



KPMG'S COPY

Masan Group Corporation

Separate Financial Statements for
the year ended 31 December 2016



Masan Group Corporation Corporate Information

Business Registration Certificate No.

0303576603

23 February 2017

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 23 February 2017. The Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City. The initial Business Registration Certificate No. 4103002877 was dated 18 November 2004.

Board of Directors

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

Board of Management

| | |
|------------------------|---|
| Dr Nguyen Dang Quang | Chief Executive Officer |
| Mr Nguyen Thieu Nam | Deputy Chief Executive Officer |
| Mr Michael Hung Nguyen | Deputy Chief Executive Officer |
| Mr Seokhee Won | Deputy Chief Executive Officer |
| Mr Nguyen Anh Nguyen | Deputy Chief Executive Officer (from 15 August 2016) |
| Mr Le Trung Thanh | Deputy Chief Executive Officer (from 15 February 2017) |

Legal representative

| | |
|----------------------|-------------------------------------|
| Dr Nguyen Dang Quang | Chairman Chief Executive Officer |
|----------------------|-------------------------------------|

Registered Office

Suite 802, 8th Floor, Central Plaza
17 Le Duan Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

Auditor

KPMG Limited
Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Management of Masan Group Corporation (“the Company”) presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2016.

The Board of Management is responsible for the preparation and fair presentation of the separate financial statements as at and for the year ended 31 December 2016 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In preparing those separate 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 separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We do hereby approve the accompanying separate financial statements of the Company as at and for the year ended 31 December 2016, 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 Management



Dr Nguyen Dang Quang

Chairman

Chief Executive Officer

Ho Chi Minh City, Vietnam

15 March 2017



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Masan Group Corporation

We have audited the accompanying separate financial statements of Masan Group Corporation (“the Company”), which comprise the separate balance sheet as at 31 December 2016, the separate 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 15 March 2017, as set out on pages 5 to 33.

Board of Management’s Responsibility

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

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

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



Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of Masan Group Corporation as at 31 December 2016 and of its separate results of operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 16-01-467 (a)



Nguyễn Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2013-007-1
Deputy General Director

Chong Kwang Puay
Practicing Auditor Registration
Certificate No. 0864-2013-007-1

Ho Chi Minh City, 15 March 2017

Masan Group Corporation
Separate balance sheet as at 31 December 2016

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

| | Code | Note | 31/12/2016 VND | 1/1/2016 VND |
|---|------------|----------|---------------------------|---------------------------|
| ASSETS | | | | |
| Current assets (100 = 110 + 120 + 130 + 150) | 100 | | 5,254,289,534,192 | 1,779,993,010,215 |
| Cash and cash equivalents | 110 | 4 | 499,923,209,801 | 1,103,658,575,525 |
| Cash | 111 | | 134,823,209,801 | 17,768,813,552 |
| Cash equivalents | 112 | | 365,100,000,000 | 1,085,889,761,973 |
| Short-term financial investments | 120 | | 37,932,950,000 | 287,890,485,000 |
| Held-to-maturity investments | 123 | 5(a) | 37,932,950,000 | 287,890,485,000 |
| Accounts receivable – short-term | 130 | 6 | 4,705,405,931,792 | 316,522,596,128 |
| Accounts receivable from customers | 131 | | 19,698,240,000 | 19,420,800,000 |
| Prepayments to suppliers | 132 | | 1,226,790,600 | 139,930,901,584 |
| Receivable on short-term lending loans | 135 | | 1,962,320,000,000 | - |
| Other short-term receivables | 136 | | 2,722,160,901,192 | 157,170,894,544 |
| Other current assets | 150 | | 11,027,442,599 | 71,921,353,562 |
| Short-term prepaid expenses | 151 | | 1,011,994,471 | 973,996,889 |
| Deductible value added tax | 152 | | - | 52,859,409,593 |
| Taxes receivable from State Treasury | 153 | 7 | 10,015,448,128 | 18,087,947,080 |
| Long-term assets (200 = 210 + 220 + 250 + 260) | 200 | | 20,875,899,754,066 | 22,431,116,058,082 |
| Accounts receivable – long-term | 210 | 6 | 3,694,504,018,829 | 7,908,358,080,359 |
| Receivable on long-term lending loans | 215 | | 2,346,000,000,000 | 4,773,374,085,011 |
| Other long-term receivables | 216 | | 1,348,504,018,829 | 3,134,983,995,348 |
| Fixed assets | 220 | | 6,782,520,178 | 3,625,647,326 |
| Tangible fixed assets | 221 | 8 | 6,152,084,765 | 2,428,670,372 |
| Cost | 222 | | 27,314,079,378 | 20,898,895,563 |
| Accumulated depreciation | 223 | | (21,161,994,613) | (18,470,225,191) |
| Intangible fixed assets | 227 | 9 | 630,435,413 | 1,196,976,954 |
| Cost | 228 | | 4,614,742,903 | 4,532,362,903 |
| Accumulated amortisation | 229 | | (3,984,307,490) | (3,335,385,949) |
| Long-term financial investments | 250 | | 17,083,953,273,720 | 14,515,337,397,675 |
| Investments in subsidiaries | 251 | 5(b) | 9,094,721,033,823 | 6,526,105,157,778 |
| Investment in an associate | 252 | 5(c) | 7,989,232,239,897 | 7,989,232,239,897 |
| Other long-term assets | 260 | | 90,659,941,339 | 3,794,932,722 |
| Long-term prepaid expenses | 261 | 10 | 90,659,941,339 | 3,794,932,722 |
| TOTAL ASSETS (270 = 100 + 200) | 270 | | 26,130,189,288,258 | 24,211,109,068,297 |

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

Masan Group Corporation
Separate balance sheet as at 31 December 2016 (continued)

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

| | Code | Note | 31/12/2016 VND | 1/1/2016 VND |
|---|------------|-----------|---------------------------|---------------------------|
| RESOURCES | | | | |
| LIABILITIES (300 = 310 + 330) | 300 | | 10,106,061,781,218 | 7,093,306,209,692 |
| Current liabilities | 310 | | 2,987,515,114,551 | 3,104,583,987,472 |
| Accounts payable to suppliers | 311 | | 44,119,405 | 240,310,312 |
| Accrued expenses | 315 | 11 | 105,053,954,032 | 147,890,913,996 |
| Other short-term payables | 319 | 12 | 2,314,457,041,114 | 111,611,263,164 |
| Short-term borrowings | 320 | 13 | 567,960,000,000 | 2,844,841,500,000 |
| Long-term liabilities | 330 | | 7,118,546,666,667 | 3,988,722,222,220 |
| Long-term borrowings and bonds | 338 | 13 | 7,118,546,666,667 | 3,988,722,222,220 |
| EQUITY (400 = 410) | 400 | | 16,024,127,507,040 | 17,117,802,858,605 |
| Owners' equity | 410 | 14 | 16,024,127,507,040 | 17,117,802,858,605 |
| Share capital | 411 | 15 | 7,680,756,740,000 | 7,467,178,610,000 |
| - <i>Shares with voting rights</i> | 411a | | 7,680,756,740,000 | 7,467,178,610,000 |
| Capital surplus | 412 | 15 | 10,649,796,345,096 | 9,631,106,345,096 |
| Other capital | 414 | 17 | (1,695,338,182,568) | (1,488,971,806,985) |
| Treasury shares | 415 | 15 | (641,110,498,916) | - |
| Undistributed profits after tax | 421 | | 30,023,103,428 | 1,508,489,710,494 |
| - <i>Undistributed profits brought forward</i> | 421a | | 13,831,519,301 | 2,030,844,864,421 |
| - <i>Net profit/(loss) for the current year</i> | 421b | | 16,191,584,127 | (522,355,153,927) |
| TOTAL RESOURCES (440 = 300 + 400) | 440 | | 26,130,189,288,258 | 24,211,109,068,297 |

15 March 2017

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Dr. Nguyen Dang Quang
Chairman
Chief Executive Officer

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

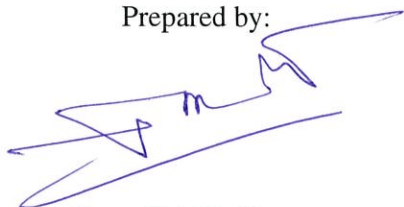
Masan Group Corporation
Separate statement of income for the year ended 31 December 2016

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

| | Code | Note | 2016 VND | 2015 VND |
|---|-----------|-----------|------------------------|--------------------------|
| Financial income | 21 | 20 | 1,861,035,493,591 | 678,579,992,280 |
| Financial expenses | 22 | 21 | 670,689,135,928 | 626,778,867,195 |
| <i>In which: Interest expense</i> | 23 | | 613,355,184,493 | 623,114,710,033 |
| General and administration expenses | 26 | 22 | 388,854,380,252 | 583,219,079,380 |
| Net operating profit/(loss) (30 = 21 - 22 - 26) | 30 | | 801,491,977,411 | (531,417,954,295) |
| Other income | 31 | | 122,230 | 9,113,127,889 |
| Other expenses | 32 | | 3,434,314,707 | 50,327,521 |
| Results of other activities (40 = 31 - 32) | 40 | | (3,434,192,477) | 9,062,800,368 |
| Accounting profit/(loss) before tax (50 = 30 + 40) | 50 | | 798,057,784,934 | (522,355,153,927) |
| Income tax expense – current | 51 | 23 | - | - |
| Income tax expense – deferred | 52 | 23 | - | - |
| Net profit/(loss) after tax (60 = 50 - 51 - 52) | 60 | | 798,057,784,934 | (522,355,153,927) |

15 March 2017

Prepared by:



Doan Thi My Duyen
 Chief Accountant

Approved by:



Michael Hung Nguyen
 Deputy Chief Executive Officer
 Chief Financial Officer



Dr Nguyen Dang Quang
 Chairman
 Chief Executive Officer

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

Masan Group Corporation**Separate statement of cash flows for the year ended 31 December 2016 (Indirect method)****Form B 03 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | 2016 VND | 2015 VND |
|--|-----------|------|-------------------------------------|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Accounting profit/(loss) before tax | 01 | | 798,057,784,934 | (522,355,153,927) |
| Adjustments for | | | | |
| Depreciation and amortisation | 02 | | 3,340,690,963 | 5,957,221,659 |
| Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies | 04 | | (278,814,602) | 780,094,760 |
| Profits from investing activities | 05 | | (1,840,422,995,034) | (676,757,915,167) |
| Interest expense | 06 | | 613,355,184,493 | 623,114,710,033 |
| Operating loss before changes in working capital | 08 | | (425,948,149,246) | (569,261,042,642) |
| Decrease in receivables and other assets (Decrease)/increase in payables and other liabilities | 9 | 11 | 250,823,335,495 (18,325,934,938) | 537,161,585,951 1,577,028,780 |
| Decrease in prepaid expenses | 12 | | 47,184,453,664 | 2,637,449,362 |
| | | | (146,266,295,025) | (27,884,978,549) |
| Interest paid | 14 | | (715,705,565,165) | (687,169,417,503) |
| Net cash flows from operating activities | 20 | | (861,971,860,190) | (715,054,396,052) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for additions to fixed assets and other long-term assets | 21 | | (6,497,563,815) | (139,548,646) |
| Payments for granting loans and term deposits at banks | 23 | | (3,497,290,950,000) | (1,341,586,111,883) |
| Receipts from collecting loans and term deposits | 24 | | 4,436,302,570,011 | 766,182,706,884 |
| Payments for investments | 25 | | (2,800,000,000,000) | (4,638,251,277,778) |
| Proceeds from disposals of investments | 26 | | 211,050,440,000 | 3,978,334,584,495 |
| Receipts of interest | 27 | | 672,971,873,031 | 851,005,670,172 |
| Net cash flows from investing activities | 30 | | (983,463,630,773) | (384,453,976,756) |

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

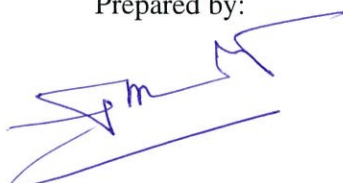
Masan Group Corporation
Separate statement of cash flows for the year ended 31 December 2016
(Indirect method – continued)

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

| | Code | Note | 2016 VND | 2015 VND |
|--|-----------|----------|--------------------------|--------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issuance of new shares | 31 | | 1,232,268,130,000 | 109,039,173,000 |
| Payments for repurchases of equity instruments and treasury shares | 32 | | (908,037,879,363) | - |
| Proceeds from borrowings | 33 | | 7,194,350,000,000 | 4,819,000,000,000 |
| Payments to settle borrowings | 34 | | (6,276,881,500,000) | (3,242,118,500,000) |
| Net cash flows from financing activities | 40 | | 1,241,698,750,637 | 1,685,920,673,000 |
| Net cash flows during the year (50 = 20 + 30 + 40) | 50 | | (603,736,740,326) | 586,412,300,192 |
| Cash and cash equivalents at beginning of the year | 60 | | 1,103,658,575,525 | 517,250,405,093 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 61 | | 1,374,602 | (4,129,760) |
| Cash and cash equivalents at end of the year (70 = 50 + 60 + 61) | 70 | 4 | 499,923,209,801 | 1,103,658,575,525 |

15 March 2017

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Dr. Nguyen Dang Quang
Chairman
Chief Executive Officer

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

Masan Group Corporation

Notes to the separate financial statements for the year ended 31 December 2016

Form B 09 – DN

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

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

1. Reporting entity

(a) Ownership structure

Masan Group Corporation (“the Company”) is a joint stock company incorporated in Vietnam.

(b) Principal activity

The principal activity of the Company is investment holding.

(c) Normal operating cycle

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

(d) Company structure

As at 31 December 2016, the Company had 29 employees (1/1/2016: 32 employees).

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. The Company prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the Company’s consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate financial statements should be read in conjunction with the consolidated financial statements.

(b) Basis of measurement

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

(c) Annual accounting period

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

Masan Group Corporation
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

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

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purposes.

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the rates at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

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

(b) 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 amounts 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.

(c) Investments

(i) *Held-to-maturity investments*

Held-to-maturity investments are those that the Company's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investments are stated at costs less allowance for doubtful debts.

Masan Group Corporation
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

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

(ii) Investments in subsidiaries and associates

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

(d) Accounts receivable

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

(e) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

- leasehold improvements 5 years
- office equipment 3 – 5 years

Masan Group Corporation
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

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

(f) Intangible fixed assets

Software

Cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over a period ranging from 2 to 5 years.

(g) Long-term prepaid expenses

(i) Tools and supplies

Tools and supplies 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 prevailing regulation. Cost of tools and supplies are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(ii) Consulting service fee

Consulting service fee is amortised on a straight-line basis over 3 years.

(h) Trade and other payables

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

(i) Bonds issued

Straight bonds

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

(j) Equity

(i) Share capital and capital surplus

Ordinary shares are stated at par value. The difference between proceeds from the issuance of shares over the par value is recorded in capital surplus. Incremental costs directly attributable to the issuance of shares, net of tax effects, are recognised as a deduction from capital surplus.

Masan Group Corporation
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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(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) Repurchase and reissue of ordinary shares (treasury shares)

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

(k) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the separate statement of income except to the extent that it relates to items recognised directly in 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 end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

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

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

(l) Financial income

Financial income comprises dividends income, interest income from deposits, loans and foreign exchange gains.

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

Dividends income is recognised when the right to receive dividends is established. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

Masan Group Corporation
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

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

(m) Financial expenses

Financial expenses comprise interest expense on borrowings, bonds, foreign exchange losses, amortised borrowing costs and losses from disposal investments.

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(n) Related parties

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

4. Cash and cash equivalents

| | 31/12/2016 | 1/1/2016 |
|------------------|-------------------|-------------------|
| | VND | VND |
| Cash on hand | 240,708,966 | 149,708,466 |
| Cash at banks | 134,582,500,835 | 17,619,105,086 |
| Cash equivalents | 365,100,000,000 | 1,085,889,761,973 |
| | <hr/> | <hr/> |
| | 499,923,209,801 | 1,103,658,575,525 |
| | <hr/> | <hr/> |

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

Masan Group Corporation
Notes to the separate financial statements for the year ended 31 December 2016
(continued)

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5. Investments

| | 31/12/2016 VND | 1/1/2016 VND |
|---|---------------------------------|-------------------------------|
| Short-term financial investments | | |
| Held-to-maturity investments (a) | 37,932,950,000 | 287,890,485,000 |
| Long-term financial investments | | |
| Investments in subsidiaries (b) | 9,094,721,033,823 | 6,526,105,157,778 |
| Investment in an associate (c) | 7,989,232,239,897 | 7,989,232,239,897 |
| | 17,083,953,273,720 | 14,515,337,397,675 |

(a) Held-to-maturity investments

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

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Notes to the separate financial statements for the year ended 31 December 2016 (continued)

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(b) Investments in subsidiaries

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

| | 31/12/2016 | | 1/1/2016 | | | | |
|---|-------------------|--------------------|-------------------|---------------------------------------|-------------------|---------------------------------------|----------------|
| | % of equity owned | % of voting rights | Cost VND | Allowance for diminution in value VND | Fair value VND | Allowance for diminution in value VND | Fair value VND |
| ▪ MasanConsumerHoldings Company Limited ("MCH") | 85.7% | 85.7% | 516,600,000,000 | - (*) | 516,600,000,000 | - | (*) |
| ▪ Masan Horizon Corporation ("MH") | 99.9% | 99.9% | 6,616,814,880,000 | - (*) | 3,816,814,880,000 | - | (*) |
| ▪ Masan Nutri-Science Corporation (formerly known as Masan Nutri-Science Company Limited) ("MNS") | 89.4% | 89.4% | 1,961,306,153,823 | - (*) | 2,192,690,277,778 | - | (*) |
| | | | 9,094,721,033,823 | - (*) | 6,526,105,157,778 | - | (*) |

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

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Movements of investments in subsidiaries during the year were as follows:

| | MCH VND | MH VND | MNS VND | Total VND |
|-----------------|-----------------|-------------------|-------------------|-------------------|
| Opening balance | 516,600,000,000 | 3,816,814,880,000 | 2,192,690,277,778 | 6,526,105,157,778 |
| Additions | - | 2,800,000,000,000 | - | 2,800,000,000,000 |
| Disposals | - | - | (231,384,123,955) | (231,384,123,955) |
| Closing balance | 516,600,000,000 | 6,616,814,880,000 | 1,961,306,153,823 | 9,094,721,033,823 |

(c) Investment in an associate

Details of the Company's investment in an associate were as follows:

| | 31/12/2016 | | 1/1/2016 | |
|---|-------------------|--------------------|-----------------------|--|
| | % of equity owned | % of voting rights | Cost VND | Allowance for diminution in value VND |
| Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") | 15.0% | 15.0% | 7,989,232,239,897 | - |
| | | | (*) 7,989,232,239,897 | - |
| | | | | Allowance for diminution in Fair value VND VND |
| | | | | (*) - |

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

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6. Accounts receivable – short-term and long-term

Receivable on short-term lending loans comprised:

| | 31/12/2016 | 1/1/2016 |
|----------------------------------|-------------------|-----------------|
| | VND | VND |
| Receivable from subsidiaries (i) | 1,962,320,000,000 | - |

Other short-term receivables comprised:

| | 31/12/2016 | 1/1/2016 |
|--|-------------------|-----------------|
| | VND | VND |
| Receivable from related parties (i) | 1,359,402,734,713 | - |
| Dividends receivable | 1,207,540,953,000 | - |
| Non-trade receivables from the parent company (ii) | 142,244,000,000 | 142,244,000,000 |
| Services receivable | 11,547,311,554 | 11,547,311,554 |
| Accrued interest receivable from deposits | 1,226,467,925 | 2,905,373,161 |
| Short-term deposits | 69,500,000 | 29,500,000 |
| Others | 129,934,000 | 444,709,829 |
| | 2,722,160,901,192 | 157,170,894,544 |

Receivable on long-term lending loans comprised:

| | 31/12/2016 | 1/1/2016 |
|------------------------------------|-------------------|-------------------|
| | VND | VND |
| Receivable from subsidiaries (iii) | 2,346,000,000,000 | 4,773,374,085,011 |

Other long-term receivables comprised:

| | 31/12/2016 | 1/1/2016 |
|---------------------------------------|-------------------|-------------------|
| | VND | VND |
| Long-term deposits | 2,313,495,000 | 2,313,495,000 |
| Receivable from related parties (iii) | 1,346,190,523,829 | 3,132,670,500,348 |
| | 1,348,504,018,829 | 3,134,983,995,348 |

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

- (i) As at 31 December 2016, the short-term lending loans receivable and other short-term receivables due from related parties of the Company comprised of:
- (a) VND2,828,239 million relates to an unsecured loan to a subsidiary for a principal amount of VND1,962,320 million and related interest receivable of VND865,919 million. The loan is due in December 2017 and earns interest at 12.0% per annum;
 - (b) An interest receivable on unsecured funding agreement between the Company and a subsidiary for a principal amount of VND490,061 million. The interest will be repayable on the maturity date in December 2017; and
 - (c) An interest receivable on an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND3,422 million. The interest will be repayable on the maturity date in November 2017.
- (ii) The non-trade receivables due from Masan Corporation, the parent company, were unsecured, interest-free and are receivable on demand.
- (iii) As at 31 December 2016, the long-term lending loans receivable and other long-term receivables due from related parties of the Company comprised of:
- (a) VND1,124,124 million (1/1/2016: VND1,555,324 million) were related to interest costs charged on unsecured loans amounting to USD218 million and VND2,200 billion made available to subsidiaries. These interest costs are receivable in December 2020;
 - (b) VND214,964 million (1/1/2016: VND524,241 million) were related to interest costs charge on an unsecured loan agreement between the Company and a subsidiary for a principal amount of VND930 billion. The interest will be repayable on the maturity date in December 2018; and
 - (c) VND2,353,102 million (1/1/2016: nil) relates to an unsecured loan to a subsidiary for a principal amount of VND2,346,000 million (1/1/2016: nil) and related interest receivable of VND7,102 million (1/1/2016: nil). The loan is due in November 2021 and earns interest at 6.5% per annum.

7. Taxes receivable from State Treasury

| | 31/12/2016 | 1/1/2016 |
|----------------------|-------------------|-----------------|
| | VND | VND |
| Corporate income tax | 398,015,743 | 398,015,743 |
| Personal income tax | - | 52,131,411 |
| Withholding tax | 9,617,432,385 | 17,637,799,926 |
| | <hr/> | <hr/> |
| | 10,015,448,128 | 18,087,947,080 |
| | <hr/> | <hr/> |

Masan Group Corporation**Notes to the separate financial statements for the year ended 31 December 2016**

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| | Leasehold improvements VND | Office equipment VND | Total VND |
|---------------------------------|---|-------------------------------------|----------------------|
| Cost | | | |
| Opening balance | 15,140,249,974 | 5,758,645,589 | 20,898,895,563 |
| Additions | 6,259,274,724 | 155,909,091 | 6,415,183,815 |
| Closing balance | 21,399,524,698 | 5,914,554,680 | 27,314,079,378 |
| Accumulated depreciation | | | |
| Opening balance | 13,777,167,973 | 4,693,057,218 | 18,470,225,191 |
| Charge for the year | 1,988,413,008 | 703,356,414 | 2,691,769,422 |
| Closing balance | 15,765,580,981 | 5,396,413,632 | 21,161,994,613 |
| Net book value | | | |
| Opening balance | 1,363,082,001 | 1,065,588,371 | 2,428,670,372 |
| Closing balance | 5,633,943,717 | 518,141,048 | 6,152,084,765 |

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9. Intangible fixed assets

| | Software VND |
|---------------------------------|-------------------------|
| Cost | |
| Opening balance | 4,532,362,903 |
| Additions | 82,380,000 |
| | 4,614,742,903 |
| Closing balance | |
| | 4,614,742,903 |
| Accumulated amortisation | |
| Opening balance | 3,335,385,949 |
| Charge for the year | 648,921,541 |
| | 3,984,307,490 |
| Closing balance | |
| | 3,984,307,490 |
| Net book value | |
| Opening balance | 1,196,976,954 |
| Closing balance | 630,435,413 |
| | 630,435,413 |

10. Long-term prepaid expenses

| | Tools and supplies VND | Consulting services VND | Total VND |
|---------------------------|-----------------------------------|------------------------------------|-----------------------|
| Opening balance | 187,532,722 | 3,607,400,000 | 3,794,932,722 |
| Additions | 179,990,000 | 134,087,459,863 | 134,267,449,863 |
| Amortisation for the year | (160,221,290) | (47,242,219,956) | (47,402,441,246) |
| | 207,301,432 | 90,452,639,907 | 90,659,941,339 |
| Closing balance | 207,301,432 | 90,452,639,907 | 90,659,941,339 |

Masan Group Corporation**Notes to the separate financial statements for the year ended 31 December 2016**

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| | 31/12/2016 VND | 1/1/2016 VND |
|--------------------------|---------------------------------|-------------------------------|
| Accrued interest expense | 77,310,293,628 | 115,383,332,025 |
| Consultant fee | 21,267,543,133 | 28,040,462,433 |
| Withholding tax | 180,544,854 | 2,118,812,549 |
| Others | 6,295,572,417 | 2,348,306,989 |
| | <hr/> 105,053,954,032 | <hr/> 147,890,913,996 |

12. Other short-term payables

| | 31/12/2016 VND | 1/1/2016 VND |
|----------------------------|---------------------------------|-------------------------------|
| Dividends payable | 2,276,524,392,000 | - |
| Obligation to issue shares | - | 60,561,004,864 |
| Others | 37,932,649,114 | 51,050,258,300 |
| | <hr/> 2,314,457,041,114 | <hr/> 111,611,263,164 |

13. Borrowings and bonds

| | 31/12/2016 VND | 1/1/2016 VND |
|---|---------------------------------|-------------------------------|
| Short-term borrowings | | |
| Current portion of long-term borrowings | 567,960,000,000 | 2,844,841,500,000 |
| | <hr/> | <hr/> |
| Long-term borrowings and bonds (*) | | |
| Long-term borrowings and bonds | 7,686,506,666,667 | 6,833,563,722,220 |
| Repayable within twelve months | (567,960,000,000) | (2,844,841,500,000) |
| | <hr/> 7,118,546,666,667 | <hr/> 3,988,722,222,220 |

Masan Group Corporation
Notes to the separate financial statements for the year ended 31 December 2016
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(*) Long-term borrowings and bonds comprised of:

| | 31/12/2016 | 1/1/2016 |
|--------------------------------|-------------------|---------------------|
| | VND | VND |
| Convertible loan (a) | 567,960,000,000 | 567,960,000,000 |
| Straight bonds (b) | 5,924,196,666,667 | 6,265,603,722,220 |
| Unsecured loans (c) | 1,194,350,000,000 | - |
| | 7,686,506,666,667 | 6,833,563,722,220 |
| Repayable within twelve months | (567,960,000,000) | (2,844,841,500,000) |
| | 7,118,546,666,667 | 3,988,722,222,220 |
| Repayable after twelve months | | |

(a) Convertible loan

| | | Interest rate | Year of | 31/12/2016 | 1/1/2016 |
|------------------|-----------------|----------------------|-----------------|-------------------|-----------------|
| | Currency | per annum | maturity | VND | VND |
| Credit Suisse Ag | USD | 9.6% - 10.8% | 2017 | 567,960,000,000 | 567,960,000,000 |

The original loan from Goldman Sachs Group, Inc. through its company named Jade Dragon (Mauritius) Limited (“JD”) represents a USD-denominated convertible loan, with a principal amount of USD30 million.

Among others, the agreement provides the following:

- (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 2.0% per annum and 6.0% per annum respectively. During the period from 15 December 2012 to 14 December 2013 the nominal interest rate and deferred interest rate are 4.0% per annum and 4.0% per annum respectively. During the period from 15 December 2013 to 14 December 2015 the nominal interest rate and deferred interest rate are 6.0% per annum and 2.0% per annum respectively. The loan matured on 14 December 2015. The nominal interest rate is compounded daily and the deferred interest rate is compounded annually. The Company 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, subject to customary adjustments from dilutive events.

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- (iv) The Company also separately entered into an arrangement with Masan 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, subject to customary adjustments from dilutive events, in the event that the lender does not exercise the conversion option.

On 1 December 2015, this loan was amended with the maturity date on 14 December 2016. On 29 November 2016, this loan was amended with the maturity date on 14 December 2017. Credit Suisse Ag, Singapore Branch (“CSA”) became the lender under the Credit Agreement between the Company and JD and CSA. All terms and conditions as described above that were agreed previously between the Company and JD are kept the same between the Company and CSA.

(b) Straight bonds

VND6,000 billion (1/1/2016: VND4,000 billion) bonds excluded issuance cost with a maturity of 5 years at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. MCH has pledged 81.3 million shares in Masan Consumer Corporation as security for these bonds.

During the year, the Company complied with the loan covenants on the above bonds.

(c) Unsecured loans

| | Currency | Interest rate per annum | Year of maturity | 31/12/2016 VND | 1/1/2016 VND |
|--|----------|----------------------------|---------------------|-------------------|-----------------|
| MRC Ltd (*) | USD | 0% | 2018 | 798,350,000,000 | - |
| Agro Nutrition International Joint Stock Company | VND | 6.5% | 2021 | 396,000,000,000 | - |
| | | | | 1,194,350,000,000 | - |

- (*) USD denominated loan of VND798,350 million (equivalent to USD35 million).

The Company entered into an agreement with MRC Ltd for MRC Ltd, which was a previous minority investor in Masan Resources Corporation (“MR”), to subscribe for 12,000,000 shares of the Company at VND95,000 per share (see Note 15) and the Company also entered into a loan agreement with MRC Ltd for an unsecured loan of USD35 million payable after two years of drawdown with 0% interest rate. In the event MRC Ltd sells any of the 12,000,000 shares of the Company acquired above, subject to customary adjustments from dilutive events, the loan payable will be decreased proportionately. Lastly, MRC Ltd has signed an agreement to grant the Company a call option, pursuant to which the Company or its nominee shall be entitled, but not obliged, to purchase from MRC Ltd the Company’s shares at VND112,000 per share. This option is only exercisable in the event that MRC Ltd serves a payment notice for the loan above that is due after two years of drawdown. The number of callable shares is calculated based on the amount of loan repaid over USD35 million multiplied by 12,000,000 shares, subject to customary adjustments from dilutive events.

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14. Changes in owners' equity

| | Share capital VND | Capital surplus VND | Other capital VND | Treasury shares VND | Undistributed profits after tax VND | Total VND |
|---------------------------------------|-------------------------|---------------------------|-------------------------|---------------------------|---|---------------------|
| Balance as at 1 January 2015 | 7,358,081,400,000 | 9,631,164,382,096 | (1,488,971,806,985) | - | 2,030,844,864,421 | 17,531,118,839,532 |
| Issuance of new shares | 109,097,210,000 | (58,037,000) | - | - | - | 109,039,173,000 |
| Net loss for the year | - | - | - | - | (522,355,153,927) | (522,355,153,927) |
| Balance as at 1 January 2016 | 7,467,178,610,000 | 9,631,106,345,096 | (1,488,971,806,985) | - | 1,508,489,710,494 | 17,117,802,858,605 |
| Issuance of new shares (Note 15) | 213,578,130,000 | 1,018,690,000,000 | - | - | - | 1,232,268,130,000 |
| Net profit for the year | - | - | - | - | 798,057,784,934 | 798,057,784,934 |
| Equity transaction (Note 17) | - | - | (206,366,375,583) | - | - | (206,366,375,583) |
| Purchases of treasury shares | - | - | - | (641,110,498,916) | - | (641,110,498,916) |
| Dividends declared | - | - | - | - | (2,276,524,392,000) | (2,276,524,392,000) |
| Balance as at 31 December 2016 | 7,680,756,740,000 | 10,649,796,345,096 | (1,695,338,182,568) | (641,110,498,916) | 30,023,103,428 | 16,024,127,507,040 |

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15. Share capital and capital surplus

The Company's authorised and issued share capital comprises:

| | 31/12/2016 | | 1/1/2016 | |
|---------------------------------|------------------|--------------------|------------------|-------------------|
| | Number of shares | VND | Number of shares | VND |
| Authorised share capital | 768,075,674 | 7,680,756,740,000 | 746,717,861 | 7,467,178,610,000 |
| Issued share capital | | | | |
| Ordinary shares | 768,075,674 | 7,680,756,740,000 | 746,717,861 | 7,467,178,610,000 |
| Capital surplus | - | 10,649,796,345,096 | - | 9,631,106,345,096 |
| Treasury shares | | | | |
| Ordinary shares | (9,234,210) | (641,110,498,916) | - | - |

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.

The Company purchased 9,234,210 treasury shares for a cash consideration of VND641,110 million.

Movements of share capital during the year were as follows:

| | 2016 | | 2015 | |
|---|------------------|-------------------|------------------|-------------------|
| | Number of shares | VND | Number of shares | VND |
| Balance at beginning of the year | 746,717,861 | 7,467,178,610,000 | 735,808,140 | 7,358,081,400,000 |
| Insurance of new shares at par for cash | 21,357,813 | 213,578,130,000 | 10,909,721 | 109,097,210,000 |
| Balance at end of the year | 768,075,674 | 7,680,756,740,000 | 746,717,861 | 7,467,178,610,000 |

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The Company issued 9,357,813 shares at par for cash (Note 16) and 12,000,000 shares at VND95,000 per share (see Note 13(c)). The proceeds from the issuance of 12,000,000 shares were used to repay the Company's loans.

In December 2016, the Company's shareholders also approved the issuance of bonus shares with the ratio of 50% of par value.

16. Share-based payment

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.

In 2016, the Company issued 9,357,813 shares to employees at par for cash.

17. Other capital

Movements of other capital during the year were as follows:

| | 2016 | 2015 |
|------------------------|-------------------|-------------------|
| | VND | VND |
| Opening balance | 1,488,971,806,985 | 1,488,971,806,985 |
| Equity transaction (*) | 206,366,375,583 | - |
| | <hr/> | <hr/> |
| Closing balance | 1,695,338,182,568 | 1,488,971,806,985 |
| | <hr/> | <hr/> |

(*) In 2012, the Company entered into convertible loan agreements for USD30 million (equivalent to VND624,840 million) with Mount Kellett Capital Management LP through 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 does 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 bears semi-annual coupons of 5.0% per annum in year one, 6.0% per annum in years two and three, and 7.0% per annum for the remaining term of the convertible loan. A deferred interest which would achieve an effective rate of return of 10.0% is payable if the conversion option is not exercised; and

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- (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.

In July 2013, the Company repurchased two third 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 1 January 2015.

In March 2016, the Company repurchased the remaining one third of the convertible loan of USD30 million subscribed by MRG Limited for a cash consideration of VND266,927 million.

18. Dividends

In December 2016, the Company’s shareholders approved the allocation of cash dividends with the ratio of 30% of par value.

19. Off balance sheet items**(a) Lease commitments**

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

| | 31/12/2016 VND | 1/1/2016 VND |
|--------------------------|-------------------|-----------------|
| Within one year | 6,436,716,000 | 6,766,200,000 |
| Within two to five years | 11,513,524,000 | 435,248,877 |
| | 17,950,240,000 | 7,201,448,877 |

(b) Foreign currency

| | 31/12/2016 | | 1/1/2016 | |
|-----|----------------------|-------------------|----------------------|-------------------|
| | Original currency | VND equivalent | Original currency | VND equivalent |
| USD | 4,296 | 97,596,714 | 4,467 | 100,069,088 |

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Notes to the separate financial statements for the year ended 31 December 2016
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20. Financial income

| | 2016 | 2015 |
|--|-------------------|-----------------|
| | VND | VND |
| Interest income from deposits | 37,441,719,471 | 28,810,710,321 |
| Interest income from loans to subsidiaries | 608,168,673,183 | 617,142,262,772 |
| Other investing activities | 7,605,333,335 | 30,805,942,074 |
| Dividends | 1,207,540,953,000 | - |
| Foreign exchange gains | 278,814,602 | 1,821,077,113 |
| | <hr/> | <hr/> |
| | 1,861,035,493,591 | 678,579,992,280 |
| | <hr/> | <hr/> |

21. Financial expenses

| | 2016 | 2015 |
|---------------------------------------|-----------------|-----------------|
| | VND | VND |
| Interest expense on loans/bonds from: | | |
| • Banks | 496,856,690 | 690,111,579 |
| • Bondholders and others | 600,718,108,625 | 593,472,927,220 |
| • Subsidiaries | 12,140,219,178 | 28,951,671,234 |
| Foreign exchange losses | 26,020,819,099 | 717,999,463 |
| Losses from disposals of investments | 20,333,683,955 | - |
| Others | 10,979,448,381 | 2,946,157,699 |
| | <hr/> | <hr/> |
| | 670,689,135,928 | 626,778,867,195 |
| | <hr/> | <hr/> |

22. General and administration expenses

| | 2016 | 2015 |
|-----------------------------------|-----------------|-----------------|
| | VND | VND |
| Depreciation and amortisation | 3,340,690,963 | 5,957,221,659 |
| Outside services | 84,094,291,743 | 20,758,863,690 |
| Staff cost and other expenses (*) | 301,419,397,546 | 556,502,994,031 |
| | <hr/> | <hr/> |
| | 388,854,380,252 | 583,219,079,380 |
| | <hr/> | <hr/> |

(*) Included in other expenses of the Company is supporting expense to subsidiaries.

Masan Group Corporation
Notes to the separate financial statements for the year ended 31 December 2016
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23. Income tax

(a) Reconciliation of effective tax rate

| | % | 2016 VND | % | 2015 VND |
|------------------------------------|-------|-------------------|--------|-------------------|
| Accounting loss before tax | 100% | 798,057,784,934 | 100% | (522,355,153,927) |
| Tax at the Company's tax rate | 20% | 159,611,556,987 | (22%) | (114,918,133,864) |
| Tax exempt income | (30%) | (241,508,190,600) | - | - |
| Non-deductible expenses | 6% | 48,258,744,860 | 20.71% | 108,161,003,926 |
| Deferred tax assets not recognised | 4% | 33,637,888,753 | 1.29% | 6,757,129,938 |
| | - | - | - | - |

(b) Applicable tax rates

Under the prevailing corporate income tax law, the Company has an obligation to pay corporate income tax to the government at corporate income tax rate of 20% from 2016 onwards (2015: 22%).

24. Significant transactions with related parties

In addition to related party balances disclosed in other notes to these separate financial statements, the Company had the following transactions with related parties in accordance with Vietnamese Accounting Standards during the year:

| Related Party | Nature of transaction | 2016 VND | 2015 VND |
|---|-------------------------------------|-------------------|-----------------|
| Direct Subsidiary | | | |
| Masan Horizon Corporation | Loans provided to a subsidiary | 2,570,000,000,000 | 3,195,626,883 |
| | Loans collected from a subsidiary | 2,221,554,085,011 | - |
| | Interest income from loans provided | 588,799,111,953 | 546,907,364,764 |
| Masan Nutri-Science Corporation (formerly known as Masan Nutri-Science Company Limited) | Dividends | 1,207,540,953,000 | - |

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| Related Party | Nature of transaction | 2016 VND | 2015 VND |
|--|--|-------------------|-------------------|
| Indirect Subsidiaries | | | |
| Masan Resources Corporation | Offsetting of debts | 85,000,000,000 | 52,914,399,041 |
| | Interest income from loans provided | - | 786,000,000,000 |
| | Loans received from a subsidiary | - | 210,000,000,000 |
| Nui Phao Mining Company Limited | Offsetting of debts | 324,000,000,000 | 490,000,000,000 |
| | Loans provided to a subsidiary | - | 11,321,749,346 |
| Masan Brewery Company Limited | Loans collected from a subsidiary | - | 79,568,706,884 |
| | Interest income from loans provided | - | 1,346,037,292 |
| Shika Company Limited | Loans provided to a subsidiary | 588,500,000,000 | 1,050,500,000,000 |
| | Loans collected from a subsidiary | 1,402,000,000,000 | 237,000,000,000 |
| | Interest income from loans provided | 19,369,561,230 | 4,652,712,329 |
| Kenji Company Limited | Loans received from a subsidiary | - | 629,000,000,000 |
| | Loans repaid | - | 629,000,000,000 |
| | Interest expense from loans received | - | 28,951,671,235 |
| Agro Nutrition International Joint Stock Company | Loans received from a subsidiary | 4,396,000,000,000 | - |
| | Loans repaid | 4,000,000,000,000 | - |
| | Interest expense from loans received | 12,140,219,178 | - |
| Key management personnel | Remuneration to key management personnel (*) | 7,560,430,163 | 5,260,027,738 |

As at 31 December 2016, the Company has current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank at normal trading terms.

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

Masan Group Corporation
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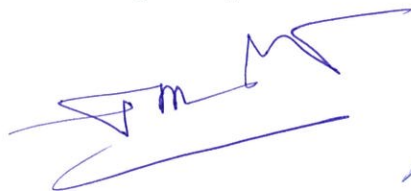
25. Post balance sheet events

The payment of cash dividends with the ratio of 30% of par value for each share was made on 24 January 2017.

The shareholders' book closing date in respect of the issuance of bonus shares with the ratio of 50% of par value for each share was on 24 January 2017. The Company completed the required procedures for the distribution of bonus shares to shareholders in February 2017.

15 March 2017

Prepared by:

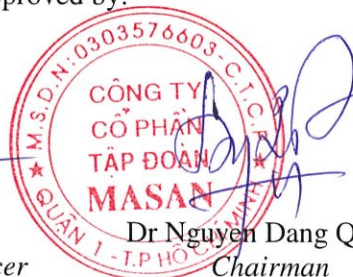


Doan Thi My Duyen
Chief Accountant

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Dr Nguyen Dang Quang
Chairman
Chief Executive Officer

