated amongst the fastest-growing beverage brands by the 2014 Kantar Worldpanel survey, and good response to new launches last year: Wake-Up 247 and Wake-Up 2-in-1.

In beer, we have made a successful entry into this attractive US\$4 billion market and experienced strong momentum in 2014. After acquiring and turning around a brewery in Phu Yen, we launch the "Su Tu Trang" brand, which has had a successful pilot launch in the Mekong Delta. As a result, our brewery operated at 100% utilization in the last quarter of 2014, and we are in the process of expanding capacity.

We have increased our addressable market for branded consumer products from US\$1.1 BILLION IN 2013 to US\$9.0 BILLION IN 2014*

The animal-based protein, or meat sector in Vietnam presents a very attractive opportunity, with total meat consumption in Vietnam estimated at US\$16 billion, and a very low proportion of which is in the form of processed meat – for instance, less than 1% of meat consumption compared to 13% in China. As income levels rise, protein consumption in Vietnam is expected to rise, providing an opportunity for a leader to define trends in this market, which is currently fragmented. The Group also sees great inefficiencies in the animal-based protein value chain, which has resulted in Vietnamese consumers paying more for this nutritious form of protein. At Masan, we are passionate about imagining and fulfilling big unmet needs; therefore we are actively exploring how to best target this

opportunity. As a first step, at the end of 2014, Masan acquired 100% of Saigon Nutri Food Joint Stock Company, a maker of branded processed meat products such as sausages and canned meats. This acquisition provides the Group with the initial piece of what we envision to be a larger platform for the animal-based protein value chain.

Our addressable market for seasonings and convenience foods represents a US\$2.5 billion market, and our non-alcoholic beverages represent an addressable market of US\$2.5 billion as well. With the Vietnam beer market at US\$4 billion by value, the total addressable market of our consumption platform adds up to approximately US\$9 billion, up from US\$1.1 billion in early 2013. This number does not include the size of the processed meat market. With the four key growth engines in place, our consumption platform is well-positioned to capitalize on this opportunity.

Our non-consumption businesses also passed critical inflection points in 2014. In the resources business, we successfully completed the commissioning of the Nui Phao mine, transforming an attractive asset into a globally significant tungsten business. Nui Phao is already the largest operating tungsten mine outside China, is globally the lowest cost producer of tungsten, and has an international marquee customer base for its products. A mine life expansion study was completed in 2014, extending mine life by 3 years to around 20 years from 2014, based on an increase in mine reserves to 66 million tonnes. With this business already positively contributing to the Group's net profit, and a program in place to further improve operational efficiency and scale, our tungsten business is on a path to becoming a global leader. In a volatile global macro environment, our tungsten business has the cash flow profile, demand visibility and reserve base to be able to improve production and outperform the market.

* Does not include estimated US\$16 billion animal-based protein market, which we have entered by acquiring Saigon Nutri Food Joint Stock Company, a processed meat company.

Our associate, Techcombank has adopted a proactive approach to managing the banking sector downturn, using it to emerge stronger and more competitive. Over the last three years, it has focused on balance sheet strength, prudent provisioning, improving efficiencies and controlling costs. It has continued to maintain a strong deposit base and retail franchise, while also introducing new products and additional revenue streams. As the banking sector goes through a period of restructuring, Techcombank's prudent approach has created a clear path to market leadership as sector fundamentals improve.

Our approach to business building and investing with a long-term view has been validated by our financial results. In 2014, Masan Group delivered record revenues, cash flows and net profits. Masan Consumer's revenues grew with successful new product launches, while Masan Resources and Masan Brewery also contributed to the Group's revenues for the first time in 2014. EBITDA margins for Masan Group were higher in 2014 compared to 2013, with better gross margins in the consumer business and significant EBITDA contribution from the resources business.

For the full year 2014, our net sales grew from VND11,943 billion in 2013 to VND16,089 billion in 2014, representing a 34.7% increase. Driven by economies of scale and enhanced productivity, gross profits grew by 35.3% from VND4,999 billion in 2013 to VND6,766 billion in 2014, with gross margin improving from 41.9% in 2013 to 42.1% in 2014. Normalized to remove the impact of goodwill amortization of our businesses and associates, our pro forma net profit increased from VND2,161 billion in 2013 to VND3,116 billion in 2014, representing a 44.2% increase. The growth in our pro forma net profit after tax is due to higher sales, gross profits, EBITDA, and the contribution from the resources business, and higher net financial income. Our reported profits were up 55.8% in 2014, to VND2,037 billion.

To support and build operational outperformance across our businesses, we continued to invest in talent, distribution and state-of-the-art facilities. Mr. Seokhee Won, who has over 22 years of leadership experience in building, scaling up, and managing consumer businesses across emerging and frontier

As the banking sector goes through a period of restructuring, Techcombank's prudent approach has created a CLEAR PATH TO MARKET LEADERSHIP as sector fundamentals improve

markets, joined as CEO of Masan Consumer in early 2014. We have also initiated a program to strengthen the core middle-management layers across different functions in the consumer business, in order to develop the next generation of leaders for our ever-expanding platform. Mr. Dominic Price, formerly the CEO of J.P. Morgan's business in India and Vietnam, joined the Board of Directors of Masan Group, and is contributing his expertise to enhance Masan Group's corporate governance practices to exceed international standards.

Key initiatives were undertaken to enhance our distribution network in 2014, including addition of more distributors for beverages and on-premise points of sale. This achievement makes us one of the few businesses in Vietnam with both a strong on- and off-premise presence for food and beverages, with a total of over 230,000 points of sale. We also successfully implemented a state-of-the-art Distributor Management System ("DMS") across 100% of our distributors, which gives us real

time access to data across our network. To cater to ever-increasing demand for our products, we started construction of a new production facility in Nghe An province. In the first quarter of 2015, we have received approval to build Masan's largest food and beverage manufacturing facility in Hau Giang province. These facilities will enable us to serve consumers across all of Vietnam better, and will lower logistics costs.

To further bolster our consumption platform, we undertook a series of corporate initiatives to strengthen Masan Consumer Holdings ("MCH"), which is the Group's primary platform to invest further in Vietnam's consumer-related opportunities. Masan Group restructured by consolidating its entire interests in Masan Consumer into MCH with Masan Brewery to follow. In early December 2014, MCH completed a landmark 10-year bond issuance, which raised VND2,100 billion at an 8% fixed coupon rate. These bonds are the longest tenure and lowest cost issuance by a private sector company in Vietnam. The bonds are guaranteed by the Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank ("ADB"), and are CGIF's first deal in Vietnam. Besides validating our consumption strategy, this deal provides us with long-term capital for organic and inorganic growth opportunities.

Masan Group has established its track record as a business builder over the years, as we have demonstrated our ability to build or acquire operating platforms and scale them up with the appropriate deployment of capital and talent to build market-leading businesses and generate sustainable cash-flows. We have created shareholder value not just by showing transformational growth, but also by emerging as the champion in the categories in which we compete. Against the backdrop of Vietnam's improving macroeconomic outlook and rising consumer confidence, as well as our strategic investments over the last two years, Masan Group's platforms are well-positioned to capitalize on the consumption potential of Vietnam. As we emerge over a new horizon, the stage is set for us to create value through the next round of transformational growth and market leadership over the next five years.

BUSINESS ENVIRONMENT

Our operations are focused on Vietnam and our performance and the quality of our assets depend substantially on the Vietnamese economy. The economic environment in Vietnam may be significantly impacted by a variety of external factors, including economic developments throughout Asia.

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

In 2015, Vietnam's economy is expected to continue expanding, despite concerns regarding consumer spending and the banking sector's NPLs.

Internationally, there is a risk that the global economic recovery will be weaker than is currently expected, especially in the context of weak signals from global commodity markets. Not only could this damage exports, but it would also have a follow-on effect on consumer and business spending in Vietnam, inhibiting economic growth. Vietnam will continue to be vulnerable to movements in international commodity prices. Though global fuel prices have dropped considerably compared to 2013, unforeseen volatility could impact consumer demand going forward. Strong demand-side pressure and any unexpected depreciation of the Vietnamese Dong against the U.S. Dollar would make it more expensive to import goods, pushing up overall prices for goods and services.

Vietnam's food and beverage sector

Improving per capita income has fuelled Vietnam's domestic consumption, which has been a secular growth driver for the food and beverage sector despite external economic turbulences over recent years. Domestic consumer demand

is expected to continue to benefit from the combined effects of favorable demographics, greater urbanization, a rise in disposable incomes and consumer leverage.

Vietnam has the third largest population in Southeast Asia, with nearly 70% of the population belonging to the working age group (15-60 years). While Vietnam's demographic profile presents an excellent opportunity for the rise in domestic consumer demand, there are other trends allied to these demographic realities that could result in structural changes in the consumer market. These include greater demand for convenience foods, greater focus on quality and health aspects of products, market consolidation, greater preference for branded products, and demand for new products and variants.

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

Vietnam's resource sector

Vietnam is endowed with significant deposits of a variety of bulk and niche minerals, including bauxite, rare earths, tungsten, titanium, phosphate, coal and iron ore. However, with the exception of coal, the majority of the current mining projects in the country are small in scope, representing an untapped opportunity for development on a larger scale.

The Nui Phao project fits Masan's focus on scale and cash flows, as it is a globally significant producer of tungsten, fluorspar and bismuth – niche industrial minerals that are

After the successful commissioning of the Nui Phao project, our tungsten business is now a **GLOBAL LEADER** in a strategic industrial mineral, laying the foundation for greater opportunities ahead

significant enough to establish a private sector leader that can generate strong cash flows. The attractive fundamentals of the Nui Phao mine have enabled Nui Phao to be the largest operating tungsten mine outside China, and a globally cost competitive producer of the mineral.

Over and above the mineral resource sector in Vietnam, Masan is a globally significant player in the tungsten market. Therefore the price of tungsten and its outlook will have an impact on our business. While the overall commodity environment has softened in response to the recent slower economic growth in China and Europe, the medium and long term structural story for tungsten and our other industrial minerals remains compelling. There has been no new supply side pressure for our minerals, as evidenced by the fact that Nui Phao is the first new tungsten producer in over a decade outside of China, and the overall cost structure is supportive as other existing mines become more difficult to exploit. The current environment

provides greater opportunity to extend our leadership position and to strengthen our resources platform.

Vietnam's beer sector

The Vietnam beer market volume is the third biggest in Asia, (after China and Japan), up from eighth position in 2004. Beer holds 98% volume share of the total official alcoholic drinks industry in Vietnam, with an estimated market size in excess of US\$4 billion. The drivers for domestic consumption in Vietnam, which include rising income levels, a young population and greater urbanization, should imply good prospects for the beer market as well. Masan Brewery's successful entry into this fast growing market is a testament to Masan's consumer insight and belief in Vietnam's consumption potential.

Vietnam's animal-based protein sector

Total meat consumption in Vietnam is estimated at US\$16 billion. Processed meat represents less than 1% of meat consumption, which is significantly lower than other Asian countries, such as China, where the proportion is 13%. As income levels rise, protein consumption in Vietnam should increase, and with greater focus on safety, health and branding, we expect to see a move towards packaged meat. The processed meat sector in Vietnam is fragmented, providing an opportunity for a leader to establish trends in this category. Masan Group's acquisition, through a subsidiary, of Saigon Nutri Food Joint Stock Company is our first step in building a platform for the animal-based protein sector, and we are exploring ways to participate further in the larger value chain, where there are big unmet needs, in terms of productivity, scale, and options for Vietnamese customers.

Vietnam's banking sector

Masan is currently a financial investor in Techcombank with an effective economic interest of 30.4%. We believe in the long-term growth prospects for the banking sector in Vietnam

considering that the penetration level of financial products, such as bank accounts, credit cards, and mortgages is very low. For instance, it is estimated that only 25% of the population has a bank account. Over the last two years, the banking sector in Vietnam has been facing serious headwinds from asset quality problems. Concerns over Non-Performing Loans ("NPLs") have impacted balance sheets and resulted in low credit growth. The government has taken steps to address this issue, with the Vietnam Asset Management Company ("VAMC") becoming operational, but a period of restructuring still lies ahead. Techcombank has used the downturn to emerge stronger and more competitive, and is poised for market leadership as sector fundamentals improve.



FACTORS AFFECTING OUR BUSINESS AND RESULTS OF OPERATIONS

We are a holding company whose material assets are the shares of the companies that we hold, primarily: i) Masan Consumer Holdings (“MCH”), which currently holds our interests in consumer-related businesses such as Masan Consumer and Masan Brewery; ii) Masan Resources; and iii) our associate company Techcombank. Thus, risks that affect the businesses of these companies could also affect our business, financial condition, results of operations and prospects.

Through our wholly owned subsidiary, MCH, we have a 78.4% economic interest in Masan Consumer as at 31 December, 2014 and consolidate the company as a subsidiary on our financial statement. Events that affect Masan Consumer’s business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We have a 100.0% economic interest in Masan Brewery as at 31 December, 2014. This economic interest has since been transferred to MCH. The entire stake is held through shares and we consolidate this percentage of the company as a subsidiary on our financial statement. Events that affect Masan Brewery’s business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We have a 74.2% economic interest in Masan Resources as at 31 December, 2014. The entire stake of 74.2% is held through shares and we consolidate this percentage of the company as a subsidiary on our financial statement. Events that affect Masan Resources’ business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We have a 30.4% of economic interest in Techcombank as at 31 December, 2014, which includes convertible bonds that are

mandatorily convertible. As we do not own a controlling stake in Techcombank, we account for our investment using the equity accounting method. Events that affect Techcombank’s business and financial condition will in turn affect our net profit, impacting our business and financial condition.

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

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

Masan Consumer Holdings competes mainly on the basis of brand image, pricing, distribution network and product mix. The entrance of established foreign brands and companies has heightened the competitiveness of the 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 Holdings may be required to make substantially greater investments in research and development, as well as promotions and marketing. Such expenditures may lower our profit margins and thereby adversely affect our results of operations.

Specifically, and within Masan Consumer Holdings, Masan Brewery’s current or potential competitors may offer products comparable or superior to those we provide or adapt more quickly than we do to evolving industry trends or changing market requirements. Our competitors may have greater financial resources, better purchasing economics, or lower cost bases than we do, which could provide a competitive advantage to them. There can be no assurance that we will be able to compete effectively against current or potential competitors. If we are unable to compete effectively, our business, financial condition, results of operations and prospects could be adversely affected.

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

Techcombank may face tougher competition from both local and foreign financial institutions as a result of Vietnam joining the World Trade Organization in 2007. The State Bank of Vietnam also allows foreign banks to operate in Vietnam through local branches. As the State Bank of Vietnam continues liberalizing the banking sector, Techcombank may also face greater competition from other local banks, which may result in a material adverse effect on our business, financial condition, results of operations and prospects.

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

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

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

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

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

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

CONSOLIDATED INCOME STATEMENT

Figures in VND million	2014	2013	2014	2013
	Audited	Audited	Pro forma	Pro forma
Total Revenue	16,346,576	12,105,989	16,346,576	12,105,989
Less Sales Deductions	(257,940)	(163,456)	(257,940)	(163,456)
Net Sales	16,088,636	11,942,533	16,088,636	11,942,533
Cost of Goods Sold	(9,489,008)	(6,943,196)	(9,322,584)	(6,943,196)
Gross Profit	6,599,628	4,999,337	6,766,052	4,999,337
Selling, General & Administrative Expenses	(3,913,195)	(2,871,167)	(3,682,734)	(2,671,407)
Financial Income	1,570,967	664,121	1,570,967	664,121
Financial Expenses	(1,710,991)	(606,785)	(1,656,309)	(606,785)
Net Operating Profit	2,546,409	2,185,506	2,997,976	2,385,266
Other Profit / (Expense)	246,383	20,719	246,383	20,719
Share of Profit in an Associate	(53,061)	(192,781)	610,246	475,263
Profit Before Tax	2,739,731	2,013,444	3,854,605	2,881,248
Tax	(702,689)	(706,220)	(738,375)	(720,206)
Net Profit	2,037,042	1,307,224	3,116,230	2,161,042

CONSOLIDATED BALANCE SHEET

Figures in VND million	31 December, 2014	31 December, 2013
	Audited	Audited
Current Assets	16,428,327	11,198,630
Cash and Cash Equivalents	5,166,415	5,698,563
Short-Term Investments	4,042,212	3,287,000
Net Operating Receivables	4,344,934	349,650
Other Receivables	831,973	625,488
Inventories	1,604,854	1,070,334
Other Current Assets	437,939	167,595
Long-Term Assets	36,536,773	35,303,511
Net Long-Term Receivables	1,387,798	450,183
Fixed Assets	24,064,527	23,121,361
Tangible Fixed Assets	18,409,913	1,731,429
Finance Lease Tangible Fixed Assets	44,867	58,327
Intangible Fixed Assets	1,798,696	1,288,672
Construction in Progress	3,811,051	20,042,933
Long-Term Investments	8,745,176	10,761,467
Other Long-Term Assets	2,339,272	970,500
Total Assets	52,965,100	46,502,141

CONSOLIDATED BALANCE SHEET

	31 December, 2014	31 December, 2013
Figures in VND million	Audited	Audited
Current Liabilities	11,796,756	9,783,892
Short-Term Debt	6,042,278	6,635,910
Current Account Payables	999,340	942,375
Advance from Customers	35,786	22,163
Tax Payables	962,550	483,421
Payroll Payables	258	20,387
Accrued Expense	1,862,531	1,578,366
Other Payables	1,894,013	101,270
Long-Term Liabilities	19,243,205	13,456,752
Long-Term Debt	17,521,970	12,067,096
Other Long-Term Liabilities	1,721,235	1,389,656
Total Liabilities	31,039,961	23,240,644
Equity	15,016,083	14,432,969
Chartered Capital	7,358,081	7,349,113
Capital Surplus	9,631,164	9,601,627
Other Capital	97,703	97,703
Differences in Forex Revaluation	-	(43,098)
Other Reserves	(9,142,752)	(8,929,770)
Retained Earnings	7,071,887	6,357,394
Minority Interest	6,909,056	8,828,528
Total Assets	52,965,100	46,502,141

AUDITED RESULTS

Revenue

Net sales increased by 34.7% from VND11,943 billion in 2013 to a record VND16,089 billion in 2014, driven by continued sales growth in the consumer business, significant contribution from the resources business and commencement of contribution from Masan Brewery. The Nui Phao mine commenced commercial operations effective 1 March, 2014 and contributed VND2,826 billion to the Group's revenues in 2014.

For our consumption platform, 2014 was a year of investment to expand our addressable market, consolidate our market position in existing categories and enter new categories – beer and animal-based protein. In the seasonings segment, where we have more than 70% market share in key categories, we restructured our brand portfolio to better address the premium and mainstream segments. We also entered the broader seasonings market in 2014 by launching a granules product. In convenience foods, we strengthened our market position across the premium, mainstream and value segments. Sales for our non-alcoholic beverage platform showed strong growth, as new product introductions, coupled with distribution and branding support, boosted our market position in a fast-growing US\$2.5 billion market. “Wake-Up” was one of Vietnam's fastest growing beverage brands in 2014, with continued momentum on Wake-Up Saigon coffee and successful launches of Wake-Up 247 and Wake-Up 2-in-1. These initiatives helped us expand our addressable market within the food and non-alcoholic beverages segment from US\$1.1 billion to approximately US\$5 billion, which should support sales growth going forward.

Masan Brewery, our platform for targeting the US\$4 billion fast-growing Vietnamese beer market, had a successful pilot launch of its beer brand, “Su Tu Trang,” contributing to Masan Group's revenues for the first time in 2014.

In the resources business, we successfully completed the commissioning of the Nui Phao mine and transformed an

attractive asset into a leading global tungsten player. The Nui Phao mine has produced high quality products – tungsten, fluorspar, bismuth and copper – which have been sold to a marquee customer base.

In summary, our efforts in 2014 to increase our addressable market from US\$1.1 billion to approximately US\$9 billion, not including the attractive US\$16 billion animal-based protein market, will support our revenue outlook for years to come.

Cost of goods sold

Cost of goods sold (as a percentage of net sales) increased to 59.0% in 2014 from 58.1% in 2013. In absolute terms, this represented a 36.7% increase from VND6,943 billion in 2013 to VND9,489 billion in 2014. Adjusted for amortization of goodwill, however, the cost of goods sold as a percentage of net sales dropped from 58.1% in 2013 to 57.9% in 2014. The drop in percentage is on account of economies of scale, production efficiencies and cost saving initiatives in the consumer business. Also, Vinacafe's gross margin has improved with the commissioning of a new processing facility and reduced reliance on imports, which resulted in cost of goods sold as a percentage of net sales for Vinacafe reducing from 70.2% in 2013 to 64.2% in 2014.

Gross profit

With higher sales and benefits from scale and cost savings, gross profit increased by 32.0% from VND4,999 billion in 2013 to VND6,600 billion in 2014. Our reported gross profit margin decreased to 41.0% in 2014 from 41.9% in 2013. Adjusted for amortization of goodwill, however, our gross profit margins improved from 41.9% in 2013 to 42.1% in 2014. This was driven by improved gross margins across all consumer categories resulting from enhanced economies of scale, production efficiencies, lower reliance on coffee imports and other operating cost savings. Lower gross margins from the resources business due to ramp-up activities in the first year of commercial operations, were more than offset by improving gross margins across consumer product categories.

Selling expenses

Selling expenses in 2014 increased by 44.6% to VND2,865 billion compared to VND1,982 billion in 2013. Selling expenses as a percent of net sales increased from 16.6% in 2013 to 17.8% in 2014, driven by Masan Consumer's continued investments in brand-building initiatives and new product launches. These investments have resulted in a consolidation of our market position and have paved the path for achieving leadership in the new segments that we have entered over the last two years, especially in the convenience food and beverage space.

General and administration expenses

General and administration expenses in 2014 were VND1,048 billion compared to VND890 billion in 2013. General and administration expenses as a percentage of net sales decreased from 7.4% in 2013 to 6.5% in 2014. The decrease was a result of cost control measures implemented across our businesses.

Financial income

Financial income increased by 136.5% to VND1,571 billion in 2014 from VND664 billion in 2013 and is comprised of interest earned on our cash balance and gains from disposal of businesses that were non-core or where we did not have a majority interest.

Financial expenses

Financial expenses increased by 182.0% to VND1,711 billion in 2014 from VND607 billion in 2013, driven mainly by an increase in interest paid to banks and bondholders, as the Nui Phao mine commenced commercial operations in 2014.

Share of profit in associates

Share of profit in associates includes Masan Group's share of the profits of Techcombank and Proconco, proportionate to our equity interest. Share of profit in associates amounted to negative VND53 billion in 2014 compared to negative VND193 billion in 2013. The improvement was primarily due to higher contribution from Techcombank's profits after tax, which were up 64.1% for 2014.

Net profit after tax

In 2014, the Group reported net profits after tax of VND2,037 billion in 2014, an increase of 55.8% from VND1,307 billion in 2013. The key drivers for the net profit increase included record operating performance, with higher sales, gross profits and EBITDA on account of contribution from the resources business, as well as higher net financial income and increase in profits from our associate Techcombank. Normalized to remove the impact of goodwill amortization of our businesses and associates, our pro forma net profit increased from VND2,161 billion in 2013 to VND3,116 billion, a 44.2% increase. For details on our normalized, pro forma results, please see the "Discussion on audited vs. pro forma results" section further below.

Cash and cash equivalents

Masan Group had a strong consolidated cash position (including short-term investments) of VND9,209 billion as at 31 December, 2014 compared to VND8,986 billion as at 31 December, 2013, an increase of 2.5%. The increase in our cash position reflects continued organic cash flow generation from our consumer business in excess of capital expenditures across our businesses. The Group's cash inflows were also boosted by the successful issuance of a 10-year bond by Masan Consumer Holdings, guaranteed by CGIF. Cash outflows included consideration for the acquisition of a 32.8% stake in Cholimex Foods Joint Stock Company, as well as

the acquisition of a 99.99% stake in Saigon Nutri Food Joint Stock Company, a processed meat company. In the resources business, we successfully issued a 5-year bond and refinanced all existing debt at more favorable terms.

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

Fixed assets

As at 31 December, 2014, fixed assets amounted to VND24,065 billion, increasing by 4.1% from VND23,121 billion as at 31 December, 2013. The increase was mainly due to capital expenditure for the Nui Phao project, as well as investments in the expansion of Masan Consumer's facilities.

Investments in subsidiaries and associates

Investments in subsidiaries

In December 2013, Masan Group increased its effective economic interest in Masan Consumer from 77.4% to 78.4%. The Group also consolidated its direct and indirect equity interests in Masan Consumer through Masan Consumer Holdings, a wholly-owned subsidiary. Saigon Nutri Food Joint Stock Company became a subsidiary after Masan Consumer acquired 100% of its shares. The Group also formed a subsidiary, Masan Brewery, which is its vehicle for the beer market. The Group also sold its interests in non-core subsidiaries such as Minh Viet Packaging Ltd., a packaging facility, and Masan Agri, which owns a minority interest in animal feed company Proconco.

Investments in associates

Investments in associates represent 30.4% effective economic interest in Techcombank and 25.7% effective economic interest in Cholimex Foods Joint Stock Company, through our subsidiary, Masan Consumer, who owns 32.8% as at 31 December, 2014.

Total assets

Total assets increased by 13.9% to VND52,965 billion as at 31 December 2014 from VND46,502 billion as at 31 December, 2013, on account of capital expenditure and increased investments in subsidiaries.

Borrowings

As at 31 December, 2014, short-term and long-term borrowings increased by 26.0% to VND23,564 from VND18,703 billion. Much of the increase in borrowings came from long-term borrowings, including VND2,100 billion from bonds issued at Masan Consumer Holdings, and some increase in short-term borrowing also to take advantage of attractive interest rates. Masan Group believes in having adequate liquidity in a capital constrained market. Our strong cash position provides greater flexibility, can be used to fund capital expenditure requirements, is a buffer for unforeseen events, and allows us to invest to support growth. In line with this strategy, the Group had cash and cash equivalents of VND9,209 billion as at 31 December, 2014.

Owners' equity

Owners' equity as at 31 December, 2014 was VND15,016 billion, as compared to VND14,433 billion as at 31 December, 2013, representing an increase of 4.0%. The increase was mainly due to higher retained profits in 2014.

DISCUSSION ON AUDITED VS. PRO FORMA RESULTS

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

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

General and administration expenses (G&A)

Pro forma general and administration expenses, for each of the reporting periods and its respective comparative period, have been computed by reversing impact from the amortization of goodwill, tangible assets and intangible assets as a result of the Group's past M&A transactions, as well as adjusting for one-time non-recurring expenses in connection with the ramp-up of operations at Nui Phao. Pro forma G&A in 2014 was VND818 billion compared to VND690 billion in 2013. Pro forma G&A as a percentage of net sales was 5.1% in 2014.

Share of profit in associates

Pro forma share of profit in associates has been computed after adding back the amortization of goodwill from the transfer of ownership in Techcombank for the year ended 2014 and 2013, and adding back the amortization of goodwill from the acquisition of Proconco for the year ended 2014 and 2013. Pro forma share of profit in associates increased by 28.4% to VND610 billion in 2014, as Techcombank showed a 64.1% increase in profits for 2014.

Net profit after tax

Pro forma net profit after tax was VND3,116 billion in 2014, representing a 44.2% increase from VND2,161 billion in 2013. This increase was mainly on account of higher sales, gross profits and EBITDA on account of contribution from the resources business, as well as higher net financial income and increase in profits from our associate Techcombank.



FINANCIAL
REPORT

C O R P O R A T E I N F O R M A T I O N

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

Business Registration Certificate No

0303576603

20 August 2014

The Company’s Business Registration Certificate has been amended several times, the most recent of which is dated 20 August 2014. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The initial Business Registration Certificate No. 4103002877 was dated 18 November 2004.

Board of Directors

Dr Nguyen Dang Quang	Chairman
Mr Ho Hung Anh	Member
Ms Nguyen Hoang Yen	Member
Mr Nguyen Thieu Nam	Member
Mr Lars Kjaer	Member
Mr Dominic Edward Salter Price	Member (from 25 April 2014)

Registered Office

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

Auditors

KPMG Limited
Vietnam

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

The Board of Management is responsible for the preparation and fair presentation of the financial statements of Ma San Group Corporation ("the Company") and its subsidiaries (collectively "the Group") as at and for the year ended 31 December 2014 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In preparing those financial statements, the Board of Management is required to:

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

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

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

Approval of the Financial Statements

I, Nguyen Dang Quang, being the Chairman of the Board of Directors and on behalf of the Board of Directors, do hereby approve the accompanying financial statements of the Company and the Group as of and for year ended 31 December 2014, which were prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

On behalf of the Board of Directors



Nguyen Dang Quang
Chairman
Ho Chi Minh City, Vietnam

31 March 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders Ma San Group Corporation

We have audited the accompanying separate and consolidated financial statements of Ma San Group Corporation ("the Company") and its subsidiaries (collectively "the Group"), which comprise the separate and consolidated balance sheets as at 31 December 2014, the separate and consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 31 March 2015, as set out on pages 5 to 102.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the separate and consolidated financial statements give a true and fair view, in all material respects, of the separate and consolidated financial position of the Company and the Group, respectively, as of 31 December 2014 and of their separate and consolidated results of operations and their separate and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Operating registration certificate No.: 4114000230
Audit Report No.: 14-01-723



Auvarin Phôn
Practicing Auditor Registration
Certificate No. 2252-2013-007-1
Deputy General Director

Ho Chi Minh City, 31 March 2015



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

BALANCE SHEETS

At 31 December 2014

Form B 01 – DN/HN

	Code	Note	Group		Company	
			31/12/2014	31/12/2013	31/12/2014	31/12/2013
			VND million	VND million	VND million	VND million
Assets						
Current assets						
(100 = 110 + 120 + 130 + 140 + 150)	100		16,428,327	11,198,630	7,247,661	12,352,670
Cash and cash equivalents	110	7	5,166,415	5,698,563	517,251	1,379,279
Cash	111		302,970	203,577	9,901	11,831
Cash equivalents	112		4,863,445	5,494,986	507,350	1,367,448
Short-term investments	120	14	4,042,212	3,287,000	239,614	-
Accounts receivable – short-term	130	8	5,176,907	975,138	6,390,439	10,893,087
Accounts receivable	131		4,346,998	351,434	3,072,190	-
Prepayments to suppliers	132		341,231	360,236	134,636	139,141
Other receivables	135		490,742	265,252	3,183,613	10,753,946
Allowance for doubtful debts	139		(2,064)	(1,784)	-	-
Inventories	140	9	1,604,854	1,070,334	-	-
Inventories	141		1,627,172	1,091,073	-	-
Allowance for inventories	149		(22,318)	(20,739)	-	-
Other current assets	150		437,939	167,595	100,357	80,304
Short-term prepayments	151		70,227	28,718	396	489
Deductible value added tax	152		295,726	100,506	50,380	46,866
Taxes receivables from State Treasury	154		21,343	-	19,222	-
Other current assets	158		50,643	38,371	30,359	32,949

The accompanying notes are an integral part of these financial statements

At 31 December 2014 (continued)

Form B 01 – DN/HN

	Code	Note	Group		Company	
			31/12/2014	31/12/2013	31/12/2014	31/12/2013
			VND million	VND million	VND million	VND million
Long-term assets						
(200 = 210 + 220 + 250 + 260 + 269)	200		36,536,773	35,303,511	17,399,699	19,375,093
Accounts receivable – long-term	210	8	1,387,798	450,183	5,016,249	2,875,015
Other long-term receivables	218		1,387,798	450,183	5,016,249	2,875,015
Fixed assets	220		24,064,527	23,121,361	9,443	81,122
Tangible fixed assets	221	10	18,409,913	1,731,429	7,172	68,036
Cost	222		19,887,100	2,457,614	20,759	92,565
Accumulated depreciation	223		(1,477,187)	(726,185)	(13,587)	(24,529)
Finance lease tangible fixed assets	224	11	44,867	58,327	-	-
Cost	225		67,300	67,300	-	-
Accumulated depreciation	226		(22,433)	(8,973)	-	-
Intangible fixed assets	227	12	1,798,696	1,288,672	2,271	3,065
Cost	228		2,262,894	1,597,069	4,532	4,214
Accumulated amortisation	229		(464,198)	(308,397)	(2,261)	(1,149)
Construction in progress	230	13	3,811,051	20,042,933	-	10,021
Long-term investments	250	14	8,745,176	10,761,467	12,322,338	16,355,220
Investments in subsidiaries	251		-	-	3,389,914	7,422,796
Investments in associates	252		8,597,526	10,757,867	8,932,424	8,932,424
Other long-term investments	258		147,650	3,600	-	-
Other long-term assets	260		1,546,918	533,381	51,669	63,736
Long-term prepayments	261	15	1,369,592	403,353	42,288	53,311
Deferred tax assets	262	16	117,491	87,572	-	-
Other long-term assets	268		59,835	42,456	9,381	10,425
Goodwill	269	17	792,354	437,119	-	-
Total assets (270 = 100 + 200)	270		52,965,100	46,502,141	24,647,360	31,727,763

The accompanying notes are an integral part of these financial statements

BALANCE SHEETS

At 31 December 2014 (continued)

Form B 01 – DN/HN

	Code	Note	Group		Company	
			31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Resources						
Liabilities (300 = 310 + 330)	300		31,039,961	23,240,644	7,116,242	17,472,541
Current liabilities	310		11,796,756	9,783,892	2,341,101	3,684,322
Short-term borrowings and liabilities	311	18	6,042,278	6,635,910	567,960	2,311,300
Accounts payable	312		999,340	942,375	1,451	9,286
Advances from customers	313		35,786	22,163	-	-
Taxes payable to State Treasury	314	19	962,550	483,421	1,127	386
Payables to employees	315		258	20,387	-	-
Accrued expenses	316	20	1,862,531	1,578,366	215,239	479,911
Other payables	319	21	1,894,013	101,270	1,555,324	883,439
Long-term borrowings and liabilities	330		19,243,205	13,456,752	4,775,141	13,788,219
Other long-term liabilities	333	21	177,901	234,688	75,141	1,812,997
Long-term borrowings and liabilities	334	22	17,521,970	12,067,096	4,700,000	11,975,222
Deferred tax liabilities	335	16	932,787	1,151,716	-	-
Provisions – long-term	337	23	610,547	3,252	-	-
Equity (400 = 410)	400		15,016,083	14,432,969	17,531,118	14,255,222
Owner's equity	410	24	15,016,083	14,432,969	17,531,118	14,255,222
Share capital	411	25	7,358,081	7,349,113	7,358,081	7,349,113
Capital surplus	412	25	9,631,164	9,601,627	9,631,164	9,601,627
Other capital	413	26	97,703	97,703	97,703	97,703
Foreign exchange differences	416		-	(43,098)	-	-
Other reserves	418		(9,142,752)	(8,929,770)	(1,586,675)	(1,586,675)
Retained profits	420		7,071,887	6,357,394	2,030,845	(1,206,546)
Minority interests	439		6,909,056	8,828,528	-	-
Total resources						
(440 = 300 + 400 + 439)	440		52,965,100	46,502,141	24,647,360	31,727,763

The accompanying notes are an integral part of these financial statements

At 31 December 2014 (continued)

Form B 01 – DN/HN

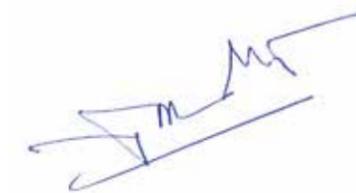
Off balance sheet item

Included in the cash and cash equivalents as at 31 December 2014 and 31 December 2013 are amounts denominated in currencies other than VND of:

	Group		Company	
	31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Foreign currencies:				
United States dollar ("USD")	9,141,772	27,222,114	7,064	6,945
Euro ("EUR")	179,401	7,547	-	-
Singapore dollar ("SGD")	-	621	-	621

31 March 2015

Prepared by:


Doan Thi My Duyen
Chief Accountant

Approved by:


Nguyen Dang Quang
Chairman

The accompanying notes are an integral part of these financial statements

STATEMENTS OF INCOME

For the year ended 31 December 2014

Form B 02 – DN/HN

	Code	Note	Group		Company	
			2014	2013	2014	2013
			VND million	VND million	VND million	VND million
Total revenue	01	27	16,346,576	12,105,989	-	-
Less revenue deductions	02	27	257,940	163,456	-	-
Net revenue (10 = 01 – 02)	10	27	16,088,636	11,942,533	-	-
Cost of sales	11	28	9,489,008	6,943,196	-	-
Gross profit (20 = 10 – 11)	20		6,599,628	4,999,337	-	-
Financial income	21	29	1,570,967	664,121	4,259,505	1,239,232
Financial expenses	22	30	1,710,991	606,785	922,574	1,868,462
<i>In which: Interest expense</i>	23		<i>1,464,722</i>	<i>417,378</i>	<i>909,287</i>	<i>1,713,259</i>
Selling expenses	24		2,864,837	1,981,587	-	-
General and administration expenses	25		1,048,358	889,580	106,550	337,596
Net operating profit/(loss) {30 = 20 + (21 - 22) - (24 + 25)}	30		2,546,409	2,185,506	3,230,381	(966,826)
Other income	31	31	405,287	105,808	67,929	2,983
Other expenses	32	32	158,904	85,089	60,919	-
Results of other activities (40 = 31 - 32)	40		246,383	20,719	7,010	2,983
Share of loss in associates	45	33	(53,061)	(192,781)	-	-
Profit/(loss) before tax (50 = 30 + 40 + 45) (carried forward)	50		2,739,731	2,013,444	3,237,391	(963,843)

The accompanying notes are an integral part of these financial statements

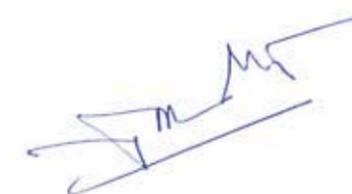
For the year ended 31 December 2014 (continued)

Form B 02 – DN/HN

	Code	Note	Group		Company	
			2014	2013	2014	2013
			VND million	VND million	VND million	VND million
Profit/(loss) before tax (50 = 30 + 40 + 45) (brought forward)	50		2,739,731	2,013,444	3,237,391	(963,843)
Income tax expense – current	51	34	958,677	579,811	-	-
Income tax (benefit)/expense – deferred	52	34	(255,988)	126,409	-	-
Net profit/(loss) after tax (60 = 50 - 51 - 52)	60		2,037,042	1,307,224	3,237,391	(963,843)
Attributable to:						
Minority interest	61		956,873	856,024	-	-
Equity holders of the Company	62		1,080,169	451,200	-	-
Earnings per share						
Basic earnings per share in VND	70	36	1,447	618	-	-
Diluted earnings per share in VND		36	1,418	429	-	-

31 March 2015

Prepared by:


Doan Thi My Duyen
Chief Accountant

Approved by:


Nguyen Dang Quang
Chairman

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2014 (Indirect method)

Form B 03 – DN/HN

	Code	Note	Group		Company	
			2014	2013	2014	2013
			VND million	VND million	VND million	VND million
Cash flows from operating activities						
Profit/(loss) before tax	01		2,739,731	2,013,444	3,237,391	(963,843)
Adjustments for						
Depreciation and amortisation	02		1,120,817	488,632	12,185	32,657
Allowances and provisions	03		64,376	37,958	-	-
Net unrealised foreign exchange	04		49,068	18,906	(121)	-
Loss on disposal/written off of fixed assets and other long-term assets	05		6,102	7,864	1,356	-
Interest and dividend income	05		(404,953)	(391,541)	(3,970,465)	(1,231,138)
Income from investment activities	05		(1,111,073)	-	(286,587)	-
Negative goodwill on business combination	05		-	(213,963)	-	-
Interest expense	06		1,464,722	417,378	909,287	1,713,259
Share of loss in associates	07		53,061	192,781	-	-
Operating profit/(loss) before changes in working capital	08		3,981,851	2,571,459	(96,954)	(449,065)
Change in receivables and other assets	09		(202,202)	(239,025)	(1,510,445)	(1,278)
Change in inventories	10		(609,978)	(485,440)	-	-
Change in payables and other li-abilities	11		(685,798)	47,826	1,396,875	73,961
Change in prepayments	12		201,979	-	11,179	-
			2,685,852	1,894,820	(199,345)	(376,382)
Interest paid	13		(1,734,103)	(1,351,905)	(812,331)	(497,586)
Corporate income tax paid	14		(562,747)	(830,677)	-	-
Other payments for operating ac-tivities	16		(55,855)	(28,160)	-	-
Net cash flows from operatingactivities	20		333,147	(315,922)	(1,011,676)	(873,968)

The accompanying notes are an integral part of these financial statements

For the year ended 31 December 2014 (Indirect method - continued)

Form B 03 – DN/HN

	Code	Note	Group		Company	
			2014	2013	2014	2013
			VND million	VND million	VND million	VND million
Cash flows from investing activities						
Payments for additions to fixed assets and other long-term assets	21		(2,708,702)	(3,840,386)	(1,411)	(18,003)
Proceeds from disposals of fixed assets and other long-term assets	22		32,300	1,573	23,183	-
Loans provided to a third party	23		(235,799)	(424,788)	-	-
Loans provided to subsidiaries	23		-	-	(1,821,711)	(2,617,558)
Collections on loans to subsidiar-ies	23		-	-	647,042	930,000
Term deposit to banks	24		(25,765,031)	(43,406,557)	(239,614)	-
Term deposit received	24		24,685,669	42,325,557	-	68,000
Payments for investments in sub-sidiaries, an associate and other entities	25		(1,174,308)	(639,046)	-	(1,881,403)
Proceeds from sale of a subsidi-ary to another subsidiary	26		-	-	818,000	-
Net cash from disposals of equi-ty interest in subsidiaries	26		(1,463)	-	-	-
Net cash generated from acquisi-tion of a subsidiary	26		57,401	-	-	-
Proceeds from sale of economic interests in a subsidiary to a third party	26		-	1,061,862	-	-
Receipts of interest and dividend	27		434,094	484,084	559,159	57,669
Net cash flows from investing activities	30		(4,675,839)	(4,437,701)	(15,352)	(3,461,295)

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2014 (Indirect method - continued)

Form B 03 – DN/HN

	Code	Note	Group		Company	
			2014 VND million	2013 VND million	2014 VND million	2013 VND million
Cash flows from financing activities						
Proceeds from issuance of new shares	31		-	178,608	-	178,608
Proceeds from capital contribution / issuance of new shares in subsidiaries to minority interest	31		507,943	3,274,210	-	-
Payments for repurchases of equity instruments	32		-	(3,490,092)	-	(3,490,092)
Proceeds from short-term and long-term borrowings	33		21,843,111	11,882,530	735,000	6,910,000
Payments to settle debts to banks and other entities	34		(16,929,786)	(7,011,216)	(570,000)	-
Payments of borrowing fees	36		(272,457)	(74,448)	-	(44,000)
Payments of dividends to minority interest of subsidiaries	36		(1,336,827)	(24,876)	-	-
Net cash flows from financing activities	40		3,811,984	4,734,716	165,000	3,554,516
Net cash flows during the year (50 = 20 + 30 + 40)	50		(530,708)	(18,907)	(862,028)	(780,747)
Cash and cash equivalents at the beginning of the year	60		5,698,563	5,718,717	1,379,279	2,160,026
Effect of exchange rate fluctuations on cash and cash equivalents	61		(1,440)	(1,247)	-	-
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	7	5,166,415	5,698,563	517,251	1,379,279

The accompanying notes are an integral part of these financial statements

For the year ended 31 December 2014 (Indirect method - continued)

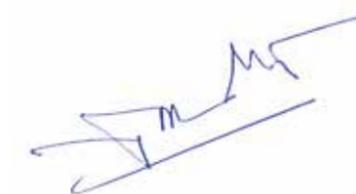
Form B 03 – DN/HN

Non-cash investing and financing activities

	Group		Company	
	2014 VND million	2013 VND million	2014 VND million	2013 VND million
Depreciation and amortisation capitalised into construction in progress	4,979	51,563	-	-
Issuance of new shares to settle debt instruments	38,562	1,962,319	38,562	-
Additions of fixed assets from increase in provisions for mining rights.	607,858	-	-	-
Novation of loan receivable from a subsidiary through issuance of new shares	-	-	-	1,962,319
Transfer of equity interests in a subsidiary to another subsidiary	-	-	3,591,682	6,949,241
Acquisition of a subsidiary from another subsidiary	-	-	1,246,496	-
Loan repaid to a subsidiary through assignment loans to another subsidiary	-	-	7,709,298	-
Net off dividend with a subsidiary	-	-	1,435,702	-
Capital contribution to a subsidiary through conversion loan principal and interest receivable	-	-	376,800	-

31 March 2015

Prepared by:


Doan Thi My Duyen
Chief Accountant

Approved by:


Nguyen Dang Quang
Chairman

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

Form B 09 – DN/HN

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

1. REPORTING ENTITY

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

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

The principal activities of the subsidiaries are described as follows:

Name	Principal activity	Percentage of economic interests at	
		31/12/2014	31/12/2013
Masan Consumer Holdings Company Limited (“MCH”)	Investment holding	100%	100%
Ma San Consumer Corporation (“MSC”)	Trading and distribution	78.4%	74.2%
Masan Food Company Limited (“MSF”)	Food trading and distribution	78.4%	74.2%
Ma San Industrial One Member Company Limited	Seasonings, convenience food manufacturing and packaging	78.4%	74.2%
Viet Tien Food Technology One Member Company Limited	Seasoning manufacturing	78.4%	74.2%
Ma San HD One Member Company Limited	Convenience food manufacturing	78.4%	74.2%
Ma San PQ Corporation	Seasoning manufacturing	74%	70.1%
Minh Viet Packaging One Member Company Limited (“MVP”) (i)	Packaging	-	74.2%
Masan Beverage Company Limited (ii)	Beverage trading and distribution	78.4%	-
Masan ĐN One Member Company Limited (iii)	Seasonings, convenience food manufacturing and packaging	78.4%	-

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Name	Principal activity	Percentage of economic interests at	
		31/12/2014	31/12/2013
Masan MB One Member Company Limited (iv)	Seasonings, convenience food manufacturing and packaging	78.4%	-
Vinacafe Bien Hoa Joint Stock Company	Beverage trading and manufacturing	41.7%	39.5%
Vinh Hao Mineral Water Corporation	Beverage manufacturing	50.1%	47.1%
Kronfa., JSC	Beverage manufacturing	50.1%	47.1%
Ma San Horizon Corporation (“MH”)	Investment holding	100%	100%
Ma San Resources Corporation (“MR”)	Investment holding	74.1%	75.9%
Ma San Thai Nguyen Resources Company Limited	Investment holding	74.1%	75.9%
Thai Nguyen Trading and Investment Company Limited	Investment holding	74.1%	75.9%
Nui Phao Mining Company Limited (“NPM”)	Exploring and processing mineral	74.1%	75.9%
Masan Agri Corporation (“MA”) (v)	Investment holding	-	37.9%
Masan Brewery Company Limited (formerly known as Orchid Consultant Company Limited)	Investment holding	100%	100%
Lamka One Member Company Limited (“Lamka”) (vi)	Beer and beverage manufacturing	100%	-
Phu Yen Beer and Beverage., JSC (“Pybeco”) (vi)	Beer and beverage manufacturing	99.99%	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

- (i) In December 2014, MSF disposed 100% of its stakes in MVP, a subsidiary, to a third party for a cash consideration of VND500 billion. Such transaction resulted in the Group no longer holding any equity interest in MVP.
- (ii) In May 2014, the Planning and Investment Department of Ho Chi Minh City issued the Business Registration Certificate No. 0312797567 approving the establishment of Masan Beverage Company Limited, a newly incorporated 100% owned subsidiary of MSC.
- (iii) In September 2014, the Planning and Investment Department of Da Nang City issued the Business Registration Certificate No. 0401622417 approving the establishment of Masan DN One Member Company Limited, a newly incorporated 100% owned subsidiary of MSC.
- (iv) In October 2014, the Planning and Investment Department of Nghe An Province issued the Business Registration Certificate No. 2901738808 approving the establishment of Masan MB One Member Company Limited, a newly incorporated 100% owned subsidiary of MSF.
- (v) In May 2014, the Company acquired 51% equity interest of MA from MSC for a consideration of VND1,246,496 million. Therefore, the Company's effective interest in MA increased from 37.9% as at 31 December 2013 to 51% as at 31 May 2014. In December 2014, the Company acquired the remaining 49% equity interest of MA, then sold all equity interest of MA to other third parties.
- (vi) In September 2014, Masan Brewery Company Limited (formerly known as Orchid Consultant Company Limited), a subsidiary of the Company acquired 100% equity interest of Lamka which holds 99.99% equity interest in Pybeco.

All the subsidiaries are incorporated in Vietnam.

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

As at 31 December 2014, the Company had 32 employees (31/12/2013: 38 employees) and the Group had 7,047 employees (31/12/2013: 7,297 employees).

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

2. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting year

The annual accounting period of the Company and its subsidiaries are from 1 January to 31 December.

(d) Accounting currency

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

Accounting Standard 11 Business Combination and in selecting its accounting policy with respect to such transaction, the Group has considered Vietnamese Accounting Standard 01 Framework and Vietnamese Accounting Standard 21 Presentation of Financial Statements. Based on these standards, the Group has adopted the merger ("carry-over") basis of accounting. The assets and liabilities of the combining companies are consolidated using the existing book values from the Controlling Shareholders' perspective. Any difference between the cost of acquisition and net assets acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in equity.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation**(i) Common-control business combination**

Business combination where the same group of shareholders ("the Controlling Shareholders") control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling Shareholders. Such common control business combination is specifically excluded from the scope of Vietnamese

(ii) Non-common control business combination

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

Under the purchase method, the assets and liabilities of the acquired entity are consolidated using their fair values. Cost of acquisition consists of the aggregate fair value at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group. Goodwill represents the excess of the cost of

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity. When the excess is negative, it is recognised immediately in profit or loss.

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

(iii) Subsidiaries

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

(iv) Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for in the consolidated financial statements using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated amortisation on the goodwill. The consolidated financial statements include the Group's

share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) Minority interests

For changes in the Group's ownership interest in a subsidiary that do not result in change in control, the difference between the cost of acquisition or proceeds on disposal of the interest and the proportionate carrying amount of net assets acquired or disposed at the date of exchange is recorded directly in equity.

(vi) Transactions eliminated on consolidation

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

(b) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates approximating those ruling at the transaction dates.

All foreign exchange differences are recorded in the statement of income, except when they relate to the construction of tangible fixed assets or the translation of foreign currency monetary items during pre-operating

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

stage, in which case they are recorded in the Foreign Exchange Difference Account in equity until the entity commences operations and the tangible fixed assets are put into use. Once the entity commences operations and the tangible fixed assets are put into use, the net related foreign exchange gain or loss is transferred to Unearned Revenue Account or Long-term Prepayment Account respectively. The net gain or loss is then amortised on a straight line basis over 5 years.

(c) Cash and cash equivalents

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

(d) Investments

Investments in term deposits and debt instruments, investments in equity instruments of entities over which the Group has no control or significant influence in the consolidated financial statements, and investments in all equity instruments in the separate financial statements are stated at cost. Allowance is made for reductions in investment values which in the opinion of the management are not temporary. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(e) Accounts receivable

Trade 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 apply the perpetual method of accounting for inventory.

(g) Tangible fixed assets**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure have 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 are capitalised as an additional cost of tangible fixed assets.

Included in the cost of tangible fixed assets of the Group, there are certain costs related to mineral assets that are specified as followings:

- Capitalised exploration, evaluation and development expenditure (including development stripping) for properties now in production;
- Capitalised production stripping (as described below in 'Deferred stripping costs');
- Mine rehabilitation; and
- Fair value of mineral reserves from business combination.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Deferred stripping costs

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

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

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

Production stripping costs

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

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

The deferred stripping costs and production stripping assets are depreciated using a straight-line basis over the life of the proven and probable reserves of the relevant components. Stripping assets are classified as "other mining assets".

(ii) Depreciation

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

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

Others

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

- buildings and structures 4 - 30 years
- leasehold improvements 3 - 5 years
- office equipment 3 - 10 years
- machinery and equipment 3 - 25 years
- motor vehicles 3 - 10 years

(h) Finance lease tangible fixed assets

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

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

(i) Intangible fixed assets**(i) Land use rights**

Land use rights comprise:

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

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over their useful lives ranging from 40 to 50 years.

(iii) Software

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

(iv) Brand name

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

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

(v) Customer relationships

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

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationships is amortised on a straight line basis over their useful lives ranging from 5 to 13 years.

(vi) Mineral water resources

Mineral water resources that are acquired by the Group in the acquisition of subsidiary are capitalised and

presented as an intangible asset. Fair values of mineral water resources acquired in a business combination are determined using either the direct comparison method or the multi-period excess earnings method. The direct comparison approach estimates the value of mineral resources by comparing recent asking/transacted price of similar interests located in a similar area. In the multi-period excess earnings method, subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of mineral water resources are amortised on a straight line basis over their useful lives ranging from 10 to 19 years.

(vi) Mining rights

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

(j) Construction in progress

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

Mineral assets under development comprise mineral reserve and related development costs acquired in a business combination and subsequent development expenditure. These assets are qualified for capitalisation when the mineral reserve to which they relate is proven to be commercially and technically viable. They are initially recognised at their fair value as part of business combination accounting and subsequent development expenditure are capitalised net of proceeds from the

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

sale of ore extracted during the development phase. On completion of development, defined as the time when saleable materials begin to be extracted from the mine, all assets are reclassified to either “machinery or equipment” or “mining properties” in tangible fixed assets.

(k) Long-term prepayments**(i) Pre-operating expenses**

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

(ii) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease from 47 to 50 years.

(iii) Land compensation cost

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

(iv) Printing axles and tools and supplies

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

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

instruments are amortised on a straight-line basis not more than 3 years.

(v) Borrowing fees

Loan origination costs are incurred in conjunction with the arrangement of long-term borrowings and are amortised on a straight-line basis over the tenure of the borrowings.

(l) Goodwill

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

Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is amortised on a straight-line basis over 10 years. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying value of the investment.

(m) Trade and other payables

Trade and other payables are stated at their cost.

(n) Provisions

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

Severance allowance

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

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

for severance allowance has been provided based on employees’ years of service and their current salary level.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Group and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees’ basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of the unemployment insurance scheme, the Group is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to existing eligible employees as of 31 December 2014 will be determined based on the eligible employees’ years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

Mining rights

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

Mine rehabilitation

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

expenditure is dependant on the life and nature of the mine.

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

Closure and rehabilitation provisions are also adjusted for changes in estimates. These adjustments are accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the under-depreciated capitalised cost of the related assets, in which the capitalised cost is reduced to nil and the remaining adjustment is recognised in the income statement. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved.

(o) Classification of financial instruments

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

(i) Financial assets

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

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

- - there is evidence of a recent pattern of short-term profit-taking; or
- a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Group and the Company as financial assets at fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Group and the Company has the positive intention and ability to hold to maturity, other than: those that the Group and the Company upon initial recognition designates as financial assets at fair value through profit or loss;

- those that the Group and the Company designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Loans and receivables

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

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

Available-for-sale financial assets

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

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

(ii) Financial liabilities

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

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

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

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

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

(p) Derivative financial instruments

The Group holds derivative financial instruments to hedge its exposures to the risk of raw material price fluctuation. Derivative financial instruments are recorded in the balance sheet at carrying value on the date when the

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

derivative contracts are entered into. Realised gains or losses from derivatives are recognised as financial income or financial expenses in the statement of income.

(q) Taxation

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

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

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

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

(r) Equity**(i) Share capital and capital surplus**

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

(ii) Other capital

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

(iii) Other reserves

Equity movements resulting from common-control business combination, acquisition of/disposal to minority interests and transactions involving equity instruments are recorded in "Other Reserves" in equity.

(s) Revenue and other income**(i) Goods sold**

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

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

(ii) Services rendered

Revenue from services rendered is recognised in the statement of income in proportion to the stage of

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed as certified by the customers following the contract terms. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(t) Dividend income

Dividend income is recognised when the right to receive dividend is established.

(u) Financial income and financial expenses**(i) Financial income**

Financial income comprises interest income from deposits and loans, facility income, negative goodwill on business combination, income from disposal equity interests and net foreign exchange gains. Interest income is recognised as it accrues in the statement of income.

(ii) Financial expenses

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

(v) Operating lease payments

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

(w) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary

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

(x) Segment reporting

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

(y) Related parties

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

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

(z) Share-based payments

Shares issued to employees are recorded at their par value. Redemption of such shares performed by related companies outside the Group is not recorded by the Group.

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

4. SEGMENT REPORTING

The Group has four (4) reportable segments, as described below, which are the Group's strategic businesses. The strategic businesses offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic businesses, the Group's Board of Management reviews internal management reports on a periodic basis.

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

- Food and beverage
- Mining and processing

The Group also invested in and has significant influence in a joint stock bank and a group that operates feed mills and supply animal nutrition products. The Group's Board of Management considers Financial Services and Animal Nutrition as separate business segments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HH

(a) Business segments

	Food and beverage		Animal nutrition		Mining and processing		Financial services		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Segment revenue	13,262,905	11,942,533	-	-	2,825,731	-	-	-	16,088,636	11,942,533
Segment gross margin	5,828,734	4,999,337	-	-	739,419	-	-	-	6,568,153	4,999,337
Segment results	2,666,839	2,774,956	194,773	183,016	(109,956)	(30,191)	(247,834)	(375,797)	2,503,822	2,551,984
Unallocated expenses									(109,041)	(289,330)
Financial income									754,437	87,264
Financial expenses									(655,869)	(357,193)
Net operating profit (include share of results of associates)									2,493,348	1,992,725
Other income									405,287	105,808
Other expenses									(158,904)	(85,089)
Income tax expense									(702,689)	(706,220)
Net profit									2,037,042	1,307,224

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HH

	Food and beverage		Animal nutrition		Mining and processing		Financial services		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Segment assets	15,108,276	12,923,825	-	2,152,932	24,199,705	20,376,937	8,357,101	8,604,935	47,665,082	44,058,629
Unallocated assets									5,300,018	2,443,512
Total assets									52,965,100	46,502,141
Segment liabilities	10,963,588	7,952,295	-	-	9,891,791	7,870,718	-	-	20,855,379	15,823,013
Unallocated liabilities									10,184,582	7,417,631
Total liabilities									31,039,961	23,240,644
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Capital expenditure	843,267	315,863	-	-	1,885,626	3,506,517	-	-	2,728,893	3,822,380
Depreciation	278,654	227,483	-	-	612,488	38,051	-	-	891,142	265,534
Amortisation	319,250	200,991	-	-	201,807	16,919	-	-	521,057	217,910

Segment assets and liabilities exclude deferred tax assets and liabilities, respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(b) Geographical segments**2014**

	Vietnam	Asia (excluded Vietnam)	Europe	Americas	Others	Total
	VND million	VND million	VND million	VND million	VND million	VNDmillion
External revenue	13,841,739	1,026,750	767,363	253,091	199,693	16,088,636
Segment assets	52,965,100	-	-	-	-	52,965,100
Capital expenditure	2,728,893	-	-	-	-	2,728,893

2013

In 2013, the Group view themselves as operating in one geographical segment which is in Vietnam since all the Group's facilities, investments and revenue are in Vietnam.

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

5. BUSINESS COMBINATION**Acquisition of Lamka**

In September 2014, a subsidiary within the Group, Masan Brewery Company Limited completed the acquisition of 100% equity interest of Lamka which holds 99.99% equity interest of Pybeco for a total consideration of VND594 million, including transaction costs. The share acquisitions resulted in the Group gaining 100% and 99.99% effective equity interest in Lamka and Pybeco as at 31 December 2014, respectively.

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

	Pre-acquisition carrying amounts	Fair value adjustments	Recognised value on acquisition
	VND million	VND million	VND million
Cash and cash equivalents	57,995	-	57,995
Accounts receivable – short term	5,939	-	5,939
Inventories	30,694	-	30,694
Other current assets	19,975	-	19,975
Tangible fixed assets	358,423	26,872	385,295
Intangible fixed assets	927	8,105	9,032
Construction in progress	2,799	-	2,799
Other long-term assets	2,271	-	2,271
Goodwill	96,996	(96,996)	-
Current liabilities	(225,385)	-	(225,385)
Long-term liabilities	(702,915)	-	(702,915)
Deferred tax liabilities	-	(6,995)	(6,995)
Total net identifiable liabilities acquired	(352,281)	(69,014)	(421,295)
Share of net liabilities acquired			(421,295)
Goodwill on acquisition (Note 17)			421,889
Total consideration			594
Consideration paid			(594)
Cash acquired			57,995
Net cash inflow			57,401

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

6. DISPOSAL OF SUBSIDIARIES

(a) Disposal of MA

In December 2014, the Group acquired the remaining 49% of equity interests in MA which hold 40% equity interest in Vietnamese – French Cattle Feed Joint Stock Company (“Proconco”), an associate, for a consideration of VND1,500 billion. In December 2014, the Group had 99.99% equity interests in MA. In December 2014, the Group completely disposed 99.99% equity interests in MA to third parties, for a cash consideration of VND3,035,143 million. Such transaction resulted in the Group no longer holding any equity interest in MA and Proconco.

The disposal had the following effect on the Group’s financial statements on disposal date:

	VND million
Cash and cash equivalents	477
Short-term investments	83,500
Other receivables	1,659
Investments in associates	2,267,705
Taxes payable to State Treasury	(357)
Accrued expenses	(467)
Total net identifiable assets disposed	2,352,517
Gain recorded in statement of income (Note 29)	682,626
Selling price	3,035,143
Balance of receivable as at 31 December 2014 (*)	(3,035,143)
Cash and cash equivalents disposed	(477)
Net of cash disposed	(477)

(*) Subsequent to 31 December 2014, the Group has received VND1,500 billion of the proceed on disposal of this investment.

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(b) Disposal of MVP

In December 2014, the Group disposed 100% of its stakes in MVP, a subsidiary, to a third party for a cash consideration of VND500 billion. Such transaction resulted in the Group no longer holding any equity interest in MVP.

The disposal had the following effect on the Group’s financial statements on disposal date:

	VND million
Cash and cash equivalents	986
Short-term investments	96,600
Accounts receivable	4,507
Inventory	42,207
Other current assets	1,319
Tangible fixed assets	15,901
Intangible fixed assets	2,420
Other non-current assets	4,515
Short-term borrowings	(65,884)
Accounts payable	(9,080)
Advances from customers	(16,294)
Taxes and obligations	(4,928)
Accrued expenses	(2,638)
Other payable	(1,631)
Total net identifiable assets disposed	68,000
Gains recorded in statements of income (Note 29)	428,447
Gains recorded in other reserve (Note 14 (d)(iii))	3,553
Selling price	500,000
Balance of receivable at as 31 December 2014 (*)	(500,000)
Cash and cash equivalents disposed	(986)
Net of cash disposed	(986)

(*) Subsequent to 31 December 2014, the Group has received VND50 billion of the proceed on disposal of this investment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HH

7. CASH AND CASH EQUIVALENTS

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	VND million	VND million	VND million	VND million
Cash on hand	1,432	3,367	124	470
Cash in banks	301,538	200,210	9,777	11,361
Cash equivalents	4,863,445	5,494,986	507,350	1,367,448
	5,166,415	5,698,563	517,251	1,379,279

Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transactions dates. The term deposits are denominated in VND and earned interest at rates ranging from 4.4% to 5.4% per annum during the year (31/12/2013: 6% to 8% per annum for VND and 0.25% to 0.5% per annum for USD).

There was no cash equivalent as at 31 December 2014 (31/12/2013: VND28,000 million) pledged with banks as security for loans granted to the Group (Note 22).

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

As at 31 December 2014, certain trade receivables of the Group were pledged with banks as security for loans granted to subsidiaries (see Note 18).

As at 31 December 2014, prepayments to suppliers of the Group amounting to VND61,723 million (31/12/2013: VND194,417 million) were related to construction in progress.

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HH

Other receivables comprised:

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	VND million	VND million	VND million	VND million
Other short-term receivables				
Receivables from sales of claims	256,200	-	-	-
Non-trade receivables from related companies	142,244	142,244	3,168,668	10,734,312
Accrued interest receivable from deposits	64,972	51,906	3,398	1,250
VAT portion of foreign contractor tax	-	11,947	-	6,837
Services receivable	11,547	11,547	11,547	11,547
Others	15,779	47,608	-	-
	490,742	265,252	3,183,613	10,753,946
Other long-term receivables				
Long-term interest receivables	4,712	25,395	-	-
Long-term loans receivables	-	424,788	-	-
Other long-term receivables from related parties	-	-	5,016,249	2,875,015
Other (*) (Note 13)	1,383,086	-	-	-
	1,387,798	450,183	5,016,249	2,875,015

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

Other receivables include the following amounts due from related parties:

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	VND million	VND million	VND million	VND million
Amounts due from Ma San Corporation – the parent company				
Non-trade – short-term	142,244	142,244	142,244	142,244
Amounts due from other related companies				
Non-trade – short-term	-	-	3,026,424	10,592,068
Non-trade – long-term	-	-	5,016,249	2,875,015

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

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

As at 31 December 2014, the short-term non-trade receivables due from other related parties of the Company comprised of:

- (a) VND2,247,291 million (31/12/2013: VND2,003,529 million) relates to an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND1,962,319 million (31/12/2013: VND1,962,319 million) and interest receivable of VND284,972 million (31/12/2013: VND41,210 million). The loan is due in 2015 and earns interest at 12% per annum (2013: 12% per annum);
- (b) An unsecured funding agreement between the Company and a subsidiary for a principal amount of VND487,500 million (31/12/2013: VND487,500 million). The loan is interest free and will be repayable on the maturity date in 2015;
- (c) VND232,177 million (31/12/2013: VND211,070 million) relates to an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND210,000 million (31/12/2013: VND210,000 million) and interest receivable of VND22,177 million (31/12/2013: VND1,070 million). The loan is due in 2015 and earns interest at 10% per annum (2013: 10% per annum);
- (d) VND25,018 million (31/12/2013: VND22,755 million) relates to interest receivable, which is due in 2015, accrued on a VND620,000 million loan extended to a subsidiary in 2013 which has been repaid in 2013; and
- (e) The remaining VND34,438 million (31/12/2013: VND6,983,680 million) of short-term non-trade receivables due from related parties were unsecured, interest-free and receivable in accordance with contract terms.

At 31 December 2014, the non-trade long-term amounts due from other related companies of the Company were unsecured, interest free and receivable in accordance with contract terms, and consist of:

- (a) VND1,074,265 million of receivables as at 31 December 2013 were related to facility fees charged on unsecured loan facilities amounting to USD218 million and VND2,200 billion made available to a subsidiary. During the year, the Company entered into agreements with its subsidiaries to change the nature of the facility fees to interest cost for loans granted to the subsidiary. These interest cost amounting to VND2,134,490 million as at 31 December 2014 are receivable from 2016 to 2018. The remaining VND229,967 million (31/12/2013: Nil) relates to principal drawn down from the loan facilities granted by the Company and interest receivables during the year;
- (b) VND323,560 million (31/12/2013: VND278,398 million) relates to interest receivable, which are due in 2019, accrued on a VND2,000 billion loan extended to a subsidiary in 2011 which has been repaid in 2012;
- (c) VND2,245,113 million (31/12/2013: VND1,072,169 million) relates to unsecured loan agreements between the Company and its subsidiary for the principal amount of VND1,994,358 million (31/12/2013: VND1,052,769 million) and interest receivable of VND250,755 million (31/12/2013: 19,400 million). The loans are due in 2018 and earns interest rate of 12% per annum (2013: 12% per annum);
- (d) VND83,119 million (31/12/2013: VND450,183 million) relates to unsecured loan agreements between the Company and its subsidiary for the principal amount of VND79,569 million (31/12/2013: VND424,788 million) and interest receivable of VND3,550 million (31/12/2013: VND25,395 million). The loans are due in 2017 and earns interest rate of 10.5% per annum (2013: 10% to 10.5% per annum).

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

9. INVENTORIES

	Group	
	31/12/2014 VND million	31/12/2013 VND million
Goods in transit	64,148	49,521
Raw materials	599,438	381,333
Tools and supplies	511,941	326,413
Work in progress	76,624	90,522
Finished goods	366,480	223,444
Merchandise inventories	5,097	19,840
Goods on consignment	3,444	-
	1,627,172	1,091,073
Allowance for inventories	(22,318)	(20,739)
	1,604,854	1,070,334

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

	Group	
	31/12/2014 VND million	31/12/2013 VND million
Opening balance	20,739	11,991
Increase in allowance during the year	67,433	38,187
Allowance utilised during the year	(61,739)	(24,495)
Written back	(3,488)	(4,944)
Disposal of a subsidiary	(627)	-
Closing balance	22,318	20,739

As at 31 December 2014, certain inventories of the Group were pledged with banks as security for loans granted to subsidiaries (see Note 18).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

10. TANGIBLE FIXED ASSETS

Group	Mining properties VND million	Buildings and structures VND million	Leasehold improvements VND million	Office equipment VND million	Machinery and equipment VND million	Motor vehicles VND million	Total VND million
Cost							
Opening balance	-	627,019	94,220	71,834	1,605,642	58,899	2,457,614
Acquisition on business combinations	-	75,021	45	1,633	307,884	712	385,295
Additions	101,468	1,173	3,175	1,010	6,510	77	113,413
Transfer from construction in progress	5,698,583	2,119,485	-	12,024	9,320,422	4,333	17,154,847
Transfer to short-term prepayments	-	-	-	-	(481)	-	(481)
Transfer to long-term prepayments	-	(1,561)	-	-	(3,018)	-	(4,579)
Disposals	-	(2,973)	(71,680)	(4,990)	(34,785)	(7,818)	(122,246)
Written off	-	(2,500)	-	(2,820)	(1,359)	(220)	(6,899)
Reclassifications	-	660	-	615	(1,275)	-	-
Disposal of a subsidiary	-	(10,832)	-	(1,822)	(76,469)	(741)	(89,864)
Closing balance	5,800,051	2,805,492	25,760	77,484	11,123,071	55,242	19,887,100

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

	Mining properties VND million	Buildings and structures VND million	Leasehold improvements VND million	Office equipment VND million	Machinery and equipment VND million	Motor vehicles VND million	Total VND million
Accumulated depreciation							
Opening balance	-	86,063	29,111	32,932	552,702	25,377	726,185
Charge for the year	171,419	106,252	9,774	10,245	582,643	8,422	888,755
Transfer to short-term prepayments	-	-	-	-	(100)	-	(100)
Transfer to long-term prepayments	-	-	-	-	(1,717)	-	(1,717)
Disposals	-	(2,299)	(19,809)	(2,756)	(24,760)	(6,042)	(55,666)
Written off	-	(2,367)	-	(2,820)	(901)	(219)	(6,307)
Reclassifications	-	1,327	-	566	(1,490)	(403)	-
Disposal of a subsidiary	-	(5,869)	-	(1,540)	(65,813)	(741)	(73,963)
Closing balance	171,419	183,107	19,076	36,627	1,040,564	26,394	1,477,187
Net book value							
Opening balance	-	540,956	65,109	38,902	1,052,940	33,522	1,731,429
Closing balance	5,628,632	2,622,385	6,684	40,857	10,082,507	28,848	18,409,913

Included in the cost of tangible fixed assets were assets costing VND131,143 million which were fully depreciated as of 31 December 2014 (31/12/2013: VND128,897 million), but which are still in active use.

No tangible fixed assets of the Group retired from active use and held for disposal as of 31 December 2014 (31/12/2013: VND1,547 million).

The carrying amount of temporarily idle equipment in tangible fixed assets amounted to VND33,679 million as of 31 December 2014 (31/12/2013: VND48,573 million).

As at 31 December 2014, tangible fixed assets with a carrying value of VND815,204 million (31/12/2013: VND676,017 million) were pledged with banks as security for loans granted to the subsidiaries (see Note 18 and 22).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Company:

	Leasehold improvements VND million	Office equipment VND million	Total VND million
Cost			
Opening balance	86,778	5,787	92,565
Transfer from construction in progress	-	4,313	4,313
Disposals	(71,680)	(4,439)	(76,119)
Closing balance	15,098	5,661	20,759
Accumulated depreciation			
Opening balance	21,979	2,550	24,529
Charge for the year	9,183	1,890	11,073
Disposals	(19,809)	(2,206)	(22,015)
Closing balance	11,353	2,234	13,587
Net book value			
Opening balance	64,799	3,237	68,036
Closing balance	3,745	3,427	7,172

11. FINANCE LEASE TANGIBLE FIXED ASSETS

Group

	Machinery and equipment VND million
Cost	
Opening and closing balance	67,300
Accumulated amortisation	
Opening balance	8,973
Charge for the year	13,460
Closing balance	22,433
Net book value	
Opening balance	58,327
Closing balance	44,867

A subsidiary of the Company leased laboratory equipments for metallurgical assay testing under a finance lease arrangement (Note 22(d)).

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

12. INTANGIBLE FIXED ASSETS

Group

	Land use rights VND million	Software VND million	Brand name VND million	Customer relationships VND million	Mineral water resources VND million	Mining rights VND million	Total VND million
Cost							
Opening balance	173,793	39,964	702,866	375,110	305,336	-	1,597,069
Acquisition on business combinations	-	927	8,105	-	-	-	9,032
Additions	-	3,505	1,500	-	-	588,373	593,378
Transfer from construction in progress	-	67,048	-	-	-	-	67,048
Transfer to long-term prepayments	-	(50)	-	-	-	-	(50)
Written off	(31)	(44)	-	-	-	-	(75)
Disposal of a subsidiary	(3,508)	-	-	-	-	-	(3,508)
Closing balance	170,254	111,350	712,471	375,110	305,336	588,373	2,262,894
Accumulated amortisation							
Opening balance	20,194	17,363	125,665	142,788	2,387	-	308,397
Charge for the year	4,947	12,981	62,710	68,319	2,603	5,369	156,929
Transfer to long-term prepayments	-	(18)	-	-	-	-	(18)
Written off	-	(22)	-	-	-	-	(22)
Disposal of a subsidiary	(1,088)	-	-	-	-	-	(1,088)
Closing balance	24,053	30,304	188,375	211,107	4,990	5,369	464,198
Net book value							
Opening balance	153,599	22,601	577,201	232,322	302,949	-	1,288,672
Closing balance	146,201	81,046	524,096	164,003	300,346	583,004	1,798,696

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Included in the cost of intangible fixed assets were assets costing VND15,031 million which were fully amortised as of 31 December 2014 (31/12/2013: VND7,274 million), but which are still in use.

As at 31 December 2014, land use rights with a carrying value of VND70,093 million (31/12/2013: VND72,958 million) were pledged with banks as security for loans granted to the Group's subsidiaries (see Note 18).

Company:

	Software VND million
Cost	
Opening balance	4,214
Additions	318
Closing balance	4,532
Accumulated amortisation	
Opening balance	1,149
Charge for the year	1,112
Closing balance	2,261
Net book value	
Opening balance	3,065
Closing balance	2,271

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

13. CONSTRUCTION IN PROGRESS

	Group		Company	
	2014 VND million	2013 VND million	2014 VND million	2013 VND million
Opening balance	20,042,933	15,317,924	10,021	71,628
Acquisition on business combinations	2,799	1,047	-	-
Additions during the year	3,356,972	5,094,361	1,093	16,009
Transfer to tangible fixed assets	(17,154,847)	(340,323)	(4,313)	(74,844)
Transfer to intangible fixed assets	(67,048)	(15,097)	-	(2,161)
Transfer to short-term prepayments	(6,594)	(5,779)	-	(570)
Transfer to long-term prepayments	(972,598)	(9,200)	(63)	(41)
Disposals	(5,263)	-	(4,521)	-
Written off	(2,217)	-	(2,217)	-
Reimbursement of resettlement cost, transfer to other receivables (Note 8)	(1,383,086)	-	-	-
Closing balance	3,811,051	20,042,933	-	10,021

As at 31 December 2014, no construction in progress were pledged with banks as security for loans granted to the Group's subsidiaries (31/12/2013: VND176,983 million) (see Note 18).

During the year, borrowing costs capitalised into construction in progress amounted to VND412,373 million (for the year ended 31 December 2013: VND1,117,239 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

14. INVESTMENTS

	Group		Company	
	31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Long-term investments				
Investments in subsidiaries	-	-	3,389,914	7,422,796
Investment in associates (a)	8,597,526	10,757,867	8,932,424	8,932,424
Other long-term investments (b)	147,650	3,600	-	-
	8,745,176	10,761,467	12,322,338	16,355,220
Short-term investments				
Term deposits in banks	4,042,212	3,287,000	239,614	-

Term deposits at banks represented deposits with original terms to maturity of more than three months but less than twelve months from their transaction dates. The term deposits are denominated in Vietnam Dong and earned interest at rates ranging from 4.9% to 7% (2013: ranging from 6% to 8%) per annum during the year.

Details of the Company's cost of investments in subsidiaries were as follows:

	31/12/2014 VND million	31/12/2013 VND million
Ma San Consumer Corporation (*)	-	3,591,682
MasanConsumerHoldings Company Limited	516,600	516,600
Masan Brewery Company Limited (formerly known as Orchid Consultant Company Limited) (**)	-	441,200
Ma San Horizon Corporation	2,873,314	2,873,314
	3,389,914	7,422,796

(*) In May 2014, the Company transferred the remaining equity interest of 21.39% of MSC at cost to MCH for a consideration of VND3,591,682 million. The Company assigned all outstanding debts and related interest payables to MSC to MCH.

(**) In September 2014, the Company converted all outstanding loans and interest receivable amounting of VND376,800 million to capital contribution in Masan Brewery Company Limited. Then in December 2014, the Company transferred all of 100% its equity interest in Masan Brewery Company Limited at cost to MCH for a consideration of VND818,000 million.

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

The following are the details of the consolidated subsidiaries as at 31 December 2014:

Name	Address
Masan Consumer Holdings Company Limited	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam
Ma San Consumer Corporation	12th Floor, Kumho Asiana Plaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam
Masan Food Company Limited	12th Floor, Kumho Asiana Plaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam
Ma San Industrial One Member Company Limited	Lot 6, Tan Dong Hiep A Industrial Park, Di An District, Binh Duong Province, Vietnam
Viet Tien Food Technology One Member Company Limited	Lot III-10-Industrial Group III, Tan Binh Industrial Park, Tan Phu District, Ho Chi Minh City, Vietnam
Ma San HD One Member Company Limited	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam.
Ma San PQ Corporation	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam.
Masan Beverage Company Limited	12th Floor, Kumho Asiana Plaza Saigon – 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.
Masan DN One Member Company Limited	Street No. 7, Hoa Khanh Industrial Park, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City, Vietnam.
Masan MB One Member Company Limited	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Long Commune, Nghi Loc District, Nghe An Province, Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Name	Address
VinaCafe Bien Hoa Joint Stock Company	Bien Hoa Industrial Zone I, Bien Hoa City, Dong Nai Province, Vietnam
Vinh Hao Mineral Water Corporation	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam.
Kronfa., JSC	Km37, National Road 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam
Ma San Horizon Corporation	Suite 802, 8th Floor, Central Tower, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Ma San Resources Corporation	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Ma San Thai Nguyen Resources Company Limited	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam
Thai Nguyen Trading and Investment Company Limited	8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Nui Phao Mining Company Limited	Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam
Masan Brewery Company Limited (formerly known as Orchid Consultant Company Limited)	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam
Lamka One Member Company Limited	10th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Phu Yen Beer and Beverage., JSC	Hoa Hiep Industrial Park, Hoa Hiep Bac Ward, Dong Hoa District, Phu Yen Province, Vietnam

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(a) Investment in associates

Details of the investments in associates were as follows:

	Group		Company	
	31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") (*)	8,357,101	8,604,935	8,932,424	8,932,424
Vietnamese French Cattle Feed Joint Stock Company ("Proconco") (**)	-	2,152,932	-	-
Cholimex Food Joint Stock Company ("Cholimex") (***)	240,425	-	-	-
	8,597,526	10,757,867	8,932,424	8,932,424

(*) Investment in Techcombank represents investment in 30.36% (31/12/2013: 30.36%) of the effective economic interest in Techcombank as of 31 December 2014. The Group's effective economic interest includes 15.64% through direct equity interest and 14.72% through 10 year convertible bonds issued by Techcombank which the Company has agreed to irrevocably and mandatorily convert during the conversion period of the convertible bonds, subject to regulatory and other customary approvals.

(**) The Group divest all their effective equity interest in Proconco as of 31 December 2014 (31/12/2013: their holding of 15.14%), as a result of the disposal of MA, which holds a 40% direct interest in Proconco.

(***) In December 2014, MSF, a subsidiary of the Company acquired 32.84% equity interest in Cholimex for a consideration of VND239,420 million excluding transactions cost.

Movements of investment in associates as at 31 December 2014 were as follows:

	Techcombank VND million	Proconco VND million	Cholimex VND million	Total VND million
Opening balance	8,604,935	2,152,932	-	10,757,867
Share in post-acquisition profit/(loss) of associates during the year	(247,834)	194,773	-	(53,061)
Dividends received	-	(80,000)	-	(80,000)
Disposal of investment in associates (Note 6 (a))	-	(2,267,705)	-	(2,267,705)
Acquisition of an associate	-	-	240,425	240,425
Closing balance	8,357,101	-	240,425	8,597,526

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(b) Other long-term investments

Details of the other long-term investments were as follows:

	Group	
	31/12/2014 VND million	31/12/2013 VND million
Term deposits at banks	144,050	-
Investment in Vinh Hao Seaweed Corporation	3,600	3,600
	147,650	3,600

The term deposits are denominated in Vietnam Dong, have original terms to maturity of more than twelve months from their transaction dates and earned interest at rates ranging from 7.2% to 7.7% per annum during the year.

(c) Transactions in subsidiaries for the year ended 31 December 2014 – transactions with minority interests**(i) Transactions with minority interests in MSC**

In January 2013, KKR Ma San Aggregator L.P, an affiliate of Kohlberg Kravis Roberts & Co. L.P (“KKR”), subscribed for new shares issued by MSC. In connection with the issuance, MSC entered into an agreement with the investor to issue additional shares based on certain valuation conditions derived from 2013 earnings. The additional shares required to be issued resulted in a decrease in the Group’s equity interests as at 31 December 2013.

However, this requirement was waived by the investor in 2014 resulting in the Group’s equity interests in MSC increasing back to 77.4%, resulting in the following effects:

	VND million
Shares issued not subscribed by the Group	-
Net assets increased	512,575
Difference recorded in other reserves	512,575

In May 2014, MSC disposed 51% equity interests of MA by doing an upstream transfer of MA to the Company. Therefore, MCH shared other reverse of this transactions to minority investors, resulting in the following effects:

	VND million
Net assets decreased	7,135
Difference recorded in other reserves	7,135

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

In June 2014, MSC issued shares to certain employees under its employee share based payment plan after obtaining shareholders’ approval at its Annual General Meeting, resulting in the following effects:

	VND million
Shares issued at par not subscribed by the Group, net of transaction costs	39,905
Net assets diluted	(74,832)
Difference recorded in other reserves	(34,927)

In July 2014, MSC acquired an additional 0.44% of the equity interest of Vinh Hao Mineral Water Corporation (“Vinh Hao”) for a total consideration of VND568 million in cash, resulting in the following effects:

	VND million
Cost of acquisition, cash paid	(568)
Net assets acquired	2,144
Differences recorded in other reserves	1,576

During the year, the MCH acquired additional 1.56% of the equity interest in MSC from minority interests for a total of VND695,068 million in cash, resulting in the following effects:

	VND million
Cost of acquisition	(695,068)
Net assets acquired	201,422
Difference recorded in other reserves	(493,646)

In December 2014, MSC repurchased 18,000,000 treasury shares from MCH and minority investors for VND1,253,687 million and VND386,566 million in cash, including transaction costs, respectively. As a result of this transaction, economic interests of MCH in MSC increased by 0.03% equivalent and other reserves increased by VND15,921 million.

In December 2014, MCH shared other reserves of MSC transactions to minority investors, resulting in the following effects:

	VND million
Net assets increased	(1,111)
Difference recorded in other reserves	(1,111)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(ii) Transactions with minority interests in MA

In December 2014, MSN acquired 49% of the equity interest in MA for VND1,502,060 million in cash, resulting in the following effects:

	VND million
Cost of acquisition	(1,502,060)
Net assets acquired	1,152,733
Difference recorded in other reserves	(349,327)

(iii) Transactions with minority interests in MR

From February 2014 to December 2014, MR issued shares to certain employees under its employee share based payment plan after obtaining shareholders' approval at its Annual General Meeting. The Group effective interest in MR had a decrease from 75.9% to 74.2% resulting in the following effects:

	VND million
Shares issued at par not subscribed by the Group, net of transaction costs	12,436
Net assets diluted	(204,652)
Difference recorded in other reserves	(192,216)

Other reserve movements during the year were as follows

	VND million
Balance at 1 January 2014	(8,929,770)
Decrease in minority interests in MSC	(24,319)
Gains recorded in other reserve from disposals of shares in a subsidiary of MSC (Note 6)	3,553
Loss recognised in other reserve when acquired 49% equity interest in MA	(349,327)
Transfer other reserves to retained earnings as a result of the disposal of 100% equity interest in MA	349,327
Increase in minority interests in MR	(192,216)
Balance at 31 December 2014	(9,142,752)

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

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(e) Significant transactions in subsidiaries in 2013

(i) Transactions with minority interests in MSC

On 16 January 2013, the Company acquired an additional 0.45% of the equity interests in MSC, a subsidiary, from minority interests for VND 207,462 million in cash, resulting in the following effects:

	VND million
Cost of acquisition	(207,462)
Net assets acquired	48,032
Difference recorded in other reserves	(159,430)

On 25 January 2013, KKR Ma San Aggregator L.P, an affiliate of KKR, subscribed for new shares issued by MSC equivalent to 4.35% of its outstanding shares after such issuance for VND2,272,364 million. The dilution effects of new shares issued by MSC not subscribed by the Group were as follows:

	VND million
Shares issued not subscribed by the Group, net of transaction costs	2,204,951
Net assets diluted	(866,541)
Difference recorded in other reserves	1,338,410

In connection with the issuance on 25 January 2013, MSC entered into an agreement with the investor to issue additional shares based on certain valuation conditions derived from 2013 earnings. The additional shares required to be issued resulted in a decrease in the Group's equity interests in MSC as follows:

	VND million
Shares issued not subscribed by the Group	-
Net assets diluted	(512,575)
Difference recorded in other reserves	(512,575)

Within 6 years from the closing date, if MSC has not completed an initial public offering that meet certain pre-agreed requirements, the investor has the option to put all or part of its MSC shares for the Company's shares based on a pre-agreed formula.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

If the investor does not exercise its put option during the put option period, the Company has the right to call the MSC shares from the investor for a period of one year after the end of the put option period for cash or the Company's share or 50% of each at a pre-agreed valuation to the investor. For the avoidance of doubt, the call option right will cease to be available if MSC has completed an initial public offering that meet certain pre-agreed requirements.

On 18 June 2013 MSC issued shares to certain employees under its employee share based payment plan after obtaining shareholders' approval at its Annual General Meeting, resulting in the following effects:

	VND million
Shares issued at par not subscribed by the Group	19,950
Net assets diluted	(44,975)
Difference recorded in other reserves	(25,025)

On 26 August 2013, MSC entered into definitive agreements with Vietnam Growth Capital Pte.Ltd., ("TPG") to sell a 49% stake in MA, a subsidiary of MSC, which holds a 40% direct interest in Proconco. TPG paid a cash consideration of VND1,061,862 million to acquire the shares from MSC, resulting in the following effects:

	VND million
Cash consideration	1,061,862
Net assets diluted	(1,027,277)
Difference recorded in other reserves	34,585

As part of the transaction, the Company granted TPG an option to put its 49% stake in MA for the Company's shares 3 years after the closing of the transaction. The amount of shares to be issued in the event the put option is exercised will be based on the trading price of the Company's shares and an amount of shares that would allow TPG to generate a certain rate of return based on its upfront investment amount. In addition, TPG granted to the Company a call option on the 49% interest and all other interests that TPG may further acquire in MA. The call option can be exercised within 30 days after 3 years from the closing of the initial transaction, for an amount in VND equal to the purchase price plus an amount that would result in TPG achieving a certain rate of return on the aggregate of the purchase price and all TPG capital contributions.

Additionally, under certain conditions, the Company has to grant TPG an option to subscribe for shares equal in value to the greater of 25% of the initial purchase consideration or the fair value of this additional option based on a price per share of VND90,000.

In 2014, the Company and TPG entered into an agreement whereby TPG agreed to cancel all options that the Company granted to TPG.

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(ii) Transactions with minority interests in MR

On 25 January 2013, BI Private Equity New Market III K/S ("PENM II") subscribed for 15,902,430 mandatorily convertible preference shares in MR for a cash consideration of VND520,709 million. The holders of these mandatorily convertible preference shares shall be paid fixed dividends ranging from 3% to 10% per annum on the principal amount and the preference shares are mandatorily convertible into ordinary shares within 4 years. The preference shares also confer onto PENM II the right to receive dividends declared to ordinary shareholders in proportion to their shareholding and are automatically converted to ordinary shares in the event of the liquidation of MR.

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

Between April and June 2013, MR issued 99,182,832 ordinary shares at VND18,726 per share to MR's existing investors amounting to VND1,857,297 million in multiple tranches. Ma San Horizon Corporation, a subsidiary of the Company, PENM II and MRC Ltd., an investment entity managed by Mount Kellett Capital Management LP, subscribed to 89,391,298 ordinary shares, 3,180,486 ordinary shares and 6,611,048 ordinary shares for cash considerations of VND1,673,941 million, VND59,558 million and VND123,798 million, respectively.

In July 2013, MR issued 29,420,151 ordinary shares at par value of VND10,000 to MRC Ltd. for a cash consideration of VND294,202 million. The private placement was part of a settlement of an equity adjustment clause from the 16 March 2011 transaction between MR and MRC Limited.

In August 2013, the Group entered into agreements to amend and exercise the call option and purchased 100% of Dragon Capital's shares in MR for a consideration of VND899,175 million to be paid in cash.

In December 2013, MR issued shares to certain employees under its employee share based payment plan after obtaining shareholders' approval at its Annual General Meeting. During the year, a subsidiary of the Company, Ma San Horizon Corporation purchased 8,392,857 MR shares issued under the MR employee share-based payment plan for VND123,342 million.

(f) Significant transactions in subsidiaries in prior years

(i) Transactions with minority interest in MSC

On 7 April 2011, Kohlberg Kravis Roberts & Co. L.P. ("KKR") through its company named MC Holdings II (Cayman) Limited subscribed for new shares issued by MSC equivalent to 10% of its outstanding shares on that date for VND3,327,552 million.

In connection with this issuance, the Company entered into an agreement with the investor wherein if the equity valuation of MSC based on a multiple of 16 times 2011 earnings does not meet the agreed initial entry valuation of MSC, the Company will transfer a certain number of its MSC shares to the investor to achieve an effective entry valuation of 16 times 2011 earnings. In addition, if the 2011-2013 growth rate of MSC's earnings is below the agreed internal return rate at 20% in VND or 15% in USD at the Company's discretion, the Company will also transfer a certain number of its MSC shares to the investor. At 31 December 2013, the 2011-2013 growth rate of MSC's earnings was above the initial agreed internal return rate and the Company has no legal obligation to transfer additional shares of MSC to the investor.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Within 6 years from the closing date, if MSC has not completed a qualified initial public offering, as defined in the agreement, the investor has the option to put its MSC shares for the Company's shares within a certain period. If the investor does not exercise its put option during the put option period, the Company can call the MSC shares from the investor for a period of one year after the end of the put option period for cash or the Company's shares or 50% of each at a pre-agreed valuation to the investor.

(ii) Transactions with minority interest in MR

On 16 March 2011, Mount Kellett Capital Management LP through its company named MRC Limited subscribed for new MR shares for a cash consideration of USD100 million, equivalent to VND2,059,120 million. The investor obtained 20% interest in MR. As part of this transaction, the Group invested VND487,500 million in MR for new ordinary shares. The Company also granted the investor an option to put its 20% ownership in MR to the Company for the Company's shares in the event MR has not listed within 4.5 years after closing of the transaction. The amount of shares to be issued in the event the put option is exercised will be based on the trading price of the Company's shares and an amount of shares that would allow the investor to generate a certain rate of return, based on the USD invested amount.

An equity adjustment clause was also included in the agreement whereby subject to certain conditions, MR has to issue additional shares to the investor.

On 11 July 2013, MRC Limited further subscribed to 29,420,151 ordinary shares issued by MR in a private placement at a subscription price of VND10,000 per share.

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

15. LONG-TERM PREPAYMENTS

Group

	Pre- operating expenses VND million	Prepaid land costs VND million	Land compensation costs VND million	Printing axes VND million	Tools and supplies VND million	Borrowing fees VND million	Foreign exchange differences VND million	Others VND million	Total VND million
Opening balance	58,796	2,226	-	1,143	25,980	306,817	-	8,391	403,353
Additions	-	-	-	4,675	8,002	232,227	-	7,875	252,779
Acquisition on business combinations	-	-	-	-	-	-	-	1,856	1,856
Transfer from/(to) construction in progress	313,184	-	660,515	-	(1,164)	-	-	63	972,598
Transfers from tangible fixed assets	-	-	-	-	2,862	-	-	-	2,862
Transfers from intangible fixed assets	-	-	-	-	32	-	-	-	32
Reclassification from short-term prepayments	-	-	-	-	5,710	-	-	-	5,710
Transfer from foreign exchange difference account	-	-	-	-	-	-	43,190	-	43,190
Amortisation for the year	(86,995)	(55)	(27,521)	(3,247)	(23,347)	(153,000)	(7,263)	(3,120)	(304,548)
Disposals	-	-	-	(475)	(3,117)	-	-	(74)	(3,666)
Written off	-	-	-	-	(208)	-	-	-	(208)
Disposal of subsidiaries	-	-	-	(2,050)	(2,316)	-	-	-	(4,366)
Closing balance	284,985	2,171	632,994	46	12,434	386,044	35,927	14,991	1,369,592

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Company

	Borrowing fees VND million	Others VND million	Total VND million
Opening balance	52,812	499	53,311
Additions	6,000	7,041	13,041
Transfer from construction in progress	-	63	63
Disposals	-	(74)	(74)
Amortisation for the year	(22,843)	(1,210)	(24,053)
Closing balance	35,969	6,319	42,288

16. DEFERRED TAX ASSETS AND LIABILITIES

(i) Recognised deferred tax assets and liabilities

	Group	
	31/12/2014 VND million	31/12/2013 VND million
Deferred tax assets:		
Accrued sales discount	12,770	8,891
Accrued advertising and promotion expenses	71,916	57,987
Accrued transportation costs	19,116	9,486
Other accruals	9,988	9,755
Unrealised profits on intra-group transactions	3,701	1,453
Total deferred tax assets	117,491	87,572
Deferred tax liabilities:		
Construction in progress	(730,050)	(751,021)
Tangible fixed assets	(19,111)	(15,954)
Intangible fixed assets	(183,626)	(194,506)
Accrued interest income	-	(190,235)
Total deferred tax liabilities	(932,787)	(1,151,716)
	(815,296)	(1,064,144)

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(ii) Movement in temporary differences during the year

	Group				
	31/12/2013 VND million	Acquisition on business combination VND million	Disposal of a subsidiary VND million	Recognised in income VND million	31/12/2014 VND million
Accrued sales discount	8,891	-	-	3,879	12,770
Accrued advertising and promotion expenses	57,987	-	-	13,929	71,916
Accrued transportation costs	9,486	-	-	9,630	19,116
Other accruals	9,755	-	(145)	378	9,988
Unrealised profit on intra-group transactions	1,453	-	-	2,248	3,701
Construction in progress	(751,021)	-	-	20,971	(730,050)
Tangible fixed assets	(15,954)	(5,374)	-	2,217	(19,111)
Intangible fixed assets	(194,506)	(1,621)	-	12,501	(183,626)
Accrued interest income	(190,235)	-	-	190,235	-
	(1,064,144)	(6,995)	(145)	255,988	(815,296)

(iii) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Other accruals	1,115	19,934	(546)	19,934
Tax losses	454,319	286,888	269,953	264,527
	455,434	306,822	269,407	284,461

The deductible temporary differences do not expire under current tax legislation. Tax losses expire in five years from the year of occurrence. Deferred tax assets have not been recognised in respect of these tax losses because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

The tax losses expire in the following years:

Year of expiry	Status of tax review	Tax losses available	
		Group VND million	Company VND million
2015	Outstanding	18,950	-
2016	Outstanding	196,687	215,633
2017	Outstanding	224,049	203,899
2018	Outstanding	864,352	782,864
2019	Outstanding	773,078	24,665
		2,077,116	1,227,061

17. GOODWILL

	Group 31/12/2014 VND million
Cost	
Opening balance	520,945
Acquisition on business combinations (Note 5)	421,889
Closing balance	942,834
Accumulated amortisation	
Opening balance	83,826
Amortisation for the year	66,654
Closing balance	150,480
Net book value	
Opening balance	437,119
Closing balance	792,354

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

18. SHORT-TERM BORROWINGS AND LIABILITIES

	Group		Company	
	31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Short-term borrowings	5,329,971	4,245,567	-	2,123,200
Current portion of long-term borrowings (Note 22)	712,307	2,390,343	567,960	188,100
	6,042,278	6,635,910	567,960	2,311,300

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

	Currency	Annual interest rate	Group		Company	
			31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Short-term borrowings						
Secured bank loans	VND	4%-4.8%	3,327,030	2,088,838	-	-
Secured bank loans	USD	5.5%	1,035,382	968,762	-	-
Secured bank loans	EUR	-	-	1,080	-	-
Unsecured bank loan	VND	3%-6.2%	928,228	287,712	-	-
Unsecured loan	USD	8.5%	39,331	-	-	-
Promissory Note	VND	-	-	899,175	-	-
Unsecured loan from a subsidiary	VND	15%	-	-	-	2,123,200
			5,329,971	4,245,567	-	2,123,200

As at 31 December 2014, the bank loans were secured by the following assets of the Group:

- (i) Inventories and trade receivables with a carrying amount of USD18 million, equivalent to VND384,570 million (31/12/2013: VND165.5 million and USD30.5 million, equivalent to VND642,940 million).
- (ii) Fixed assets with a carrying value of VND885,297 million (31/12/2013: VND925,958 million). Part of these fixed assets with carrying value of VND853,081 million (31/12/2013: VND885,745 million) was also used as security for long-term borrowings and accordingly, included in the amount of security disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

19. TAXES PAYABLE TO STATE TREASURY

	Group		Company	
	31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Corporate income tax	736,476	334,003	-	-
Value added tax	78,677	91,603	-	-
Natural resource taxes	70,461	-	-	-
Personal income tax	32,669	27,112	-	-
Special consumption tax	27,451	-	-	-
Import-export tax	7,457	3,332	-	-
Other taxes	9,359	27,371	1,127	386
	962,550	483,421	1,127	386

20. ACCRUED EXPENSES

	Group		Company	
	31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Accrued interest payable	507,510	423,814	192,767	303,400
Advertising and promotion expenses	476,995	279,737	-	-
Accruals for construction work	192,614	66,563	-	-
Bonus and 13th month salary	112,489	198,675	-	-
Transportation expenses	103,563	46,056	-	-
Withholding tax	79,257	33,729	334	5,251
Sales discount	70,622	49,653	-	-
Consultant fee	55,044	104,365	21,328	32,476
Accruals for inventories purchased	10,401	16,252	-	-
Others	254,036	359,522	810	138,784
	1,862,531	1,578,366	215,239	479,911

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

21. OTHER PAYABLES

	Group		Company	
	31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Other short-term payables				
Social and health insurance	104	155	-	155
Short-term deposits from customers	935	1,509	155	-
Purchase of shares in a subsidiary and associate	1,739,738	43,398	1,500,558	-
Dividends payable	54,672	902	-	-
Other short-term payables to a subsidiary	-	-	-	883,284
Others	98,564	55,306	54,611	-
	1,894,013	101,270	1,555,324	883,439
Other long-term liabilities				
Long-term payables (a)	93,043	157,610	14,580	27,076
Obligation to issue shares (b) (Note 26)	60,561	60,561	60,561	60,561
Long-term deposit	24,297	16,517	-	-
Other long-term payables to a subsidiary	-	-	-	1,725,360
	177,901	234,688	75,141	1,812,997

(a) Long-term payables of the Group and the Company amounting to VND14,580 million (31/12/2013: VND27,076 million) comprise the gross amount of interest relating to certain instruments described in Notes 26, and were unsecured and payable every six months from the disbursement date of the instruments. The remaining VND78,463 million (31/12/2013: VND130,534 million) included in long-term payables of the Group is related to fixed dividends payable for mandatory convertible preference shares issued by a subsidiary in Note 14(e)(ii).

(b) Obligation to issue shares represents the liability to issue an additional variable number of shares as noted in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

2.2. LONG-TERM BORROWINGS AND LIABILITIES

	Group		Company	
	31/12/2014 VND million	31/12/2013 VN D million	31/12/2014 VND million	31/12/2013 VND million
Long-term borrowings (a)	4,015,513	8,519,274	-	6,286,800
Convertible loans (b)	567,960	1,176,522	567,960	1,176,522
Secured bonds (c)	13,600,000	4,700,000	4,700,000	4,700,000
Finance lease liabilities (d)	50,804	61,643	-	-
	18,234,277	14,457,439	5,267,960	12,163,322
Repayable within twelve months (Note 18)	(712,307)	(2,390,343)	(567,960)	(188,100)
Repayable after twelve months	17,521,970	12,067,096	4,700,000	11,975,222

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

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

	Currency	Interest rate per annum	Year of maturity	Group		Company	
				31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
a. Long-term borrowings							
Secured bank loans	VND	10%-14.5%	2015-2017	276,637	2,674,117	-	-
Secured bank loans	USD	Libor + 3.5% -Libor + 4.5%	2016	3,738,876	5,845,157	-	-
Unsecured loan from a subsidiary	VND	VND	10.5%- 13.0%	2016-2018	-	-	6,286,800
				4,015,513	8,519,274	-	6,286,800
b. Convertible loans issued to:							
International Finance Corporation (b.1)							
	VND	8.0%-20.4%	2014-2016	-	608,562	-	608,562
Jade Dragon (Mauritius) Limited (b.2)							
	USD	2.0%-6.0%	2015	567,960	567,960	567,960	567,960
				567,960	1,176,522	567,960	1,176,522
c. Secured bonds	VND	8%-12.5%	2016-2024	13,600,000	4,700,000	4,700,000	4,700,000
d. Finance lease liability	VND	14%	2018	50,804	61,643	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

- (a) As at 31 December 2014, long-term borrowings of the Group comprised of:
- (i) VND denominated loans amounting to VND276,637 million (31/12/2013: VND390,279 million) secured over fixed assets with a carrying amount of VND853,081 million (31/12/2013: VND885,745 million and a certain term deposit at bank with amount VND28,000 million).
 - (ii) USD175 million USD denominated loan from J.P Morgan amounting to VND3,738,876 million (31/12/2013: USD175 million, equivalent to VND3,689,000 million), of which USD150 million, equivalent to VND3,204,750 million was insured by Multilateral Investment Guarantee (“MIGA”), a member of the World Bank (31/12/2013: USD150 million of the loans, equivalent to VND3,162,000 million). The USD150 million and USD25 million loans will bear interest at rates of LIBOR + 3.5% and LIBOR + 4.5%, respectively, if they are guaranteed by the Company, otherwise they will bear interest at rates of LIBOR + 4.5% and LIBOR + 5.5%, respectively. The outstanding balance at 31 December 2014 is repayable in one instalment on the termination date, which is on 15 August 2016.

At 31 December 2014, MSC’s investments in subsidiaries with carrying value of VND1,709,804 (31/12/2013: VND879,023 million) were pledged as security for this loan.

- (b.1) As at 31 December 2013, this loan represented a convertible loan, with a principal of VND608,562 million, entered into with International Finance Corporation (“IFC”), wherein VND38,562 million was convertible to the Company’s shares.

Among others, the agreement provides the following:

- (i) Interest is charged at 8% per annum from disbursement date to 15 April 2012 and at 20.4% per annum from 15 April 2012 to the maturity date for the

non-convertible portion. Interest is charged at 20.4% per annum for the convertible portion from 15 April 2013 to 15 April 2016. The loan matures on 15 April 2016. The Group has accrued interest based on the nominal interest rates.

- (ii) IFC can exercise the option to convert VND190,000 million, at the maximum, of the principal amount and require the Company to list those converted shares. There are two available periods for conversion: the first option period is the period commencing the date falling 12 months after 11 May 2010 and ending on the date falling 36 months after 31 May 2010, the second option period is the period commencing from the date falling thirty six months after 11 May 2010 and ending on 15 April 2016. Interest shall continue to accrue and payment premium remains payable on the convertible loan if IFC does not exercise its conversion option during the first option period. IFC exercised the option to convert VND151,438 million into 3,521,803 shares issued by the Company in June 2012.

In August 2014, IFC exercised the option to convert the remaining convertible portion of VND38,562 million into 896,802 shares.

In December 2014, the Company repaid VND570,000 million plus accrued interest to IFC.

- (b.2) This loan from Goldman Sachs Group, Inc. through its company named Jade Dragon (Mauritius) Limited represents a USD-denominated convertible loan, with a principal amount of USD30 million.

Among others, the agreement provides the following:

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

- (i) The interest rate of this loan has two portions: nominal interest rate and deferred interest rate. Deferred interest is not payable if the loan is converted. During the period from 15 December 2010 to 14 December 2012 the nominal interest rate and deferred interest rate are 2% per annum and 6% per annum respectively. During the period from 15 December 2012 to 14 December 2013 the nominal interest rate and deferred interest rate are 4% per annum and 4% per annum respectively. During the period from 15 December 2013 to 14 December 2015 the nominal interest rate and deferred interest rate are 6% per annum and 2% per annum respectively. The loan matures on 14 December 2015. The nominal interest rate is compounded daily and the deferred interest rate is compounded annually. The Group has accrued interest based on the nominal interest rates.
 - (ii) The loan may be converted into shares by the lender at any time after two years from 15 December 2010 to the loan’s maturity date.
 - (iii) The conversion price was determined at VND65,000 per share.
 - (iv) The Group also separately entered into an arrangement with Ma San Corporation which undertakes the risks and obligations to subscribe to and pay a cash consideration of USD30 million plus the deferred interest for 9,000,000 shares under the convertible loan in the event that the lender does not exercise the conversion option.
- (c) The secured bonds of the Company amounting to VND4,700 billion comprised the following:

- (i) VND2,200 billion bonds included VND600 billion of the bonds bear coupon of 3% per annum plus the amalgated average 12 months deposit rates of selected major banks and VND1,600 billion of the bonds bear coupon of 1% per annum plus the amalgated average 12 months deposit rates of selected major banks. The coupons are payable every six months from the disbursement date. These bonds were secured against 22.3 million convertible bonds issued by Techcombank.
- (ii) VND2,500 billion bonds with a maturity of 3 years at an interest rate of 12.0% per annum in the first year, 12.5% per annum in the second year and 4% per annum plus the amalgated average 12 months deposit rates of selected major banks in the third year. MCH has pledged 125 million shares in MSC as security for these bonds.

The secured bonds of the Group amounting to VND13,600 billion comprise VND4,700 billion bonds as described above and VND6,800 billion bonds with a maturity of 5 years at an interest rate of 11.0% per annum in first 12 months and 4% per annum plus the amalgated average 12 months deposit rates of selected major banks in the remaining months. The bonds were secured over certain assets of a subsidiary of the Company. The remaining secured bonds amounting to VND2,100 billion with a maturity of 10 years at an interest rate of 8.0% per annum in 10 years, guaranteed by Credit Guarantee and Investment Facility.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

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

	31 December 2014			31 December 2013		
	Payments VND million	Interest VND million	Principal VND million	Payments VND million	Interest VND million	Principal VND million
Within one year	20,364	6,788	13,576	20,364	8,554	11,810
Within two to five years	43,861	6,633	37,228	62,661	12,828	49,833
	64,225	13,421	50,804	83,025	21,382	61,643

23. PROVISIONS – LONG-TERM

	Group	
	31/12/2014 VND million	31/12/2013 VND million
Provision for mining rights fee	588,373	-
Provision for mine rehabilitation	19,485	-
Provision for severance allowance	2,689	3,252
	610,547	3,252

Movements of provision for severance allowance during the year were as follows:

	Group	
	2014 VND million	2013 VND million
Opening balance	3,252	1,381
Provision made during the year	-	3,252
Provision paid during the year	(563)	-
Reclassification	-	(1,381)
Closing balance	2,689	3,252

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

24. CHANGE IN OWNERS' EQUITY

Group

	Share Capital VND million	Capital surplus VND million	Other capital VND million	Foreign exchange differences VND million	Other reserves VND million	Retained profits VND million	Equity attributable to equity holders of Company VND million	Minority interests VND million	Total VND million
Balance at 1 January 2013	6,872,801	7,999,167	1,721,824	(16,128)	(8,619,479)	5,925,652	13,883,837	5,820,548	19,704,385
Issuance of new shares for cash	178,608	-	-	-	-	-	178,608	-	178,608
Issuance of new shares due to conversion of debt instruments of a subsidiary	297,704	1,602,460	-	-	-	-	1,900,164	-	1,900,164
Equity instruments repurchased	-	-	(1,624,121)	-	(1,056,440)	-	(2,680,561)	-	(2,680,561)
Transactions with minority interest in MSC	-	-	-	-	675,965	-	675,965	2,519,479	3,195,444
Decrease in minority interests from share capital issued by MR	-	-	-	-	70,184	-	70,184	(311,116)	(240,932)
Foreign exchange differences in a subsidiary	-	-	-	(26,970)	-	-	(26,970)	(13,518)	(40,488)
Net profit for the year	-	-	-	-	-	451,200	451,200	856,024	1,307,224
Dividend declared	-	-	-	-	-	-	-	(24,876)	(24,876)
Transfer to funds	-	-	-	-	-	(19,458)	(19,458)	(18,013)	(37,471)
Balance at 31 December 2013	7,349,113	9,601,627	97,703	(43,098)	(8,929,770)	6,357,394	14,432,969	8,828,528	23,261,497

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

	Share Capital	Capital surplus	Other capital	Foreign exchange differences	Other reserves	Retained profits	Equity attributable to equity holders of Company	Minority interests	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Balance at 1 January 2014	7,349,113	9,601,627	97,703	(43,098)	(8,929,770)	6,357,394	14,432,969	8,828,528	23,261,497
Issuance of new shares due to conversion of debt instruments (Note 22(b)(i))	8,968	29,537	-	-	-	-	38,505	-	38,505
Contribution of equity interest from minority investor	-	-	-	-	-	-	-	388,890	388,890
Transactions with minority interest in MSC (Note 14(c)(i))	-	-	-	-	(20,766)	-	(20,766)	(999,734)	(1,020,500)
Acquisition of equity interest in MA from minority interest (Note 14(c)(ii))	-	-	-	-	(349,327)	-	(349,327)	(1,152,733)	(1,502,060)
Disposal of equity interests in MA	-	-	-	-	349,327	(349,327)	-	-	-
Transactions with minority interest in MR (Note 14(c)(iii))	-	-	-	-	(192,216)	-	(192,216)	209,915	17,699
Net profit for the year	-	-	-	-	-	1,080,169	1,080,169	956,873	2,037,042
Dividend declared	-	-	-	-	-	-	-	(1,304,830)	(1,304,830)
Transfer to funds	-	-	-	-	-	(16,349)	(16,349)	(17,853)	(34,202)
Foreign exchange differences in a subsidiary	-	-	-	43,098	-	-	43,098	-	43,098
Balance at 31 December 2014	7,358,081	9,631,164	97,703	-	(9,142,752)	7,071,887	15,016,083	6,909,056	21,925,139

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Company

	Share capital	Capital surplus	Other capital	Other reserves	Retained profits	Total
	VND million	VND million	VND million	VND million	VND million	VND million
Balance at 1 January 2013	6,872,801	7,999,167	1,721,824	(530,235)	(242,703)	15,820,854
Issuance of new shares for cash	178,608	-	-	-	-	178,608
Issuance of new shares due to conversion of debt instruments of a subsidiary	297,704	1,602,460	-	-	-	1,900,164
Equity instruments repurchased	-	-	(1,624,121)	(1,056,440)	-	(2,680,561)
Net loss for the year	-	-	-	-	(963,843)	(963,843)
Balance at 31 December 2013	7,349,113	9,601,627	97,703	(1,586,675)	(1,206,546)	14,255,222
Balance at 1 January 2014	7,349,113	9,601,627	97,703	(1,586,675)	(1,206,546)	14,255,222
Issuance of new shares due to conversion of debt instruments (Note 25)	8,968	29,537	-	-	-	38,505
Net profit for the year	-	-	-	-	3,237,391	3,237,391
Balance at 31 December 2014	7,358,081	9,631,164	97,703	(1,586,675)	2,030,845	17,531,118

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

25. SHARE CAPITAL AND CAPITAL SURPLUS

The Company's authorised and issued share capital comprises:

	31/12/2014		31/12/2013	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital	735,808,140	7,358,081	734,911,338	7,349,113
Issued share capital				
Ordinary shares	735,808,140	7,358,081	734,911,338	7,349,113
Capital surplus	-	9,631,164	-	9,601,627

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

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

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

	2014		2013	
	Number of shares	VND million	Number of shares	VND million
Balance at beginning of the year	734,911,338	7,349,113	687,280,123	6,872,801
Issuance of new shares to settle debt instruments	896,802	8,968	29,770,465	297,704
Issuance of new shares for cash	-	-	17,860,750	178,608
Balance at the end of the year	735,808,140	7,358,081	734,911,338	7,349,113

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

26. OTHER CAPITAL

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

	31/12/2014		31/12/2013	
	Number of shares	VND million	Number of shares	VND million
Parent company credit support	2,450,353	97,703	2,450,353	97,703

Movements of other capital during the year were as follows:

	2014		2013	
	Number of shares to be issued	VND million	Number of shares to be issued	VND million
Balance at beginning of the year	2,450,353	97,703	31,173,935	1,721,824
Equity instruments repurchased	-	-	(28,723,582)	(1,624,121)
Balance at the end of the year	2,450,353	97,703	2,450,353	97,703

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

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

Among others, the agreements provide the following:

- (i) The convertible loan bear semi-annual coupons of 5% per annum in year one, 6% per annum in years two and three, and 7% per annum for the remaining term of the convertible loan. A deferred interest which would achieve an effective rate of return of 10% is payable if the conversion option is not exercised; and
- (ii) The shares to be issued on conversion ("Conversion Shares") shall be determined based on an initial conversion price of VND85,000 per share and subject to ratchet adjustments and other terms of the definitive agreement. However, the maximum number of Conversion Shares will be 9.6 million. The mandatorily issuable minimum number of Conversion Shares is 7.5 million, which is treated as an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

In July 2013, the Company repurchased two thirds of the convertible loan of USD30 million subscribed by MRG Limited, resulting in the maximum number of Conversion Shares being reduced to 3.2 million and the mandatorily issuable minimum number of Conversion Shares was reduced to 2.5 million as at 31 December 2013 and 31 December 2014.

27. TOTAL REVENUE

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

Net revenue comprised:

	Group		Company	
	2014 VND million	2013 VND million	2014 VND million	2013 VND million
Total revenue				
▪ Sales of finished goods	16,257,544	12,014,694	-	-
▪ Services and other sales	89,032	91,295	-	-
	16,346,576	12,105,989	-	-
Less sales deductions				
▪ Sales discounts	(192,121)	(132,659)	-	-
▪ Sales returns	(65,819)	(30,797)	-	-
	(257,940)	(163,456)	-	-
	16,088,636	11,942,533	-	-

28. COST OF SALES

	Group		Company	
	2014 VND million	2013 VND million	2014 VND million	2013 VND million
Total cost of sales				
▪ Finished goods sold	9,417,828	6,908,667	-	-
▪ Service provided	7,235	1,286	-	-
▪ Allowance for inventories	63,945	33,243	-	-
	9,489,008	6,943,196	-	-

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

29. FINANCIAL INCOME

	Group		Company	
	2014 VND million	2013 VND million	2014 VND million	2013 VND million
Interest income from:				
▪ Deposits	372,720	366,146	26,318	53,775
▪ Loans to subsidiaries	-	-	775,095	1,173,363
▪ Loans to third party	32,233	25,395	-	-
Negative goodwill on acquisition of a subsidiary	-	213,963	-	-
Foreign exchange gains	34,859	57,703	753	8,094
Disposal of investments in sub-sidiaries	1,111,073	-	286,587	-
Dividend income	-	-	3,169,052	-
Realised gains from derivative financial instruments	16,772	-	-	-
Others	3,310	914	1,700	-
	1,570,967	664,121	4,259,505	1,239,232

30. FINANCIAL EXPENSES

	Group		Company	
	2014 VND million	2013 VND million	2014 VND million	2013 VND million
Interest expense on loans from:				
▪ Banks	451,685	215,388	-	-
▪ Bondholders	1,013,037	201,990	689,200	537,210
▪ Subsidiary	-	-	220,087	1,176,049
Foreign exchange losses	95,933	34,274	14	79
Realised losses from derivative financial instruments	48,704	-	-	-
Others	101,632	155,133	13,273	155,124
	1,710,991	606,785	922,574	1,868,462

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

31. OTHER INCOME

	Group		Company	
	2014 VND million	2013 VND million	2014 VND million	2013 VND million
Income from scrap sales	42,630	29,660	-	-
Income from sale of claims	256,200	-	-	-
Proceeds on disposals of fixed assets	68,603	1,573	59,486	-
Reimbursement camp site expenses from contractors	-	48,956	-	-
Import tax refund	9,107	19,289	-	-
Others	28,747	6,330	8,443	2,983
	405,287	105,808	67,929	2,983

32. OTHER EXPENSES

	Group		Company	
	2014 VND million	2013 VND million	2014 VND million	2013 VND million
Cost of scrap sales	23,085	25,158	-	-
Net book value of fixed assets, construction in progress and other assets disposed	75,509	9,094	58,701	-
Net book value of fixed assets, construction in progress and other assets written off	3,070	343	2,217	-
Expense relating to sales of claims	34,297	-	-	-
Camp site expenses from contractors	-	43,555	-	-
Others	22,943	6,939	-	-
	158,904	85,089	60,919	-

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

33. SHARE OF LOSS IN ASSOCIATES

	Group	
	2014 VND million	2013 VND million
Share of profit in associates	610,246	504,755
Adjustment arising from purchase price allocation and goodwill amortisation	(663,307)	(697,536)
	(53,061)	(192,781)

34. INCOME TAX

(a) Recognised in the statement of income

	Group		Company	
	2014 VND million	2013 VND million	2014 VND million	2013 VND million
Current tax expense				
Current year	970,348	599,382	-	-
Over provision in prior years	(11,671)	(19,571)	-	-
	958,677	579,811	-	-
Deferred tax expense/(benefit)				
Origination and reversal of temporary differences	(242,480)	121,713	-	-
Effect of change in tax rate	(13,508)	4,696	-	-
	(255,988)	126,409	-	-
Income tax expense	702,689	706,220	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(b) Reconciliation of effective tax rate**Group**

	2014		2013	
	%	VND million	%	VND million
Profit before tax	100%	2,739,731	100%	2,013,444
Tax at the Company's income tax rate	22.00%	602,741	25.00%	503,361
Effect of different tax rates in subsidiaries	(5.71%)	(156,466)	(11.85%)	(238,601)
Effect of intra-group transactions	5.46%	149,703	3.96%	79,714
Non-deductible expenses	0.20%	5,233	4.44%	89,160
Effect of share of associates net of tax	0.43%	11,673	2.39%	48,195
Deferred tax assets not recognised	5.42%	148,612	11.88%	239,266
Over provision in prior years	(0.43%)	(11,671)	(0.97%)	(19,571)
Effect of change in tax rate	(0.49%)	(13,508)	0.23%	4,696
Tax loss utilised	(1.23%)	(33,628)	-	-
	25.65%	702,689	35.08%	706,220

Company

	2014		2013	
	%	VND million	%	VND million
Profit/(loss) before tax	100%	3,237,391	100%	(963,843)
Tax at CIT rate applicable	22.00%	712,226	(25.00%)	(240,961)
Tax exempt income	(21.54%)	(697,191)	-	-
Non-deductible expenses	0.01%	19	2.47%	23,798
Write back of temporary differences	(0.63%)	(20,480)	-	-
Deferred tax assets not recognised	0.16%	5,426	22.53%	217,163
	-	-	-	-

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(c) Applicable tax rates

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

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

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

(d) Tax contingencies

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

3.5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

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

Group

Related Party	Nature of transaction	2014	2013
		VND million	VND million
Other related parties			
Vietnamese French Cattle Feed Joint Stock Company	Dividend receivable	80,000	-
Vietnam Technological and Commercial Joint Stock Bank	Foreign currency swap settlement fee	-	130,029
	Loans received	1,035,382	-
	Interest expense on loans received	20,042	-
Key management personnel	Remuneration to key management personnel (*)	41,417	46,704

(*) No board fees were paid to Board of Directors members for the years 2014 and 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Company

Related Party	Nature of transaction	2014 VND million	2013 VND million
Subsidiaries			
Ma San Consumer Corporation	Loans received from a subsidiary	735,000	4,410,000
	Loan repaid to a subsidiary through assignment of loan to another subsidiary	7,709,298	-
	Interest repaid to a subsidiary through assignment of loan to another subsidiary	2,831,626	-
	Dividend income	1,240,800	-
	Interest expense on long-term loans	222,980	1,176,049
	Acquisition of a subsidiary	1,246,496	-
Ma San Horizon Corporation	Loan provided to a subsidiary	941,588	3,015,089
	Interest income from loan provided	475,115	60,609
Ma San Resources Corporation	Interest income from loan provided	141,527	441,427
	Loan provided to a subsidiary	-	1,140,000
	Loan collected from a subsidiary	-	930,000
Nui Phao Mining Company Limited	Interest income from loan provided	123,664	649,933
	Loan provided to a subsidiary	210,000	-
	Loan collected from a subsidiary	452,577	-
Masan Brewery Company Limited	Interest income from loan provided	32,436	25,394
	Loan collected through net off with capital contribution	368,300	-
	Loan provided to a subsidiary	475,657	424,788
	Loan collected from a subsidiary	452,577	-
MasanConsumerHoldings Company Limited	Interest income from loan provided	2,353	-
	Transferring a subsidiary's shares to another subsidiary	4,409,682	6,949,241
	Dividend income	1,928,252	-
	Loan provided to a subsidiary	194,465	-
Other related parties	Loan collected from a subsidiary	194,465	-
	Interest income from loan provided	2,353	-
Vietnam Technological and Commercial Joint Stock Bank	Foreign currency swap settlement fee	-	130,029
Key management personnel	Remuneration to key management personnel (*)	3,518	7,796

(*) No board fees were paid to Board of Directors members for the years 2014 and 2013.

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

36. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share at 31 December 2014 was based on the profit attributable to ordinary shareholders of VND1,080,169 million (2013: VND451,200 million) of the Group and a weighted average number of ordinary shares outstanding of 746,740,068 shares during the year (year ended 31 December 2013: 730,364,689 shares).

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

(i) Net profit attributable to ordinary shareholders

	2014 VND million	2013 VND million
Net profit attributable to ordinary shareholders	1,080,169	451,200

(ii) Weighted average number of ordinary shares

	2014	2013
Issued ordinary shares at the beginning of the year	734,911,338	687,280,123
Effect of shares issued for cash	-	10,520,716
Effect of shares issued to discharge convertible bonds, loans and Promissory Notes	378,377	5,138,464
Effect of equity instruments bought back	-	15,975,033
Effect of shares to be issued solely after the passage of time	11,450,353	11,450,353
Weighted average number of ordinary shares at the end of the year	746,740,068	730,364,689

(b) Diluted earnings per share

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

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

	2014 VND million	2013 VND million
Net profit attributable to ordinary shareholders (basic)	1,080,169	451,200
Share of profit attributed to minority shareholders, net of tax	-	(98,681)
Net profit attributable to shareholders	1,080,169	352,519

Potential dilutive ordinary shares have no income effect on the net profit attributable to shareholders for the year ended 31 December 2014 (2013: VND98,681 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

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

	2014	2013
Weighted average number of ordinary shares (basic)	746,740,068	730,364,689
Effect of potential dilutive share ordinary shares	15,048,569	90,973,076
Weighted average number of ordinary shares (diluted)	761,788,637	821,337,765

37. COMMITMENTS

(a) Capital expenditure

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

	Group		Company	
	31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Approved and contracted	358,541	1,781,158	-	-
Approved but not contracted	1,898,417	486,732	-	-
	2,256,958	2,267,890	-	-

(b) Leases

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

	Group		Company	
	31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Within one year	39,061	103,267	6,766	15,795
Within two to five years	38,729	40,098	7,201	-
More than five years	3,676	-	-	-
	81,466	143,365	13,967	15,795

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(c) Exploitation right fee

On 14 January 2015, Kronfa., JSC ("Kronfa"), a subsidiary indirectly owned by the Company, received a Notice from the local tax authority with regard to exploitation right fee. According to the Notice, Kronfa is required to pay an exploitation right fee of VND23,684 million for exploitation capacity granted up to 31 December 2032.

On 17 March 2015, Vinh Hao Mineral Water Corporation ("VHC"), a subsidiary indirectly owned by the Company, obtained a new exploitation licence for mineral water resources from the Ministry of Resources and Environment. According to the new exploitation licence, VHC is required to pay an exploitation right fee of VND49,433 million for exploitation capacity granted for 30 years since 17 March 2015. As of the date of issuance of these financial statements, VHC has yet received the Notice from the local tax authority.

38. SHARE-BASED PAYMENT PLAN

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

A subsidiary of the Company, MSC, has an employee share-based payment plan to award shares based on the assessment of the performance of employees. This plan has to be approved by the shareholders at the Annual General Meeting. In accordance with the Resolution of Shareholders Meeting on 9 May 2014, the Shareholders resolved to issue 3,990,412 shares for employees and this issuance was completed on 12 June 2014.

Another subsidiary of the Company, MR, has an employee share-based payment plan in place which periodically rewards high performing employees with shares. A total of 13,392,857 of the subsidiary's shares were issued to members of the Management in 2013. 20,866,429 of the subsidiary's shares were issued to members of the Management during the year.

39. FINANCIAL RISK MANAGEMENT

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

(a) Credit risk

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

(i) Exposure to credit risk

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

NOTES TO THE FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

	Note	Group		Company	
		31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Cash and cash equivalents	(ii)	5,164,983	5,695,196	517,127	1,378,809
Short-term investments	(ii)	4,042,212	3,287,000	239,614	-
Trade and other receivables (*)	(iii)	4,840,388	1,065,085	11,272,052	13,628,961
Other long-term investments	(ii)	144,050	-	-	-
Guarantees issued	(iv)	65,884	-	3,738,876	4,848,400
		14,257,517	10,047,281	15,767,669	19,856,170

(*) Trade and other receivables comprise of accounts receivable – trade and other receivables – short-term and long-term.

(ii) Cash and cash equivalents, short-term investments and other long-term investments

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

(iii) Trade and other receivables

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

The carrying amount of the trade and other receivables represents the maximum credit exposure.

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

Movements of allowance for doubtful debts were as follows:

	Group	
	2014 VND million	2013 VND million
Opening balance	1,784	378
Increase in allowance during the year	501	1,493
Allowance utilised during the year	(151)	(57)
Written back	(70)	(30)
Closing balance	2,064	1,784

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

The Group and the Company believe that, apart from the amount provided for above, no further allowance for doubtful debts is necessary in respect of the outstanding trade and other receivables as of 31 December 2014. The ageing analysis of the trade and other receivables is as follows:

	Group				Company			
	31/12/2014		31/12/2013		31/12/2014		31/12/2013	
	Gross	Impairment Losses	Gross	Impairment Losses	Gross	Impairment Losses	Gross	Impairment Losses
	VND million		VND million		VND million		VND million	
Not past due	4,675,644	-	1,046,732	-	11,272,052	-	13,628,961	-
Past due 0 – 30 days	126,643	-	16,472	-	-	-	-	-
Past due 31 – 180 days	38,557	(456)	2,715	(834)	-	-	-	-
Past due 181 – 365 days	537	(537)	950	(950)	-	-	-	-
Past due over 365 days	1,071	(1,071)	-	-	-	-	-	-
	4,842,452	(2,064)	1,066,869	(1,784)	11,272,052	-	13,628,961	-

(iv) Guarantees

The Company is also exposed to credit risk in connection with the guarantees it has issued to banks for loans granted to its subsidiary, MSC (see Notes 22(a)(ii)) and a third party, MVP, previously held by the Group.

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

(b) Liquidity risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

As at 31 December 2014 and 31 December 2013, the financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

Group:

	Carrying amount VND million	Contractual cash flows VND million	Within 1 year VND million	1 – 2 years VND million	2 – 5 years VND million	More than 5 years VND million
31 December 2014						
Short-term borrowings	5,329,971	(5,394,075)	(5,394,075)	-	-	-
Accounts payable – trade	999,340	(999,340)	(999,340)	-	-	-
Payables to employees	258	(258)	(258)	-	-	-
Accrued expenses	1,862,531	(1,862,531)	(1,862,531)	-	-	-
Other short-term payables, excluded bonus and well-fare funds	1,866,738	(1,866,738)	(1,866,738)	-	-	-
Long-term borrowings and liabilities	4,183,657	(4,742,250)	(354,276)	(4,244,400)	(143,574)	-
Long-term bonds/loans issued	14,167,960	(19,971,583)	(1,334,805)	(5,265,040)	(10,431,255)	(2,940,483)
	28,410,455	(34,836,775)	(11,812,023)	(9,509,440)	(10,574,829)	(2,940,483)

	Carrying amount VND million	Contractual cash flows VND million	Within 1 year VND million	1 – 2 years VND million	2 – 5 years VND million	More than 5 years VND million
31 December 2013						
Short-term borrowings	4,245,567	(4,317,179)	(4,317,179)	-	-	-
Accounts payable – trade	942,375	(942,375)	(942,375)	-	-	-
Payables to employees	20,387	(20,387)	(20,387)	-	-	-
Accrued expenses	1,578,366	(1,578,366)	(1,578,366)	-	-	-
Other short-term payables	83,313	(83,313)	(83,313)	-	-	-
Long-term borrowings and liabilities	8,755,044	(10,561,743)	(2,757,462)	(1,821,077)	(5,414,967)	(568,237)
Long-term bonds/loans issued	5,876,522	(7,757,035)	(638,651)	(1,464,394)	(5,653,990)	-
	21,501,574	(25,260,398)	(10,337,733)	(3,285,471)	(11,068,957)	(568,237)

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Company:

	Carrying amount VND million	Contractual cash flows VND million	Within 1 year VND million	1 – 2 years VND million	2 – 5 years VND million
31 December 2014					
Accounts payable – trade	1,451	(1,451)	(1,451)	-	-
Accrued expenses	215,239	(215,239)	(215,239)	-	-
Other payables	1,555,324	(1,555,324)	(1,555,324)	-	-
Long-term borrowings and liabilities, excluded derivative liabilities	14,580	(14,580)	-	(14,580)	-
Long-term bonds/loans issued	5,267,960	(6,263,385)	(1,166,805)	(5,096,580)	-
	7,054,554	(8,049,979)	(2,938,819)	(5,111,160)	-

	Carrying amount VND million	Contractual cash flows VND million	Within 1 year VND million	1 – 2 years VND million	2 – 5 years VND million
31 December 2013					
Short-term borrowings	2,123,200	(2,325,789)	(2,325,789)	-	-
Accounts payable – trade	9,286	(9,286)	(9,286)	-	-
Other short-term payables	883,439	(883,439)	(883,439)	-	-
Accrued expenses	479,911	(479,911)	(479,911)	-	-
Long-term borrowings and liabilities	8,039,236	(11,352,419)	(886,865)	-	(10,465,554)
Long-term bonds/loans issued	5,876,522	(7,757,035)	(638,651)	(1,464,394)	(5,653,990)
	17,411,594	(22,807,879)	(5,223,941)	(1,464,394)	(16,119,544)

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(c) Market risk

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

Currency risk

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

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

At 31 December 2014 and 31 December 2013, the Group and the Company had the following net exposed asset/ (liability) positions:

	Group						Company
	USD	EUR	AUD	SGD	THB	CNY	USD
31 December 2014							
Cash and cash equivalents	9,141,772	179,401	-	-	-	-	7,064
Trade and other receivables (*)	18,276,662	-	-	-	-	-	-
Trade and other payables (**)	(3,805,647)	(3,003,750)	(1,200,202)	(138,555)	(3,380,904)	(1,955,251)	(302,466)
Accrual expenses	(2,631,637)	-	-	-	-	-	-
Short-term borrowings	(52,283,698)	-	-	-	-	-	-
Long-term borrowings	(175,000,000)	-	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-	-	(700,000)
	(206,302,548)	(2,824,349)	(1,200,202)	(138,555)	(3,380,904)	(1,955,251)	(995,402)

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

	Group					Company	
	USD	EUR	AUD	SGD	THB	CNY	USD
31 December 2013							
Cash and cash equivalents	27,222,114	-	7,547	621	-	6,945	621
Trade and other receivables (*)	5,365,602	-	-	-	-	41,913,397	-
Other long-term receivables	-	-	-	-	-	20,357,884	-
Trade and other payables (**)	(7,827,788)	(2,203,117)	(31)	-	(13,733,722)	(41,913,397)	-
Short-term borrowings	(45,955,726)	-	(37,345)	-	-	(100,000,000)	-
Long-term borrowings	(277,281,875)	-	-	-	-	-	-
Other long-term liabilities	(1,300,000)	-	-	-	-	(1,300,000)	-
	(299,777,673)	(2,203,117)	(29,829)	621	(13,733,722)	(80,935,171)	621

(*) Trade and other receivables comprise of accounts receivable – trade and other receivables – short-term.

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

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

	Group		Company	
	Exchange rate as at 31/12/2014	Exchange rate as at 31/12/2013	Exchange rate as at 31/12/2014	Exchange rate as at 31/12/2013
	VND	VND	VND	VND
USD1	21,365	21,080	21,365	21,080
AUD1	17,291	18,697	-	-
EUR1	25,702	28,890	-	-
SGD1	15,974	16,342	-	16,342
THB1	634	631	-	-
CNY1	3,395	3,463	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

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

	Group	Company
	Increase/(decrease) in profit before tax as at 31/12/2014 VND million	Increase/(decrease) in profit/(loss) before tax as at 31/12/2014 VND million
USD (1% strengthening)	(44,077)	(288)
AUD (8% weakening)	1,660	-
EUR (11% weakening)	7,985	-
SGD (2% weakening)	44	-
THB (1% strengthening)	(21)	-
CNY (2% weakening)	133	-

	Group	Company
	Increase/(decrease) in profit before tax as at 31/12/2013 VND million	Decrease in loss before tax as at 31/12/2013 VND million
USD (1% strengthening)	(63,193)	(17,061)
AUD (13% weakening)	5,355	-
EUR (5% strengthening)	(43)	-
SGD (3% weakening)	(1)	(1)
THB (5% weakening)	433	-

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

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Interest rate risk

The Group and the Company's exposure to changes in interest rates relates primarily to floating rate interest-bearing financial assets and financial liabilities. Interest rate risk is managed by the Group and the Company on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates. The Group and the Company does not hedge its exposure to changes in interest rates on interest-bearing borrowings.

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

	Group		Company	
	31/12/2014 VND million	31/12/2013 VND million	31/12/2014 VND million	31/12/2013 VND million
Fixed rate instruments				
Cash equivalents (Note 7)	4,863,445	5,494,986	507,350	1,367,448
Short-term investments (Note 14)	4,042,212	3,287,000	239,614	-
Other long-term investments (Note 14)	144,050	-	-	-
Short-term loan receivable from subsidiaries (Note 8)	-	-	2,172,319	2,172,319
Long-term loan receivable from a third party (Note 8)	-	424,788	-	-
Long-term loan receivable from subsidiaries (Note 8)	-	-	2,283,927	1,477,557
Loan from a subsidiary- long-term (Note 22)	-	-	-	(6,286,800)
Short-term borrowings (Note 18)	(3,568,345)	(1,956,485)	-	(2,123,200)
Long-term borrowings (Note 22)	(2,667,960)	(5,208,722)	(567,960)	(4,276,522)
	2,813,402	2,041,567	4,635,250	(7,669,198)
Variable rate instruments				
Cash in banks (Note 7)	301,538	200,210	9,777	11,361
Short-term borrowings (Note 18)	(1,761,626)	(1,389,907)	-	-
Long-term borrowings (Note 22)	(15,566,317)	(9,248,717)	(4,700,000)	(1,600,000)
	(17,026,405)	(10,438,414)	(4,690,223)	(1,588,639)

Sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates would have decreased the profit/(loss) before tax of the Group and the Company by VND170,026 million (31/12/2013: VND104,384 million) and VND46,902 million (31/12/2013: VND15,886 million), respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

(d) Estimating the fair value

Cash and cash equivalents, short-term investments, trade and other receivables, trade and other payables and other financial liabilities

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

Other long-term investments, short-term borrowings, long-term borrowings, guarantees issued, call and put options

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

(e) Carrying amount of financial assets and liabilities

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

Group:

	Note	Available for sale VND million	Fair value through profit or loss VND million	Loans and receivables VND million	Financial liabilities carried at amortised cost VND million	Total carrying amount VND million
31 December 2014						
Short-term investment	14	-	-	4,042,212	-	4,042,212
Other long-term investments	14	3,600	-	144,050	-	147,650
Trade and other receivables (*)	8	-	-	4,835,676	-	4,835,676
Other long-term receivables	8	-	-	4,712	-	4,712
Cash and cash equivalents	7	-	-	5,166,415	-	5,166,415
		3,600	-	14,193,065	-	14,196,665
Short-term borrowings	18	-	-	-	(5,329,971)	(5,329,971)
Long-term borrowings and liabilities (***)	21, 22	-	(60,561)	-	(4,183,657)	(4,244,218)
Secured bonds/loans	22	-	-	-	(14,167,960)	(14,167,960)
Trade and other payables (**)		-	-	-	(4,728,867)	(4,728,867)
		-	(60,561)	-	(28,410,455)	(28,471,016)

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

	Note	Available for sale VND million	Fair value through profit or loss VND million	Loans and receivables VND million	Financial liabilities carried at amortised cost VND million	Total carrying amount VND million
31 December 2013						
Short-term investments	14	-	-	3,287,000	-	3,287,000
Other long-term investments	14	3,600	-	-	-	3,600
Trade and other receivables (*)	8	-	-	614,902	-	614,902
Other long-term receivables	8	-	-	450,183	-	450,183
Cash and cash equivalents	7	-	-	5,698,563	-	5,698,563
		3,600	-	10,050,648	-	10,054,248
Short-term borrowings	18	-	-	-	(4,245,567)	(4,245,567)
Long-term borrowings and liabilities (***)	21, 22	-	(60,561)	-	(8,755,044)	(8,815,605)
Secured bonds/loans	22	-	-	-	(5,876,522)	(5,876,522)
Trade and other payables (**)		-	-	-	(2,624,441)	(2,624,441)
		-	(60,561)	-	(21,501,574)	(21,562,135)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

Company:

	Note	Fair value through profit or loss VND million	Loans and receivables VND million	Financial liabilities carried at amortised cost VND million	Total carrying amount VND million
31 December 2014					
Trade and other receivables (*)	8	-	6,255,803	-	6,255,803
Other receivables - long-term	8	-	5,016,249	-	5,016,249
Short-term investments	14	-	239,614	-	239,614
Cash and cash equivalents	7	-	517,251	-	517,251
		-	12,028,917	-	12,028,917
Long-term liabilities (***)	21	(60,561)	-	(14,580)	(75,141)
Secured bonds/loans	22	-	-	(5,267,960)	(5,267,960)
Short-term borrowings	18	-	-	-	-
Trade and other payables (**)		-	-	(1,772,014)	(1,772,014)
		(60,561)	-	(7,054,554)	(7,115,115)

For the year ended 31 December 2014 (continued)

Form B 09 – DN/HN

	Note	Fair value through profit or loss VND million	Loans and receivables VND million	Financial liabilities carried at amortised cost VND million	Total carrying amount VND million
31 December 2013					
Trade and other receivables (*)	8	-	10,753,946	-	10,753,946
Other receivables - long-term	8	-	2,875,015	-	2,875,015
Cash and cash equivalents	7	-	1,379,279	-	1,379,279
		-	15,008,240	-	15,008,240
Long-term borrowings and liabilities (***)	21, 22	(60,561)	-	(8,039,236)	(8,099,797)
Secured bonds/loans	22	-	-	(5,876,522)	(5,876,522)
Short-term borrowings		-	-	(2,123,200)	(2,123,200)
Trade and other payables (**)		-	-	(1,372,636)	(1,372,636)
		(60,561)	-	(17,411,594)	(17,472,155)

(*) Trade and other receivables comprise of accounts receivable – trade and other receivables – short-term.

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

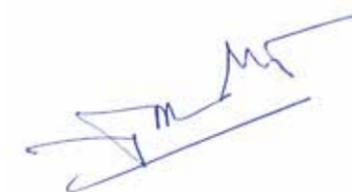
(***) Long-term borrowings and liabilities comprise of long-term borrowings and other long-term liabilities.

40. POST BALANCE SHEET EVENT

On 14 January 2015, the Group completed the acquisition of 99.9% equity interests in Saigon Nutri Food Joint Stock Company through its subsidiary - Masan Food Company Limited for a cash consideration of VND200,000 million excluding transaction costs.

31 March 2015

Prepared by:


Doan Thi My Duyen
Chief Accountant

Approved by:


Nguyen Dang Quang
Chairman



GENERAL
CORPORATE
INFORMATION

MASAN GROUP'S CORPORATE HISTORY AND STRUCTURE

Corporate History

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

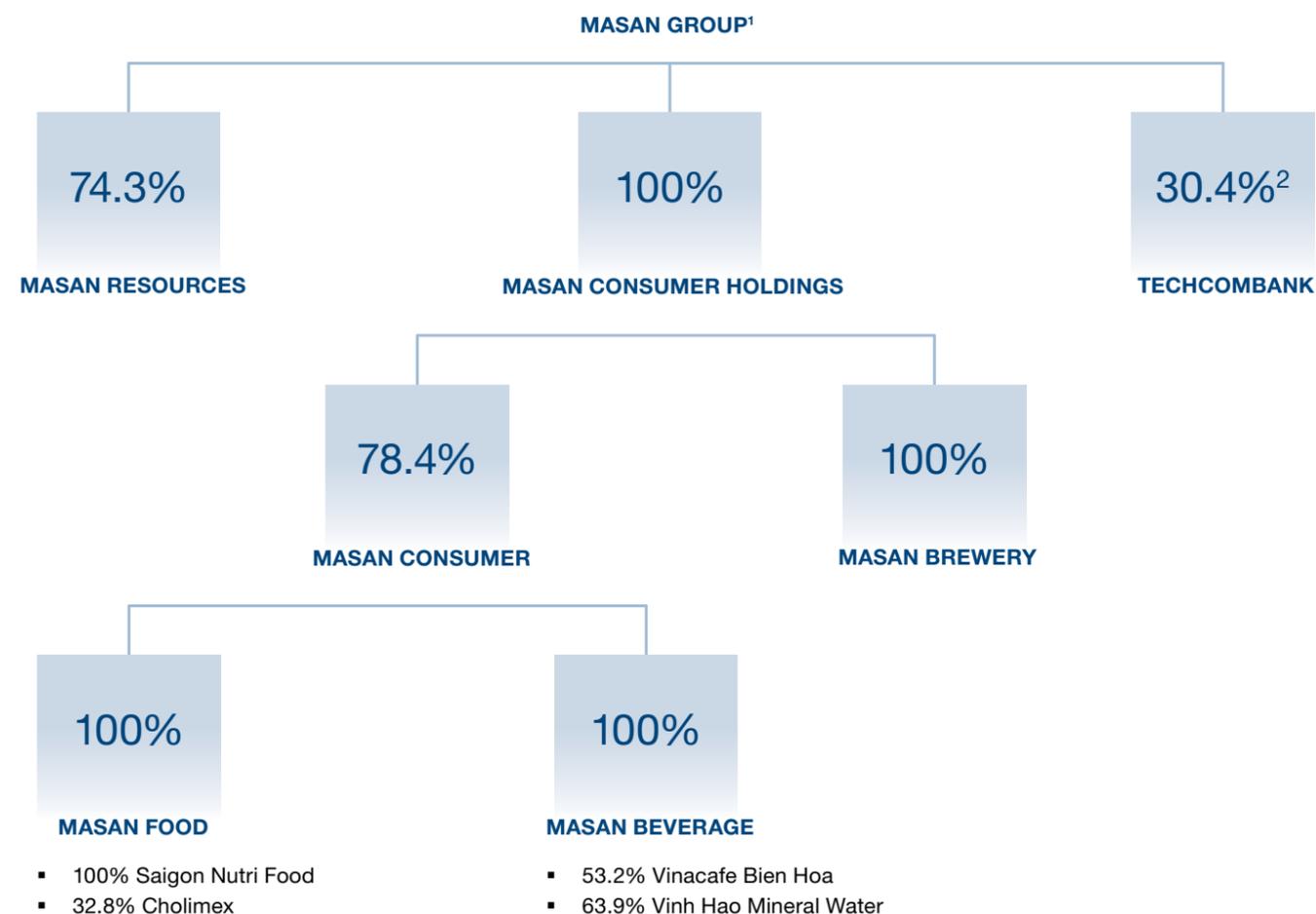
We are a holding company, with controlling stakes in Masan Consumer and Masan Resources representing an economic interest of 78.4% and 74.2%, respectively, as of December 2014. Our interest in Masan Consumer is held through our wholly owned subsidiary, Masan Consumer Holdings ("MCH"), which also hold our 100% interest in Masan Brewery in the end of 2014. We have an economic interest, through shares and mandatory convertible subordinated debt, in Techcombank of 30.36% as of December 2014.

Key events in our company history include:

- Masan's first predecessor company, Viet Tien Industry-Technology-Trading Company, was established in 1996, as a manufacturer of seasoning in Ho Chi Minh City.
- Masan grew in the food trading space with the establishment of additional manufacturing entities such as Minh Viet Import – Export Company and Masan Industrial JSC, during period of 2000 to 2002.
- In 2002, in order to tap into the potential local market, the Company shifted its focus from exports to the domestic market by introducing "Chin-su" sauce brand. Chin-su's success was followed by the success of "Nam Ngu" and "Tam Thai Tu" in 2007.
- In November 2004, the corporate entity that was used to restructure the Group's businesses and holdings, formerly called Ma San Shipping Corporation, was originally established.
- In 2008, Masan Trading Corporation, the parent company that held Masan's interest in the packaged food sector, reached 2,000 billion in sales.
- In 2008, with a vision to institutionalize our sectorial and execution strategy into a more scalable and professional platform, our shareholders recruited a professional management team comprising of executives with multinational backgrounds and track records of building businesses in emerging markets, including the appointment of Madhur Maini as Chief Executive Officer in August 2008.
- In August 2009, the Company was renamed Ma San Group Corporation and was restructured to hold a 19.9% stake in Techcombank and a 54.8% stake in Masan Consumer.
- In September and October 2009, TPG, through its growth capital investment arm, TPG Growth, invested VND630 billion in the Company in the form of convertible bonds, which were fully converted into shares of the Company in June 2012.
- In October 2009, BankInvest, through its Private Equity New Markets Fund invested in the Company and became a major shareholder, joining our Board of Directors.
- In October 2009, the Company increased its ownership in Masan Consumer to 76.6%.
- On 5 November, 2009, we officially listed on the HoSE at a listing price of VND36,000 per share and began trading under the symbol "MSN." At a closing price of VND43,200 per share on the listing date, the Company became the sixth largest company in Vietnam based on market capitalization.
- In December 2009, we raised VND360 billion in equity capital from House Foods of Japan.
- In May 2010, the International Finance Corporation, a member of the World Bank, provided us with a six-year VND760 billion partially convertible loan.
- In September 2010, the Company acquired a controlling stake in the Nui Phao mine and established Masan Resources. Shortly thereafter, Mount Kellett invested for a 20% stake in Masan Resources.
- In October 2010, the Company raised VND974 billion through a private placement of primary shares to Orchid Fund Private Limited, an investment fund of the Chandler Corporation.
- In November 2010, Goldman Sachs provided the Company with a US\$30 million five-year convertible loan.
- In December 2010, the Company increased its effective ownership of Masan Consumer to 86.6%.
- In December 2010 and January 2011, the Company increased its stake in Techcombank to 30.6% following the purchase of Techcombank's convertible bonds.
- In April 2011, KKR invested US\$159 million in Masan Consumer for a 10% stake.
- In October 2011, Masan Consumer entered into the beverage sector by acquiring a 50.3% stake in Vinacafe Bien Hoa, the largest instant coffee maker in Vietnam. In February 2012, Masan Consumer increased its stake to 53.2%.
- In February 2012, the Company issued convertible instruments to Mount Kellett and the Chandler Corporation.
- In May 2012, the Company raised US\$50 million through an issuance of a mandatory convertible loan, convertible into shares of the Company, to Kairos Capital Limited, an investment vehicle controlled by the Richard Chandler Corporation.
- In January 2013, the Company sold an additional 8.7% stake in Masan Consumer to KKR for US\$200 million, diluting the Group's stake of in Masan Consumer to 77.7%.
- In February 2013, Masan Consumer acquired a 24.9% stake in Vinh Hao.
- In April 2013, Masan Consumer increased its ownership percentage in Vinh Hao to 63.5%.
- In July 2013, Nui Phao Mining and H.C. Starck established Nui Phao - H.C.Starck Tungsten Chemicals Manufacturing, a joint venture for the production of value-added tungsten chemicals in Vietnam. The partnership with H. C. Starck was key milestone, validating the mines' product and also de-risking the project with a globally-recognized customer for its tungsten.
- In December, 2013, Hoa Bang Lang Consultant Company Limited was renamed to MasanConsumerHoldings Company Limited, herein referred as Masan Consumer Holdings, and also as MCH. MCH was restructured to be the primary holding company for Masan's consumption-related businesses.
- In March 2014, Nui Phao Mining was successfully commissioned.
- In April 2014, Mr. Seokhee Won joined Masan as CEO of Masan Consumer and Deputy CEO of Masan Group to spearhead the company's next phase of consumer-related growth.
- In May 2014, Masan Consumer established Masan Beverage as a wholly owned subsidiary, into which the company's interest in Vinacafe Bien Hoa and Vinh Hao were subsequently transferred.
- In September 2014, we acquired Phu Yen Beer and Beverage JSC, producer of the "Su Tu Trang" beer brand. Masan Brewery Company Limited (formerly another investment holding subsidiary) was restructured to hold our beer interest and has been transferred to MCH. Under our management, the beer facility reached full production capacity with a trial launch in the Mekong Delta region.
- During the end of 2014, Masan Consumer established several subsidiaries to expand its manufacturing footprint to increase capacity and be nearer to its customers. Work started on a new Nghe An manufacturing hub and the licensing and application process began for a site in Hau Giang.
- In December 2014, Masan Consumer Holdings completed a landmark 10-year bond issuance, which raised VND2,100 billion at an 8% fixed coupon rate. The bonds are guaranteed by the Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank, and are CGIF's first deal in Vietnam.
- In December 2014, Masan Consumer acquired a 32.8% stake in Cholimex Food.
- In January 2015, Masan Consumer acquired a 100% stake in Saigon Nutri Food, a processed meat manufacturer to go further in the animal-based protein sector.

CORPORATE STRUCTURE

As of 31 December 2014



1. Does not include our intermediary holding companies.

2. Includes Masan Group's partial ownership in Techcombank's VND3,000 billion convertible bond offering issued in December 2010.

Masan Consumer Holdings

Masan Consumer Holdings was established to be the Group's primary platform to invest further in Vietnam's consumer-related opportunities. Its core holdings include Masan Consumer and Masan Brewery.

Masan Consumer is one of Vietnam's largest local diversified FMCG companies. We manufacture and distribute a range of food and beverage products, including soya sauce, fish sauce, chili sauce, instant noodles, instant congee, instant coffee, instant cereals, and bottled beverages. We commenced operations in 2000 and have subsequently grown our product portfolio, domestic sales and distribution channels to establish a leading position in Vietnam's branded consumer food and beverage product market. Our key brands include Chin-su, Nam Ngu, Tam Thai Tu, Omachi, Kokomi, Sagami, B'fast, Komi, Vinacafé, Wake-Up, Phinn, Kachi, Vinh Hao and Su Tu Trang.

Masan Brewery was established after our acquisition of Phu Yen Beer and Beverage Joint Stock Company in 2014. Since our involvement, we have turned around the operations and introduced a new beer brand, "Su Tu Trang," which has had a successful pilot launch in the Mekong Delta. As a result, our brewery operated at 100% utilization in the last quarter of 2014, and we are in the process of expanding capacity.

Masan Resources

Masan Resources is one of the largest private sector natural resources companies in Vietnam, currently operating the world-class Nui Phao polymetallic project in Northern Vietnam. Nui Phao is a globally significant producer of tungsten, fluorspar and bismuth – niche industrial minerals that are significant enough to establish a private sector leader.

World-class deposit

Nui Phao is one of the world's largest identified tungsten deposits outside China, with 66 million tons of ore reserves with average WO₃ (tungsten trioxide) grade of 0.18%. Since commencement of operations in 2014, Nui Phao has become the largest producer of tungsten outside China and among the largest producers of acid-grade fluorspar and bismuth in the world.

Nui Phao Resources¹

Category	Tonnes	Tungsten (%)	Fluorspar (%)	Copper (%)	Bismuth (%)
Measured + Indicated (M+I)	73,751,000	0.17	7.80	0.16	0.08
Inferred (I)	22,724,000	0.14	7.00	0.16	0.08
M+I+I	96,475,000	0.16	7.61	0.16	0.08

Source: The mineral resource estimate stated above have been compiled under the direction of Cube Consulting Pty Ltd's Chris Black, who is qualified for such reporting as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). This mineral resources estimate has been compiled in accordance with the JORC Code.

1. As of August 2014, 0.1% WO₃ equivalent cut-off.

Nui Phao Reserves¹

Category	Tonnes	Tungsten (%)	Fluorspar (%)	Copper (%)	Bismuth (%)
Proven	24,700,000	0.24	8.19	0.23	0.10
Probable	41,300,000	0.14	7.33	0.13	0.06
Proven + Probable	66,000,000	0.18	7.65	0.17	0.08

Source: The ore reserves estimate stated above have been compiled under the direction of Cube Consulting Pty Ltd's Quinton de Klerk, who is qualified for such reporting as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). This ore reserves estimate has been compiled in accordance with the JORC Code.

1. As of August 2014, 0.1% WO₃ equivalent cut-off.

Techcombank

Techcombank is currently one of the largest joint stock commercial banks in Vietnam in terms of total assets, loans, deposits, customers and distribution network. It has built industry-leading franchises in retail deposits, SME and retail lending. In the 21 years since its establishment, it has developed a diversified range of financial products and services to cater to the financial needs of Vietnam's 50 million strong labor force and 305,000 private enterprises. Techcombank has successfully ridden the wave of financial liberalization and the ensuing rapid growth of the financial service sector in Vietnam to become among the largest and fastest growing banks in the country.

CAPITAL STRUCTURE

As at 31 December 2014

MASAN GROUP		
MASAN RESOURCES	MASAN CONSUMER HOLDINGS	TECHCOMBANK
2014 EBITDA (VND billion)		3,807
Cash and Cash Equivalents (VND billion)		9,209 ⁽²⁾
Total Straight Debt (VND billion)		23,564
Net Straight Debt		14,356
Share Count (Basic)		735,808,140
Share Count (Fully Diluted) ⁽³⁾		745,876,243
Equity (VND billion)		15,016

2. As of 31 December, 2014 and including short-term investments.

3. Additional shares from the possible conversion of equity-linked instruments issued to Jade Dragon (Mauritius) Limited (Goldman Sachs) and MRG, Ltd. (Mount Kellett).

CORPORATE GOVERNANCE

Governance Structure

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

Board of Directors

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

Supervisory Board

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

Management Board

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

Business Development

The Business Development team is responsible for transaction execution, business analytics and subsidiary management.

Finance & Accounting, Legal and Administration

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

Board of Directors

Board responsibility and delegation of authority

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

Members of the Board of Directors include:

- **Dr. Nguyen Dang Quang, Chairman**

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

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

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

- **Mr. Ho Hung Anh, member**

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

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

- **Mr. Nguyen Thieu Nam, member**

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

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

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

- **Ms. Nguyen Hoang Yen, member**

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

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

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

- **Mr. Lars Kjaer, member**

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

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

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

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

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

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

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

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

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

As of 31 December, 2014, Dr. Nguyen Dang Quang, Mr. Ho Hung Anh, Mr. Nguyen Thieu Nam, Ms. Nguyen Hoang Yen and Mr. Lars Kjaer held directorship members in four, three, six, six and three other companies, respectively.

Board Meetings

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

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

Activities of the Board

In 2014, members of the Board mainly were involved with the discussion and approval of the following items:

- Simplifying the Company's capital structure and corporate structure to provide greater focus on consumption-related businesses;
- Enhancing corporate governance and transparency;
- Implementing other transactions of Masan Group and subsidiaries;
- Deciding business development plan and annual budgets each of our businesses and subsidiaries; and
- Raising capital.

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

Management Board

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

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

- [Dr. Nguyen Dang Quang - Chief Executive Officer](#)
For profile, please see Board of Director section
- [Mr. Nguyen Thieu Nam - Deputy Chief Executive Officer](#)
For profile, please see Board of Director section

- [Mr. Michael Hung Nguyen - Deputy Chief Executive Officer](#)

Mr. Michael H. Nguyen is primarily responsible for the development of Masan Group's transaction and business execution platform to support the company's subsidiaries and the company's growth in new sectors. He has functioned as "Chief of Staff" to the CEO in executing the transformation of Masan from a food company into a leading private sector group. Michael has contributed to the build out of the transaction and business execution platform by helping to raise over US\$2 billion in capital for the company and leading several key acquisitions.

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

Michael graduated from Harvard University, U.S.

- [Mr. Seokhee Won - Deputy Chief Executive Officer](#)

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

Seokhee graduated from the University of Notre Dame.

- [Ms. Doan Thi My Duyen - Chief Accountant](#)

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

As of 31 December 2014, the ownership of the Company shares of the Management Board members is as follows:

Management Board	Position	Number of shares	Percent (%)
Dr. Nguyen Dang Quang	CEO	10	0.00
Mr. Nguyen Thieu Nam	Deputy CEO	2,110,400	0.29
Mr. Michael Hung Nguyen	Deputy CEO	850,700	0.12
Mr. Seokhee Won	Deputy CEO	0	0.00
Ms. Doan Thi My Duyen	Chief Accountant	50,000	0.01
Total outstanding shares		735,808,140	100.00

Supervisory Board

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

The Supervisory Board is composed of the following members:

- **Mr. Nguyen Quynh Lam – Head of the Supervisory Board**
Mr. Nguyen Quynh Lam has more than 20 years of experience in managerial and accounting positions. He was formerly with Da My JSC and La Giang Commerce JSC. He graduated from University of Mining and Geology, Hanoi, Vietnam.
- **Mr. Pham Dinh Toai – Member**
Mr. Pham Dinh Toai joined Masan Consumer in 2009 and is currently its Deputy CEO and CFO. Prior to joining Masan Consumer, he was Financial Analysis Director at Unilever Vietnam from 2002 to 2005, and Finance and Accounting Director at Unilever Vietnam from 2005 to 2009.

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

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

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

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

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

As of 31 December, 2014, the ownership of the Company shares of the Supervisory Board members is as follows:

Supervisory Board members	Number of shares	Percent
Mr. Nguyen Quynh Lam	50,000	0.01%
Mr. Pham Dinh Toai	33,000	0.00%
Mr. Dang Ngoc Ca	24,490	0.00%
Total outstanding shares	735,808,140	100.0%

Activities of the Supervisory Board

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

Internal Corporate Governance Rules

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

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

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

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

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

A Corporate Governance Enhancement Consulting Group of Masan Corporation ("Consulting Group") was established to implement certain assignments as set forth in Article 2 of Decision No. 137/2014/QĐ-TGD dated 7 August, 2014 of the Chief Executive Officer

of Masan Corporation. This Consulting Group was chaired by a Board Member, Mr. Dominic Price, and comprised of two other members, Mr. Vu Dzung, a member of the Supervisory Board, and Mr. Michael Hung Nguyen, Deputy Chief Executive Officer of Masan Group.

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

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

As at 31 December 2014, the Consulting Group has successfully implemented several internal policies to enhance the Group's risk management practices, such as our ESOP Policy and Cash Management Policy. The Consulting Group has agreed to extend its term to have more time to appropriately complete its scope of original scope of work as outlined above.

Remuneration of the Board, the Supervisory Board and the Management Board

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

SHAREHOLDER INFORMATION

As of 31 December, 2014, Masan Group's charter capital is VND7,358,081,400,000.

Shareholdings Structure as of 31 December, 2014

Shares:

Total number of outstanding shares and type of shares of Masan Group: 735,808,140 ordinary shares.

Number of freely transferable shares: 734,911,338 shares¹.

Number of locked-up shares: 896,802 shares.

¹These shares are locked-up to 31 July 2015.

Shareholders Structure:

On the basis of percent ownership:

- Major shareholders include:

No.	Shareholders	Number of shares	Percent
1	Masan Corporation	242,921,247	33.01%
2	Sunflower Construction Company Limited	99,817,804	13.57%
3	Orchid Capital Investments Pte. Ltd.	77,079,384	10.48%
4	Private Equity New Markets II K/S	43,011,218	5.85%
Total		462,829,653	62.91%

- Number of shares held by other shareholders: 272,978,487, representing 37.09%

On the basis of institutional and individual shareholders: As of 31 December 2014, Masan Group has 1,849 shareholders, of which are 1,705 individual shareholders holding 100,820,924 shares representing 13.70%; and 144 are institutional shareholders holding 634,987,216 shares, representing 86.30%.

On the basis of domestic and foreign shareholders: As of 31 December 2014, Masan Group has 1,581 domestic shareholders holding 482,365,517 shares representing 65.56%; and 268 foreign shareholders holding 253,442,623 shares, representing 34.44%.

Change of the charter capital

In 2014, the Company increased its charter capital from VND7,349,113,380,000 to VND7,358,081,400,000. The new shares were issued to International Finance Corporation – IFC in a private placement to extinguish the Company's liabilities under convertible loan provided by IFC to the Company in May 2010.

Masan Group has no treasury shares.

Masan Corporation

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

Sunflower Construction Company Limited

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

Significant Foreign Shareholders

Masan Group's significant foreign institutional shareholders are Private Equity New Markets II K/S (PENM Partners), investment funds managed by Orchid Capital Investments Pte. Ltd. (Chandler Corporation).

Private Equity New Markets II K/S (Penm Partners, formerly managed by Bankinvest)

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

Orchid Capital Investments Pte. Ltd. (Chandler Corporation)

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

Shareholdings and Changes in Shareholdings of the Board of Directors during 2014

	31 December, 2014	31 December, 2013	Increase/ Decrease
Dr. Nguyen Dang Quang, Chairman	0.00%	0.00%	0.00%
Mr. Ho Hung Anh, Member	0.00%	2.15%	-2.15%
Mr. Nguyen Thieu Nam, Member	0.29%	0.29%	0.00%
Ms. Nguyen Hoang Yen, Member	3.56%	2.96%	+0.6%
Mr. Lars Kjaer, Member	0.00%	0.00%	0.00%
Mr. Dominic Edward Salter Price, Member	0.00%	0.00%	0.00%

Information Related to Trading and Transfer of Shares of Internal Shareholders

In 2014, there were transactions in Masan Group shares conducted by internal shareholders. The table below sets out such transactions:

No.	Internal shareholders and their related persons	Number of shares owned as of 1 January 2014	Number of shares owned as of 31 December 2014		Reason for the increase, decrease (transfer, purchase, conversion, ...)	
			Percent	Percent		
1	Mr. Dang Ngoc Ca	25,100	0.00%	24,490	0.00%	Transfer
2	Masan Corporation	250,421,247	34.08%	242,921,247	33.01%	Transfer
3	Mr. Ho Hung Anh	15,768,269	2.15%	0	0	Transfer
4	Ms. Nguyen Hoang Yen	21,779,459	2.96%	26,228,483	3.56%	Purchase
5	Ms. Nguyen Thi Thanh Thuy	0	0	3,769,245	0.51%	Purchase

EQUITY INFORMATION

	As of 31 December, 2014
Charter capital (VND billion)	7,358
Share price (VND)	83,000
52-week high share price (VND)	108,000
52-week low share price (VND)	77,500
Number of shares issued (share)	735,808,140
Number of ordinary shares (share)	735,808,140
Number of preference shares (share)	0
Number of treasury shares (share)	0
Dividend yield (%)	N/A

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

GLOSSARY OF TERMS

ATM	Automatic Teller Machine
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Cholimex	Cholimex Joint Stock Company
Dr.	Doctor
ESOP	Employee Share Ownership Plan
FMCG	Fast-moving Consumer Goods
H.C. Starck	H.C. Starck Group
HoSE	Ho Chi Minh Stock Exchange
House Foods	House Foods Corporation Inc.
IFC	International Finance Corporation
KKR	Kohlberg Kravis Roberts & Co. L.P., affiliates and/or investment funds it manages
M&A	Mergers and Acquisitions
Masan	A term referring to Masan Group, inclusive of Masan Consumer, Masan Resources, Techcombank and their subsidiaries
Masan Agri	Masan Agri Corporation (formerly known as Hoa Muoi Gio Company Limited)
Masan Beverage	Masan Beverage Company Limited
Masan Brewery	Masan Brewery Company Limited (formerly known as Orchid Consultant Company Limited)
Masan Consumer	Ma San Consumer Corporation
Masan Consumer Holdings	MasanConsumerHoldings Company Limited
Masan Group or the Group	Ma San Group Corporation
Masan Horizon	Ma San Horizon Corporation
Masan Resources	Ma San Resources Corporation
Masan Thai Nguyen Resources	Ma San Thai Nguyen Resources Company Limited
MNC	Multinational Company
Mount Kellett	Mount Kellett Capital Management L.P., affiliates and/or investment funds it manages
Nui Phao	Nui Phao Mining Limited Company, restructured from Nui Phao Mining Joint Venture Company Ltd as the result of the Nui Phao acquisition
NPL	Non-performing Loan

P&L	Profit and Loss
Phu Yen Beer or Pybeco	Phu Yen Beer and Beverage JSC.
Proconco	Vietnamese-French Cattle Feed JSC.
Saigon NutriFood or SNF	Saigon NutriFood Corporation
SBV	State Bank of Vietnam
SG&A	Selling, General and Administration expenses
SME	Small and Medium Sized Enterprises
SOE	State-owned Enterprise
Techcombank, the Bank, or TCBS	Vietnamese Technological and Commercial Joint Stock Bank
The Board	The Board of Directors
TPG	Texas Pacific Group, affiliates and/or investment funds it manages
US\$	U.S. Dollar
USGS	U.S. Geological Survey
Vinacafe	Vinacafé Bien Hoa Joint Stock Company
Vinacafé	Coffee brand owned by Vinacafé Bien Hoa Joint Stock Company
Vinh Hao	Vinh Hao Mineral Water Corporation
VND	Vietnamese Dong
WTO	World Trade Organization



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G R O U P



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