

MASAN
NUTRI-SCIENCE



MEAT PARTNER OF CHOICE
FOR EVERY VIETNAMESE FAMILY



ANNUAL REPORT | **2018**



TABLE OF CONTENTS

CEO's LETTER	4
2018 SCORECARD	7
OUR STORY	8
SUSTAINABILITY REPORT	18
FINANCIAL STATEMENTS	24
MANAGEMENT REPORT	36
GENERAL CORPORATE INFORMATION	44

CEO's LETTER



Dear Shareholders and the Masan Nutri-Science community,

On behalf of the Board of Directors, I would like to report our business performance in 2018, but more importantly, give you a clear picture of how we are realizing our grand vision: **"Meat Partner of Choice for Every Vietnamese Family"**.

2018 was truly a challenging year for millions of pig farmers and dealers, negatively impacting our feed business as well. Although the livestock pig crisis ended in mid-2018, the overall market has not fully recovered according to our expectations:

- » Pig farmers have limited access to growth capital impeding their ability to re-invest in their herd population;
- » Some farmers are weary of reinvesting due to disease outbreak and are wait and see mode; and
- » Feed dealers and distributors are also more hesitant to provide farmer credit until there is a clear signal of a full recovery.

I believe the current situation is not sustainable as there is a structural supply pig livestock deficit. Domestic pork consumption is still growing and there will be a natural rebalancing of demand-supply in the near-term. We continue to stick with our vision and belief to enhance the productivity of pig farmers through breakthrough innovations. Even in the midst of the crisis, we did not sacrifice the quality and productivity of our products to win market share. That is why we are positioned to win when the entire market chases productivity in the market upswing.

I am extremely proud of our people and how we together navigated

REVENUE (VND BILLION)

13,977

GROSS PROFIT (VND BILLION)

2,097

“

WE WANT TO BE AT THE FOREFRONT OF TRANSFORMING THE MEAT MARKET: **PROVIDING DELICIOUS, SAFE AND AFFORDABLE BRANDED MEAT PRODUCTS FOR EACH AND EVERY MEAL.**

”

the crisis. We did de-grow top-line alongside market, but we executed smartly to protect profits. This was not purely a financial decision, but it was strategic to ensure we had sufficient financial resources to make our **Meat Vision** a reality.

The majority of people view MNS as a pure feed company. I want to be crystal clear that feed was an entry strategy not the end game. Internally we have also envisioned being a consumer-centric business focused on 95 million Vietnamese consumers' meat life. We want to be at the forefront of transforming the meat market: **providing delicious, safe and affordable branded meat products for each and every meal.**

We believe the only way to achieve this vision and deliver consumers true value is by owning a state-of-the-art integrated supply chain – **Feed – Farm – Meat**. In the midst of the most severe pig livestock crisis, we made bolds decision to invest upfront to complete our strategic platform. We truly embodied the Masan "Keep Going Long" philosophy and spirit:

- » Invested VND1,400 billion to develop a high-tech pig farm in Nghe An province. Our farm operates accordance to international standards and, most importantly, to ensure antibiotic-free meat products. Our farm also deploys the highest standard for bio-security to minimize disease

outbreak. We want our farm to be a case study for other farmers as we aim to partner with them in the future as our strategic suppliers.

- » Invested VND1,000 billion to build out a meat production complex in Ha Nam province. The meat complex utilizes European technology to deliver delicious and safe chilled meat products. This is the first meat complex in Vietnam to comply with both Vietnam and International standards. We have the production capacity to supply up to 25% of the Ha Noi pork market, 1.4 million porkers, when fully ramped up.

This strategic integrated platform was completed in 4Q2018 and we subsequently launched our branded chilled meat product on 23 December 2018, "MEATDeli". Since launching, we have witnessed strong consumer offtake and customer loyalty: over 94% of consumers who have tried MEATDeli have repurchased. MEATDeli aims to satisfy consumers' demand for safe, quality food products. Meat products are at the forefront of this consumer trend as it comprises the largest portion by value of consumers food spend.

We are also building a unique route to market to ensure that our products are widely available to our meat consumers. We currently sell via our Flagship Stores in Ha Noi and through select modern trade franchises. We are still in pilot stage, but will shortly



WE AIM TO OWN 10% NATIONWIDE MARKET SHARE OF VIETNAM'S US\$10.2 BILLION PORK MARKET.



EBITDA (VND BILLION)

1,246

ramp-up as soon as we perfect our supply chain and delivery model. In order to be a nationwide leader of scale, we must replicate a FMCG-like distribution model in terms of breadth and depth as our Franchise stores and the modern trade only account for ~10% of the addressable meat market. We have begun to pilot test our FMCG distribution model and aim for a full launch in 2H2019.

Pure focus on 2018 financial performance will not demonstrate our strategic transformation and the strategic direction of our business. We delivered revenue of VND13,977 billion, gross profit of VND2,097 billion and EBITDA of VND1,246 billion in 2018 which is not a true reflection of our medium-term growth potential.

In the medium term, our financial performance will start to converge with our strategic vision. We are a FMCG company that strives to enhance the material and spiritual lives of Vietnamese consumers. This will be a step by step process and 2019 will be a critical year for us to solidify our meat business model and scale it up to not only capture significant market share in Ha Noi but also prepare for a nationwide launch. This is how I envision our business in 2022:

- » Own 10% nationwide market share of Vietnam's US\$10.2 billion pork market.

- » Own #1 nationwide meat distribution network, combination of self-owned Flagship Stores, modern trade and wet market channels.
- » US\$2 billion in revenue with a majority comprised of branded meats and profitability of US\$200-250 million.

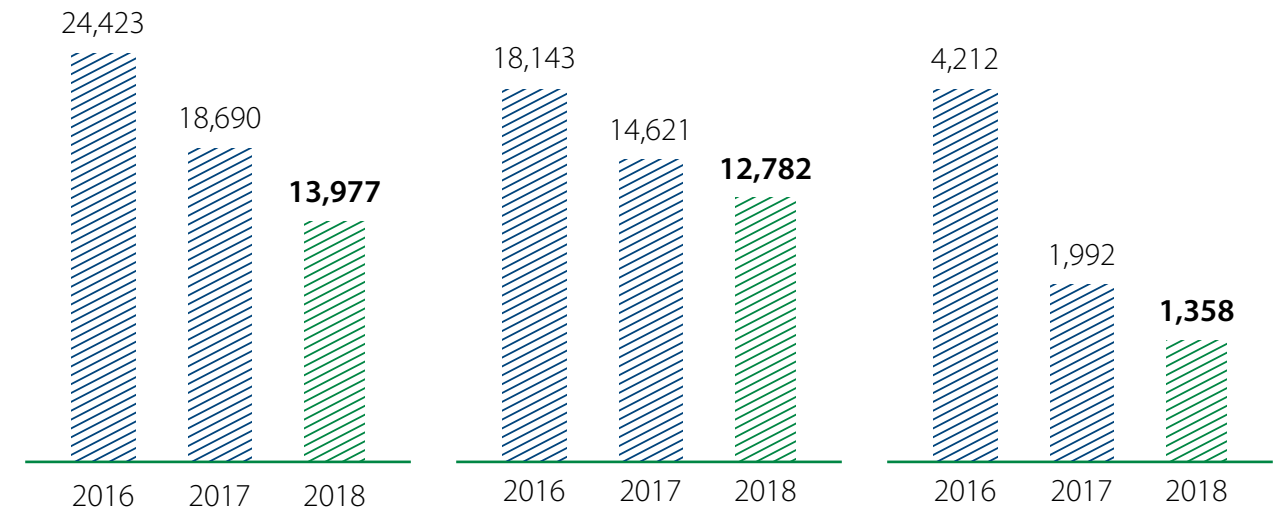
If we deliver on this, we will be recognized as one of the largest growing consumer companies in the region. This will also ensure that we are ring-fenced against livestock cycles as the branded meat market is much more stable as it is a FMCG business. I believe we have the brand building, innovation and distribution capabilities to deliver our game plan and greatly impact the daily lives of Vietnamese consumers.

Most importantly, our people are talented and committed to make this vision a reality. On behalf of MNS, we commit to Keep Going each and every day so that our consumers can enjoy safe and delicious meat products. I look forward to updating the MNS community on our progress in 2019.

Yours faithfully,

Pham Trung Lam
Chief Executive Officer of Masan Nutri-Science

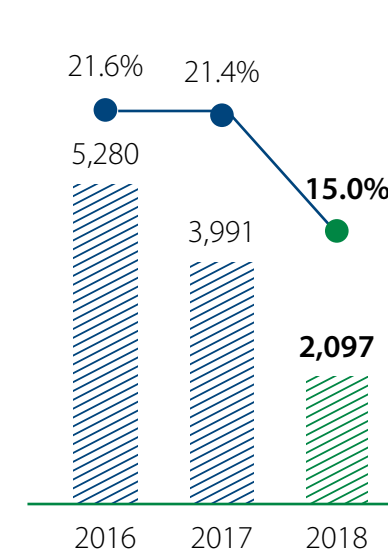
2018 SCORECARD



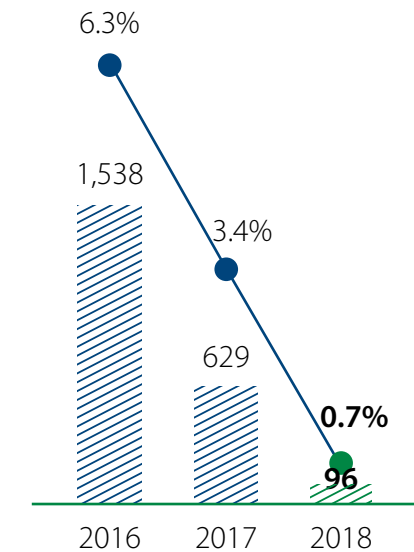
NET REVENUE
(VND BILLION)

TOTAL ASSETS
(VND BILLION)

CASH BALANCE¹
(VND BILLION)



GROSS PROFIT & GROSS MARGIN (VND BILLION, %)



NET PROFIT POST MI & NET MARGIN (VND BILLION, %)

¹ Includes short-term investments



OUR STORY

WHO WE ARE

“ WE ARE THE FIRST INTEGRATED BRANDED MEAT PLATFORM IN VIETNAM. ”



Masan Nutri-Science (“MNS”) is Vietnam’s one of the largest fully-integrated (“Feed-Farm-Food” business model) branded meat platform, focused on driving productivity in Vietnam’s animal protein industry and ultimately directly serving consumers with traceable, quality and affordable meat products, a US\$10.2 billion opportunity.

In 2018, Masan Nutri-Science sold 1.5 million tons of animal feed through its national network of over 2,500 dealers and 13 feed facilities. By implementing an FMCG approach to the feed business, Masan Nutri-Science has developed the successful umbrella brand “Bio-zeem” and quickly capture significant market share in the pig feed market.

With the cash flows of its feed business, Masan Nutri-Science has since gone on to develop an integrated branded platform with the commissioning of its large-scale pig farm in Nghe An and the its meat processing complex in Ha Nam.

One of the most important milestones of Masan Nutri-Science in 2018 was the launch of the MEATDeli brand in December 2018. Consumers now have access to safe, fresh and delicious chilled meat products that are produced with state-of-the-art European processing technology. The porkers are raised either from our own farm or partners who adheres to the strictest bio-security control standards and highest quality feed (no growth hormones and antibiotics). The products are now being distributed via MNS own MEATDeli stores (Flagship Stores), VinMart supermarkets and grocery agents in Ha Noi.

The launch of MEATDeli officially marks MNS’s entry into the US\$10.2 billion pork market, a fragmented yet growing market where consumers are demanding safe, fresh and delicious products. With our investment in our 3F (Feed-Farm-Food) platform, we are showing Vietnamese consumer **our commitment to making Masan Nutri-Science the “Meat Partner of Choice for Every Vietnamese Family”.**

We aim **to be and be recognized as the leader in providing branded animal protein solutions across the value chain for everyone, every family, every day in Vietnam by driving productivity to global standards.**

“ OUR VISION IS TO ENRICH VIETNAMESE PEOPLE’S LIVES BY PROVIDING REAL, DELICIOUS AND AFFORDABLE ANIMAL PROTEIN FOR EACH AND EVERY MEAL. ”

The success of our fully integrated animal protein chain

Our strategy is to transform the inefficient US\$30 billion animal protein market (including non-pork) by building a branded and productive Feed-Farm-Food (“3F”) platform. The fully integrated animal protein chain is a must to make quality meat products more accessible (Vietnamese are paying nearly twice the price compared to US consumers on a per capita basis), and to meet the growing demand for branded, hygienic and traceable meat products.

Animal feed is our entry point as it accounts for over 33 percent of the productivity across the animal protein value chain. We have been able to quickly become the leading player in the animal feed space by applying our “consumer-centric” business model. We deeply interact with farmers to obtain deep insights and develop innovative products by bringing in international technology to address their big unmet needs and raise their productivity level. In addition, we have built the

industry first power brand “Bio-zeem” to gain farmers’ trust and loyalty. We are applying the same approach as we move downstream which we believe will enable us to provide branded meat products to serve 95 million Vietnamese consumers.

Our transformation from a purely feed producer into a branded meat platform has significantly progressed this year by the commissioning of our hi-tech pig farm in Nghe An province and world-class meat processing complex in Ha Nam province.

In late 2018, we launched our first chilled meat product under the MEATDeli brand and we are now a branded FMCG business. This will eliminate growth cyclicality and allow us to achieve sustainable margins. In a fragmented and unbranded market, our strategy is expected to allow us to consolidate market share and become the leading integrated meat player.

FULLY INTEGRATED MEAT VALUE CHAIN



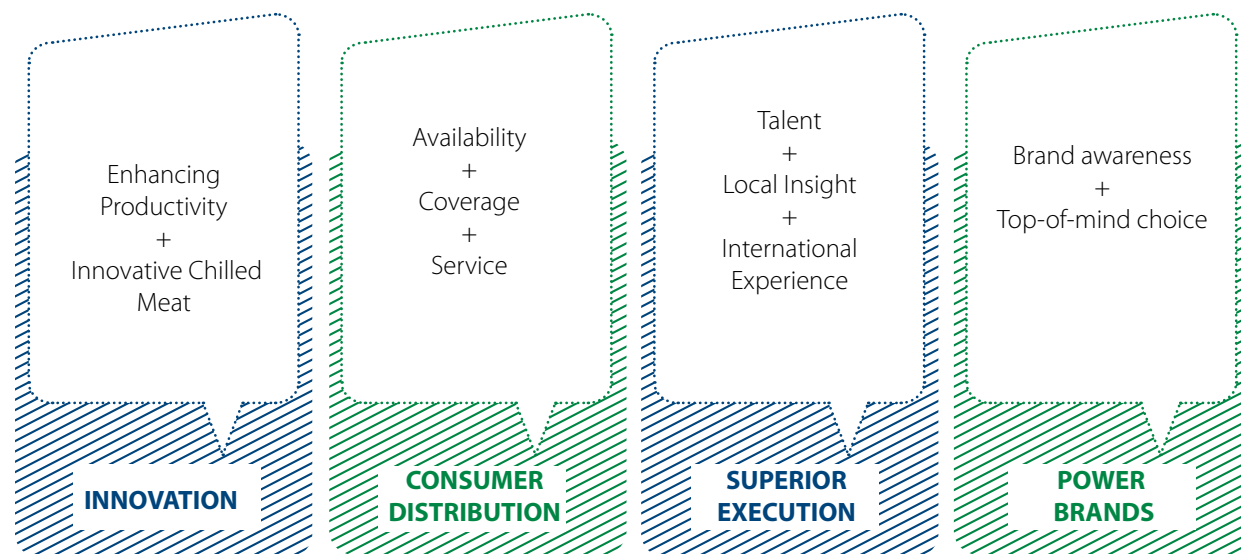
PLATFORM FOR TRANSFORMATION

“ WE WILL TRANSFORM THE ANIMAL PROTEIN SPACE BY **APPLYING OUR CONSUMER-CENTRIC APPROACH ACROSS THE ENTIRE VALUE CHAIN** ”



MNS has a unique business model to unlock and capture Vietnam’s animal protein value chain. With the launch of MEATDeli in late 2018, we became the first branded integrated meat platform in Vietnam with a focus to improve productivity across the entire animal protein value chain.

We have invested heavily in our operating platform: power brands, innovation, distribution network, production facilities and, most importantly, talent.



85%
OF THE CONSUMER SURVEYED PREFERS MEATDELI THAN OTHER TYPES/BRAND OF MEAT

POWER BRAND

We have also been able to apply our FMCG brand building model to the meat value chain. Three years after its launch, Bio-zeem today comprises over 34% of our animal feed sales. Launched in July 2015, Bio-zeem became the industry’s first power brand, achieving over 90% in terms of loyalty rate, brand awareness and top-of-mind choice within the commercial pig feed category. We were the first company in Vietnam to launch television advertising campaigns within the sector supported by direct brand activation activities with farmers.

The Bio-zeem brand equity is not only built on an innovative communication strategy but also through delivering a full service solution to farmers including technical assistance, farming workshops, and proof-of-performance tests. Bio-zeem, a key umbrella brand in our product portfolio, accounts for over 70% of our pig feed sales. The strength of the Bio-zeem brand was key to our ability to grow our market share in the external pig feed market. In support of farmers who are more cost conscious, we have launched our value-for-money Bio-zeem “Xanh” line of products for pigs.

Bio-Zeem Xanh offers superior productivity compared to other



producers playing in the second tier segment. By introducing a “value-for-money” Bio-zeem range of products, Masan Nutri-Science is providing a solution to price sensitive farmers during the crisis and to protect and even grow our market share. In addition, Bio-zeem Xanh is also expected to drive the conversion of home-made feed users (many who down-traded during the crisis) into more productive commercial feed.

In 4Q2018, we have launched our branded chilled fresh meat, MEATDeli with the promise of deliciousness, traceability and hygiene. We have applied FMCG brand building model to build the brand equity of MEATDeli. We are the first fresh meat producer to advertise heavily on TV. Despite being new, MEATDeli has been well-received by consumers, already capturing significant market share of VinMart’s fresh pork sales after three months of availability in Hanoi. 85% of the consumer surveyed prefers MEATDeli over other types/brand of fresh meat products, and 94% of the consumers surveyed who have tried MEATDeli have returned to buy MEATDeli more than two times.

We aim to achieve a 5-10% market share of fresh pork market in Hanoi by the end of 2019.





INNOVATION - MASAN WAY

Bio-zeem's success would not be possible if the products behind the brand did not deliver real innovations and benefits to farmers. Our innovations are developed in-house by Masan Institute of Nutri-Science, our research and development ("R&D") platform. The people at MINS relentlessly study and develop advancements in feed, breeding and farming technology. We regularly conduct market research and farm-test for all of our products.

For example, our Bio-zeem range of products include proprietary enzymes to strengthen a pig's immune system and improve the feed conversion ratio ("FCR"). These benefits were developed in collaboration with our European science partners and suppliers.

Aware that the overuse of antibiotics was becoming a public health concern, we were able to become Vietnam's first company to completely remove antibiotics from its animal feed portfolio. Due to MINS's efforts, we were able to do so while preserving the same

level of productivity, animal health, meat quality, and disease tolerance.

In early 2017, we launched "Bio-zeem Mama", designed to increase the number of piglets per sow and thereby improving productivity. Bio-zeem Mama offers 3 variations: Bio-zeem Mama 00-01 for gilt, Bio-zeem Mama 00-02 for pregnant sow and Bio-zeem Mama 00-03 for lactating sow. All three variations also contain organic BioSelen 34567 which improves reproductive health for gilts and sows and prepare them for service in just 7 days, adding 1 more piglet per litter. We believe this innovation will gain traction when livestock pig prices recovers and productivity becomes more of priority.

Even during a challenging environment for livestock pig prices, MNS kept going with its belief in innovation. Towards the end of 2017, we launched Bio-zeem "Xanh" for pigs and "Bio-zeem" for broilers within our poultry category. These newly launched products also possess the unique enzymes to

“
OUR 2022 GOAL IS
TO ACHIEVE 10%
MARKET SHARE
OF THE US\$10.2
BILLION PORK
MARKET.”

improve FCR, boosts resistance and reduces common diseases.

For Bio-zeem "Xanh", proof-of-performance tests on 300 samples prove that our Bio-zeem "Xanh" enables farmers to sell their pigs 7 days earlier and Bio-zeem for poultry broiler improves FCR by 6%². Bio-zeem for poultry broiler is a breakthrough innovation for poultry feed which enable farmers to use up to 10% less feed, thus improving their profitability.

Our commitment to innovation and doing things differently is also reflected in the development of our hi-tech pig farm in Nghe An. The farm, the first of its kind in the province, applies the latest technologies in feeding control, temperature, lighting, energy usage and waste management.

We are committed to enhance the productivity of Vietnam's animal protein industry with our fully

integrated animal protein chain and take part in making our safe meat vision for Vietnamese consumers a reality, being able to enjoy affordable fresh chilled meat in their daily meals.

In 4Q2018, Masan Nutri-Science launched the first chilled meat in Vietnam, MEATDeli which set the new standard for safe and fresh meat. This unique process is key to bringing fresh chilled meat to the market, a completely new concept in Vietnam. We applied with European technology meeting BRC standard. MEATDeli is stored and distributed in refrigerators and is always kept between 0-4°C during transportation. This technique minimizes bacteria growth and maintains natural freshness for meat products. Fresh chilled meat can be stored for up to 8 days before consumption. Producing, storing and selling fresh chilled meat may be common and standardized across the world, but it is very new in Vietnam.

² As tested in Oct 2017 and Jan 2018 on sample size of 300



“
OUR DISTRIBUTION NETWORK CONSISTS OF ~750 SALESMEN SERVICING ~2,500 DEALERS
”

LEADING DISTRIBUTION NETWORK

For our feed business, we own a strong distribution network of over 750 salesmen servicing over 2,500 dealers nationwide. A large portion of the dealers are exclusive.

We have restructured our distribution system significantly in order to better serve our farmers across the country and made it

more cost efficient. With the proven capability to expand market share and a strong sales team, we are one of the largest animal feed and on-track to become the leading company across the meat value chain.

For MEATDeli products, we currently sell through our own self-operated MEATDeli Flagship Stores and through all VinMart supermarkets in Hanoi. Management expects to ramp-up our distribution network to increase availability with an aim to open an additional 25 MEATDeli stores by the end of 2019 and onboard Grocery Agents to penetrate non-modern trade channels. Our ultimate aim is to go nationwide.



WORLD-CLASS FACILITIES

Masan Nutri-Science operates 13 state-of-the-art animal feed manufacturing facilities across Vietnam. Our total capacity as of the end of 2018 reached approximately 3.3 million tons per annum.

We have recently built a hi-tech pig farm in Nghe An province. It is designed to ensure management efficiency and quality assurance across the entire swine production process. As a part of an integrated 3F (Feed-Farm-Food) chain, the farm was managed with a focus on preventing disease as well

as improving animal welfare and food safety associated with pork consumption. This production standard is comparable to international swine farm management standards, and is in compliance with Global G.A.P standard issued by the Ministry of Agriculture and Rural Development. Located within a 223.7-hectare area that is distanced away from residential areas, the 22-hectare farm is isolated from external contact to ensure the strictest bio-security conditions to minimize risk from diseases such as Foot-

and-mouth (FMD), influenza or African Swine Fever (ASF). A robust wastewater treatment system that adheres to national standard was built to enhance the bio security profile and to minimize the risk of environmental issues. When fully ramped up, our farm in Nghe An will supply 230,000 - 250,000 porkers per year. More importantly, the farm will be used as a role model for other farms in the MNS supply chain to ensure that the porker supply meets the company's requirements and the partner farm operations are on par with MNS' strict standards.

In December 2018, we put into commissioning the our meat processing complex in Ha Nam province with the best-in-class technology and equipment imported from Europe, installed under the supervisory of experienced international experts. Pigs are slaughtered using the most humane method, then processed under a controlled environment to prevent the development of bacteria. Post-slaughtering, the carcass is chilled and aged for 24 hours in a 0-4°C environment to enhance the flavor and texture of the meat while maintaining nutrition and hygiene standards. The carcass is then deboned, packaged and transported to end-consumer point of sales under the same temperature to make sure the products is clean, fresh and delicious. The process follows Vietnam standard TCVN 12429-1:2018 for chilled meat product and strictly adheres to



the BRC (British Retail Consortium) standard, the most well-recognized food safety standard in the world. The complex's capacity is 1.4 million pigs per annum, equivalent to 140,000 tons per annum of meat products. The investment value is over VND1,000 billion and the complex has been built on 10 hectares of land.

The meat processing complex has allowed us to launch Vietnam's first chilled meat products – MEATDeli. Chilled meat is stored and distributed in refrigerators and is kept between 0-4°C during transportation. This technique minimizes bacteria growth and maintains natural freshness for meat products. Fresh chilled meat can be stored for up to 8 days before consumption.

AN ENTREPRENEURIAL MANAGEMENT TEAM

In a rapidly changing business environment, we recognize the importance of developing agile, decisive and engaging leaders who can build strong teams and create inclusive environments where all employees can succeed.

At MNS, we are proud of our more than 3,000 talents, our most valuable asset. Our team is spearheaded by executives who have held senior roles at large and successful companies such as Masan Consumer, Cargill, P&G, and

Unilever. The leadership team have a mix of international experience and a proven track record of executing on transformative business plans in emerging markets.

Supplementing our experienced executives is a team of young, forward-thinking and flexible professionals who are agents of change that can initiate and realize innovative business ideas to create maximum value to shareholders. We are an entrepreneurial management team with best-in-class risk management practices and a proven execution track record.

Our dedicated team of professionals have been essential to our transformation journey from the largest local animal feed player to an integrated branded meat platform.





**SUSTAINABILITY
REPORT**

DOING WELL BY DOING GOOD



“

**WHAT WE DO IS NOT A JOB, BUT A PURPOSE:
TO SERVE BETTER THE LIVES OF MILLIONS OF
VIETNAMESE CONSUMERS.**

”

Masan Nutri-Science (“MNS”) follows the objective: to be and be recognized as the leader in providing branded animal protein solutions across the value chain for everyone, every family, every day in Vietnam by driving productivity to global standards.

If we can achieve this objective, then what we do is not a job, but a purpose: to serve and better the lives of millions of Vietnamese consumers. Our purpose is not only reflected in our business objective but also in our belief in sustainability, which takes into account our overall impact on the environment, our communities and the larger society.

PRODUCTS AND PROCESSING

Innovation

Please refer to “Innovation – Masan Way” in the “Our Story” section.

Responsible procurement

The majority of raw materials used in the manufacturing of our products are commodities. We usually apply take-or-pay contracts with fixed prices up to a year from suppliers. Costs from our imported raw materials take up to 80% of our total material cost (including raw materials we imported directly or through a intermediary).

To ensure the traceability of raw materials, we require foreign suppliers to provide us with certificates of origin, analysis, non-genetic modification and plant quarantine and local suppliers to have certificates of food and hygiene safety, animal quarantine and good agricultural practices. Suppliers whose long-term performance

record with us demonstrates reliability over time are considered “approved suppliers” and will continue to be engaged under annual contracts.

The main materials in Masan Nutri-Science’s finished products include rice bran, soybean meal, corn, rapeseed oil cake and meat powder from both domestic and foreign sources. Soybean meal and corn are imported from various countries in the world based on the quality and price offered by world’s leading suppliers. Rice bran is mostly procured from domestic suppliers. Materials purchased from abroad are based on agreements signed six months in advance with adjustments to price based on energy, protein and nutrient costs. Domestic materials are purchased by a central department and allocated to each factory. Short-term agreements and prices are usually reviewed weekly for market fluctuation.

Our materials are closely monitored in terms of quantity as well as quality. Our warehouses are inspected regularly, and our product quality is strictly controlled.

Safety

We are committed to the well-being of our employees. We are responsible for providing our employees with sufficient protective equipment, occupational safety and hygiene, and comfortable working conditions. We have also carried out safety trainings in order to promote positive safety habits, not only to be applied at work but also for daily activities.



**MNS INVESTED MOST
ADVANCED WATER
TREATMENT SYSTEM FOR OUR
HI-TECH PIG FARM IN NGHE AN
(VND BILLION)**

200

ENVIRONMENT

At Masan Nutri-Science, we are investing VND200 billion to complete the most advanced water treatment system for our high-tech pig farm in Nghe An. Not only will we be able to purify waste water to reach the highest standard of Class A, we also will be able to re-circulate 70% of the treated water for farm use. The farm is also able to produce biogas from its operations and generate enough electricity to be self-sufficient.

In early 2019, MNS Farm Nghe An was granted with GLOBAL G.A.P certificate for its completion of internationally recognized set of farm standards dedicated to Good Agricultural Practices.

At our meat processing complex in Ha Nam, we will be investing in a state-of-the-art waste treatment plant to meet Class A waste water standard. At the same time, we will make sure there is enough green space surrounding the complex to create a green and friendly working environment.



TALENT SUSTAINABILITY

Qualification	Number	Percentage
Post graduate	38	1.3%
University graduate	1,351	44.7%
College graduate	309	10.2%
Intermediate college graduate	433	14.3%
High school graduate	436	14.4%
Secondary school graduate & others	454	15.1%
Total	3,021	100%

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

physical, mental and emotional well-being of employees across all functions.

We reward our employees fairly and proportionally with their performance and contribution to our businesses. Our key talents are also shareholders, who promote an entrepreneurial culture and long-term thinking.

We invest in continuing education and training programs for qualified and/or applicable employees. These programs provide employees with opportunities to enhance his or her skills and knowledge. In addition, each of our facilities provides specific localized instruction to employees, depending upon his or her role. In 2018, we organized 70 training courses for approximately 2,000 employees to improve their leadership as well as technical skills.

We also maintain accident and health insurance for all employees. They are also entitled to standard working hours, rest break and annual leave as regulated by the Labor Code.

AWARDS

We have total of 3,021 employees. We are proud to be one of the best places to work in Vietnam thanks to our long-term strategy to attract and retain talents to ensure sustainable growth.

Our philosophy is to improve the material and spiritual lives of Vietnamese consumers and also our employees. Our responsibility is to offer our employees stable income and build their careers. We also have long-term plans to prepare our best employees for future executive roles through rigorous training sessions.

We ask our employees to look at problems differently to quickly realize their potential and maximize their growth opportunities. While capturing the best talents in the industry, we understand that growth comes from the

Proconco were awarded “Vietnam Top Quality Products” in 2018 by Vietnam Top Quality Product Association and “Enterprise for Farmer” for their contributions to serve and bring better feed products to Vietnamese farmers by Ministry of Agriculture and Rural Development.

ANCO were awarded “GMP+” by SGS. GMP+ integrates ISO quality management requirements, HACCP and other elements. It defines conditions relating to feed production facilities, storage, transport, trading, etc. GMP+ also defines clear conditions, so that feed safety and sustainability are guaranteed.

Masan Nutri-Science received the following recognitions: “Excellent Company in 2018” by the People’s Committee of Ha Nam.



FINANCIAL STATEMENTS

CORPORATE INFORMATION

BUSINESS REGISTRATION CERTIFICATE NO.

0311224517

7 October 2011

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 9 January 2018. The Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

BOARD OF DIRECTORS

Mr Danny Le	Chairman
Mr Yew Kean Lai	Vice Chairman
Mr Pham Trung Lam	Member
Mr David Tan Wei Ming	Member
Mr Tran Phuong Bac	Member (from 16 April 2018)

BOARD OF MANAGEMENT

Mr Pham Trung Lam	Chief Executive Officer
--------------------------	-------------------------

REGISTERED OFFICE

10th Floor, Central Plaza Tower
17 Le Duan Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

AUDITOR

KPMG Limited
Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Masan Nutri-Science Corporation ("the Company") presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2018.

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

- (a) the consolidated financial statements set out on pages 30 to 35 give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated results of operations and its 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; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Pham Trung Lam
Chief Executive Officer

Ho Chi Minh City, 7 March 2019

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS MASAN NUTRI-SCIENCE CORPORATION

We have audited the accompanying consolidated financial statements of Masan Nutri-Science Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2018, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 7 March 2019, as set out on pages 30 to 35.

BOARD OF MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

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

AUDITOR'S OPINION

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Masan Nutri-Science Corporation and its subsidiaries as at 31 December 2018 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City
Vietnam
Audit Report No.: 18-01-00558-19-2



Truong Vinh Phuc
Practicing Auditor Registration
Certificate No. 1901-2018-007-1
Deputy General Director

Nguyen Ho Khanh Tan
Practicing Auditor Registration
Certificate No. 3458-2015-007-1

Ho Chi Minh City, 7 March 2019

Form B 01 - DN/HN

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

As at 31 December 2018

CONSOLIDATED BALANCE SHEET

	Code	Note	31/12/2018	1/1/2018
			VND	VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		3,511,558,016,046	4,605,360,258,462
Cash and cash equivalents	110	4	1,358,425,295,976	1,991,970,213,930
Cash	111		126,914,604,976	109,370,213,930
Cash equivalents	112		1,231,510,691,000	1,882,600,000,000
Accounts receivable - short-term	130	5	672,572,056,344	721,641,491,479
Accounts receivable from customers	131		378,053,830,762	671,229,135,033
Prepayments to suppliers	132		377,591,921,874	149,097,590,249
Other short-term receivables	136		23,061,444,057	11,098,412,136
Allowance for doubtful debts	137		(106,135,140,349)	(109,783,645,939)
Inventories	140	6	1,390,582,532,504	1,849,586,764,502
Inventories	141		1,396,159,994,324	1,853,364,528,554
Allowance for inventories	149		(5,577,461,820)	(3,777,764,052)
Other current assets	150		89,978,131,222	42,161,788,551
Short-term prepaid expenses	151		27,486,889,151	20,491,857,353
Deductible value added tax	152		49,131,101,271	10,801,548,703
Taxes receivable from State Treasury	153		13,360,140,800	10,868,382,495

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

Form B 01 - DN/HN

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

As at 31 December 2018 (continued)

CONSOLIDATED BALANCE SHEET

	Code	Note	31/12/2018	1/1/2018
			VND	VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		9,270,243,742,848	10,015,783,621,934
Accounts receivable - long-term	210		3,095,726,000	1,106,971,584,203
Long-term loans receivable	215		-	1,033,400,000,000
Other long-term receivables	216	5	3,095,726,000	73,571,584,203
Fixed assets	220		6,118,877,391,239	5,684,620,050,544
Tangible fixed assets	221	7	2,536,850,624,080	1,719,343,192,325
Cost	222		3,415,674,102,802	2,323,582,324,487
Accumulated depreciation	223		(878,823,478,722)	(604,239,132,162)
Intangible fixed assets	227	8	3,582,026,767,159	3,965,276,858,219
Cost	228		4,860,265,166,432	4,914,511,493,315
Accumulated amortisation	229		(1,278,238,399,273)	(949,234,635,096)
Long-term work in progress	240		466,397,480,764	600,473,709,906
Construction in progress	242	9	466,397,480,764	600,473,709,906
Long-term financial investments	250		2,174,040,670,779	2,178,564,569,125
Investments in associates	252	10(a)	2,160,836,610,779	2,161,836,849,125
Equity investments in other entities	253	10(b)	21,646,000,000	21,646,000,000
Allowance for diminution in the value of long-term financial investments	254	10(b)	(8,441,940,000)	(4,918,280,000)
Other long-term assets	260		507,832,474,066	445,153,708,156
Long-term prepaid expenses	261	11	419,988,899,218	314,288,716,851
Deferred tax assets	262	12	87,843,574,848	130,864,991,305
TOTAL ASSETS (270 = 100 + 200)	270		12,781,801,758,894	14,621,143,880,396

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

Form B 01 - DN/HN

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

As at 31 December 2018 (continued)

CONSOLIDATED BALANCE SHEET

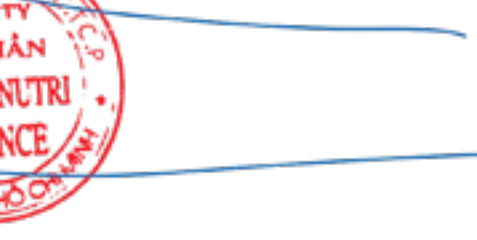
	Code	Note	31/12/2018	1/1/2018
			VND	VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		5,600,790,137,510	6,078,301,281,472
Current liabilities	310		2,368,878,460,376	3,331,284,168,377
Accounts payable to suppliers	311	13	1,160,699,894,696	855,207,343,919
Advances from customers	312		38,615,928,044	34,349,137,471
Taxes payable to State Treasury	313	14	61,808,353,270	51,134,924,736
Payables to employees	314		14,102,819	-
Accrued expenses	315	15	613,740,820,932	844,214,390,118
Other short-term payables	319	16	33,068,610,309	12,051,779,459
Short-term borrowings	320	17(a)	455,199,707,286	1,528,595,549,654
Bonus and welfare funds	322	18	5,731,043,020	5,731,043,020
Long-term liabilities	330		3,231,911,677,134	2,747,017,113,095
Long-term borrowings and bonds	338	17(b)	2,658,594,303,085	2,115,031,922,047
Deferred tax liabilities	341	12	541,403,429,233	595,887,645,949
Long-term provisions	342	19	31,913,944,816	36,097,545,099
EQUITY (400 = 410)	400		7,181,011,621,384	8,542,842,598,924
Owners' equity	410	20	7,181,011,621,384	8,542,842,598,924
Share capital	411	21	2,162,182,990,000	2,162,182,990,000
Shares with voting rights	411a		2,162,182,990,000	2,162,182,990,000
Capital surplus	412		3,200,196,495,149	3,200,196,495,149
Other capital	414	22	(175,543,000,000)	(175,543,000,000)
Undistributed profits after tax	421		24,671,734,409	1,499,493,156,918
(Accumulated losses)/undistributed profits brought forward	421a		(70,898,059,538)	870,464,655,231
Net profit for the current year	421b		95,569,793,947	629,028,501,687
Non-controlling interests	429		1,969,503,401,826	1,856,512,956,857
TOTAL RESOURCES(440 = 300 + 400)	440		12,781,801,758,894	14,621,143,880,396

7 March 2019

Prepared by:

Approved by:


Tran Quang Be
Chief Accountant

Nguyen Thi Minh Hang
Chief Financial Officer

Pham Trung Lam
Chief Executive Officer

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

Form B 02 - DN/HN

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

For the year ended 31 December 2018

CONSOLIDATED STATEMENT OF INCOME

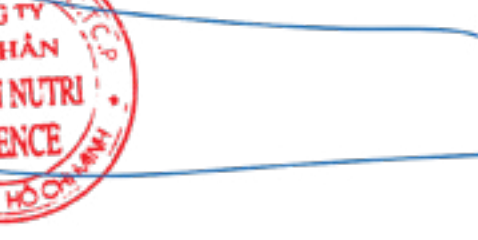
	Code	Note	2018	2017
			VND	VND
Revenue from sale of goods	01	25	14,832,735,010,031	19,668,777,852,594
Revenue deductions	02	25	855,880,946,384	978,293,029,703
Net revenue (10 = 01 - 02)	10	25	13,976,854,063,647	18,690,484,822,891
Cost of sales	11	26	11,879,903,811,268	14,699,262,984,653
Gross profit (20 = 10 - 11)	20		2,096,950,252,379	3,991,221,838,238
Financial income	21	27	67,944,590,729	191,198,427,849
Financial expenses	22	28	310,194,622,049	508,607,726,767
In which: Interest expense	23		235,444,066,977	422,368,615,574
Share of profit in associates	24		13,996,334,254	1,896,343,951
Selling expenses	25	29	774,740,372,223	1,916,363,677,645
General and administration expenses	26	30	767,719,558,078	804,895,471,428
Net operating profit (30 = 20 + (21 - 22) + 24 - (25 + 26))	30		326,236,625,012	954,449,734,198
Other income	31	31	11,911,924,108	13,373,393,310
Other expenses	32	32	2,255,254,894	11,641,650,962
Results of other activities (40 = 31 - 32)	40		9,656,669,214	1,731,742,348
Accounting profit before tax (50 = 30 + 40)	50		335,893,294,226	956,181,476,546
Income tax expense - current	51	33	115,197,819,341	183,846,487,617
Income tax benefit - deferred	52	33	(11,462,800,259)	(24,620,765,654)
Net profit after tax (60 = 50 - 51 - 52)	60		232,158,275,144	796,955,754,583
Attributable to:				
Equity holders of the Company	61		95,569,793,947	629,043,627,720
Non-controlling interests	62		136,588,481,197	167,912,126,863
Earnings per share				
Basic earnings per share	70	34	442	2,977

7 March 2019

Prepared by:

Approved by:


Tran Quang Be
Chief Accountant

Nguyen Thi Minh Hang
Chief Financial Officer

Pham Trung Lam
Chief Executive Officer

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

For the year ended 31 December 2018
(Indirect method)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Code	2018	2017
		VND	VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	335,893,294,226	956,181,476,546
Adjustments for			
Depreciation and amortisation	02	618,379,983,839	589,746,521,472
Allowances and provisions	03	4,395,506,811	87,291,854,918
Foreign exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	2,262,660,626	(1,993,234,264)
Profits from investing activities	05	(81,186,482,934)	(174,657,573,293)
Interest expense and other financial expenses	06	255,855,831,682	491,384,792,041
Operating profit before changes in working capital	08	1,135,600,794,250	1,947,953,837,420
Change in receivables and other current assets	09	221,093,264,351	127,918,421,801
Change in inventories	10	457,204,534,230	1,574,551,712,770
Change in payables and other liabilities	11	(57,815,653,185)	(1,265,595,626,795)
Change in prepaid expenses	12	(35,100,012,147)	(71,766,290,590)
		1,720,982,927,499	2,313,062,054,606
Payments of interest and other financial expenses	14	(252,376,652,761)	(523,641,479,216)
Corporate income tax paid	15	(103,401,857,119)	(260,624,163,999)
Other payments for operating activities	17	(6,904,254,916)	(1,459,801,147)
Net cash flows from operating activities	20	1,358,300,162,703	1,527,336,610,244
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(1,075,988,891,883)	(653,731,920,608)
Proceeds from disposals of fixed assets	22	6,138,220,611	7,857,873,857
Payments for granting loans	23	-	(1,460,000,000,000)
Receipts from collecting loans	24	96,400,000,000	1,192,300,000,000
Withdrawal of term deposits	24	-	130,000,000
Receipts of interest and dividends	27	68,950,855,375	151,359,911,456
Net cash flows from investing activities	30	(904,499,815,897)	(762,084,135,295)

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

For the year ended 31 December 2018
(Indirect method - continued)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Code	2018	2017
		VND	VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued	31	-	3,364,197,925,703
Proceeds from borrowings	33	4,412,120,196,960	10,448,041,713,315
Payments to settle loan principals and bonds	34	(4,945,465,422,995)	(15,415,806,816,278)
Payments of dividends	36	(553,970,914,317)	(1,381,742,589,000)
Net cash flows from financing activities	40	(1,087,316,140,352)	(2,985,309,766,260)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(633,515,793,546)	(2,220,057,291,311)
Cash and cash equivalents at the beginning of the year	60	1,991,970,213,930	4,212,026,690,424
Effect of exchange rate fluctuations on cash and cash equivalents	61	(29,124,408)	814,817
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)	70	1,358,425,295,976	1,991,970,213,930

7 March 2019

Prepared by:

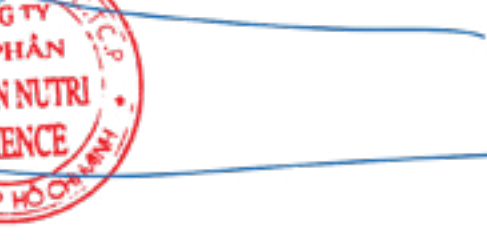
Approved by:



Tran Quang Be
Chief Accountant



Nguyen Thi Minh Hang
Chief Financial Officer

Pham Trung Lam
Chief Executive Officer

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



**MANAGEMENT
REPORT**

BUILDING A BEST-IN-CLASS 3F PLATFORM TO SERVE VIETNAM CONSUMERS



“

OUR MEATDELI PRODUCTS ARE DISTRIBUTED THROUGH OUR OWN FLAGSHIP STORE, VINMART SUPERMARKETS AND GROCERY AGENTS.

”

One of the most important milestones of Masan Nutri-Science in 2018 was the launch of our MEATDeli brand in December 2018. Consumers are being served with safe, fresh and delicious chilled meat products that were manufactured with state-of-the-art European slaughtering technology, raised in our farm with the strictest bio-security control standards and highest quality feed with no growth hormones and antibiotics. The products are now being distributed through our own Flagship Stores, VinMart supermarkets and Grocery Agents in Ha Noi. MEATDeli's launch officially marks MNS entry into the US\$10.2 billion pork protein market, a fragmented yet growing market where consumers are demanding safe, fresh and delicious products. With our investment in building a 3F (Feed-Farm-Food) platform, we are showing Vietnamese consumer **our commitment to making Masan Nutri-Science the Meat Partner of Choice for Every Vietnamese Family.**

Our first venture outside of the animal feed market was the investment in our farm in Nghe An. The Nghe An farm is designed to ensure management efficiency and quality assurance across the entire swine production process. As a part of an integrated 3F (Feed-Farm-Food) chain, the farm was managed particularly to prevent infections as well as improving animal welfare and food safety associated with pork consumption. Our production standard is comparable to international swine farm management standards, and is in compliance with Global GAP standards issued by the Ministry of Agriculture and Rural Development. Located on a 223.7-hectare area and distanced away from residential areas, the 22-hectare farm is isolated from external contact to ensure the strictest bio-security conditions to minimize risk from diseases such as Foot-and-mouth (FMD), influenza or African Swine Fever (ASF). A robust wastewater treatment system that adheres to national standards was built to enhance the bio-security profile and to minimize the risk of

environmental issues. When fully ramped up, our farm will supply 230,000 - 250,000 pigs per year. More importantly, our farm will be used as a benchmark for other farms in the MNS supply chain to ensure that the porker supply meets the company's requirements and our partner farm operations are on par with MNS' strict standards.

In December 2018, our meat processing complex was commissioned. Our facility applies the most advanced slaughtering and packaging technologies from Europe under the supervisory of experienced international experts. The animal is slaughtered using the most humane method, then processed under a controlled environment to prevent the development of bacteria on the product. Post-slaughtering, the carcass is chilled and aged for 24 hours in a 0-4°C environment to enhance the flavor and texture of the meat while maintaining the nutrition and hygiene standards. The carcass is then deboned, packaged, and transported to end-consumer point of sales under the same temperature to make sure the products is clean, fresh and delicious. The process follows Vietnam standard TCVN 12429-1:2018 on chilled meat product and strictly adheres to the BRC (British Retail Consortium) standard, the most well-recognized food safety standard in the world. As a result, the product shelf life is up to 8 days. When fully utilized, our facility can process up to 1.4 million porker per year to meet Vietnamese's rising demand for traceable, fresh and delicious meat products.

Despite being a new brand, MEATDeli has been well-received by consumers, already capturing significant market share of VinMart's fresh pork sales after three months of availability in Hanoi. 85% of the consumer surveyed prefers MEATDeli over other types/brand of fresh meat products and 94% of the consumers surveyed who have tried MEATDeli have returned to buy MEATDeli more than two times. Our initial success gives us the confidence to go nationwide in the near future.

REALIZING VIETNAM'S MEAT POTENTIAL

“
TODAY,
PROCESSED AND
VALUE-ADDED
PRODUCTS
CONTRIBUTE LESS
THAN 1% OF THE
MEAT SECTOR IN
VIETNAM.”

Besides the fresh meat business, we continue to see opportunities in consolidating the 3F chain and going further into the processed meat sector. Today, processed and value-added products contribute less than 1% of the meat sector in Vietnam. Innovative products will drive meat consumption in Vietnam and, in particular, in the rural areas where 70% of the population reside. This has been a driving force in China's meat consumption growth as manufacturers have been able to provide value-added products that serve the daily animal protein needs of consumers at price points much lower than fresh meat.

According to Frost & Sullivan statistics, processed pork products account for 25% of total pork consumption in China, and this segment is growing twice as fast as fresh meat. We expect this trend to play out in Vietnam and we want to be a pioneer in this market to provide consumers with innovative, nutritious, and affordable products.

Today, Vietnam's meat value chain is highly fragmented and small in scale. There are over 200 feed companies and over 9 million farming households but only about 18,000 farms of medium and large scales. The government has introduced robust strategies to develop the industry in order to increase farming scale. Scale will directly lead to livestock productivity while improving profits across the value chain and make animal protein products much more affordable.

Global integrated meat companies also recognize the current challenges and the big value creation opportunity. With free trade agreements coming into effect in the near future, Vietnam's

market is becoming more accessible to competitors from abroad. Competition will be fierce, but there is an opportunity for local companies, such as MNS, to transform the market and capture the value.

Vietnam's meat value chain industry has great potential for growth but requires pioneering companies to develop the market and lead the change. We believe Masan Nutri-Science will be a leader in this category and have the right platform and strategy to spearhead Vietnam's meat market transformation.

PERFORMANCE HIGHLIGHT

Indicators	31/12/2018	31/12/2017
Liquidity ratios		
Current ratio	1.5x	1.4x
Quick ratio	0.9x	0.8x
Capital structure		
Debt/EBITDA	2.5x	1.9x
Debt/Total assets	0.2x	0.2x
Inventory turnover	7.3x	5.6x
Inventory days	43	46
Profitability ratio		
ROAE	1.6%	13.4%
ROAA	1.7%	4.9%
Net sales/Total assets	109.3%	127.8%
EBIT Margin	4.0%	6.8%
EBITDA Margin	8.9%	10.2%
Net Margin	1.7%	4.3%



DISCUSSION ON AUDITED RESULTS



CASH AND CASH EQUIVALENTS (VND BILLION)

1,358

Revenue

Lower pig prices during 1H2018, coupled with longer than expected delay in pick of commercial feed demand resulted in MNS delivering FY2018 net revenue of VND13,977 billion, down 25.2% compared to FY2017. FY2018 net revenue includes VND35 billion in sales for fresh meat. However, livestock pig prices have held up around VND45,000 per kilogram levels for the last 2 quarters, as there is a structural pig supply deficit in Vietnam currently. As a result, MNS' net revenue grew by 17% to VND3,895 billion in 4Q2018, compared to 3Q2018, signaling a recovery in the feed market.

In term of volume, in 2018, MNS sold nearly 1.5 million tons compared to 2.0 million tons in 2017, a decrease of 25.8%. Our umbrella brand Bio-zeem continues to be the leading brand standing for productivity and it contributed to 70% of sales volume of pig feed in 2018. Bio-zeem 'Xanh', a 'value for money' product was well received by farmers during the crisis and it represented approximately 20% of our pig feed volume in 2018.

In 2018, MNS aqua feed grew 15.4% versus 2017. This was due to the increased demand for catfish from the US market.

Gross Profit & Gross Margin

Our gross profit decreased by 47.5% from VND3,991 billion in 2017 to VND2,097 billion in 2018. Our gross margin decreased to 15.0% from 21.4% in 2017. This was due to lower revenue in 2018 and higher raw material prices in 1H2018, limiting ability to pass on higher costs. Margin was also hampered by high cost inventory for corn and soybean meal, which was purchased in early 2018 on expectations of higher feed volume sales during 2018. In addition, higher contribution from Bio-zeem "Xanh" which is a "value for money" product resulted in lower margin.

Selling, General & Administrative Expenses

Selling, general and administration expenses decreased by 43.3% in 2018 to VND1,542 billion compared to VND2,721 billion in 2017. Selling, general and administration expenses as a percentage of net revenue decreased to 11.0% in 2018 from 14.6% in 2017. This decrease was due to the restructuring of our sales policy to be simpler and more cost efficient, allowing us to lower selling expense in 2018.

FIXED ASSETS (VND BILLION)

6,119

Net Profit After Tax and Minority Interest

In 2018, MNS reported net profit after tax and minority interest of VND96 billion, down 84.8% compared to VND629 billion in 2017. As a result, our net margin in 2018 decreased to 0.7% from 5.0% in 2017. Margin compression was mainly driven by lower sales which had to cover a similar fixed costs and higher cost of raw materials.

Cash and Cash Equivalents

MNS had a consolidated cash position of VND1,358 billion as of 31 December 2018 compared to VND1,992 billion as of 31 December 2017, a decrease of 31.8%. This was mainly due to lower profit and debt repayment in 2018 for financial expense optimization.

Fixed Assets

Fixed assets as of 31 December 2018 was VND6,119 billion, and increase from VND5,685 billion as of 31 December 2017. The increase was mainly due to the transfer of complete projects from construction in progress in 2018.

Total Assets

As of 31 December 2018, MNS total assets were VND12,782 billion, down by 12.6% from VND14,621 billion as of 31 December 2017 due to the decrease in cash and inventory optimization.

Borrowings

As of 31 December 2018, short-term and long-term borrowings decreased by 14.5% to VND3,114 billion from VND3,644 billion as of 31 December 2017. The decrease in borrowings was mainly due to loan repayments in 2018.

Owner's Equity

Our owner's equity decreased by 15.9% to VND7,181 billion as of 31 December 2018 from VND8,543 in the same period last year. The decrease was mainly due to the dividend payment of VND1,570 billion in 2018.

2019 OUTLOOK

	Plan 2019		Actual 2018	Growth Rate	
	Low End	High End		Low End	High End
Net Sales (VND billion)	16,680	19,800	13,977	19%	42%
Net Profit after Tax Post-MI (VND billion)	-	200	96	-100%	109%



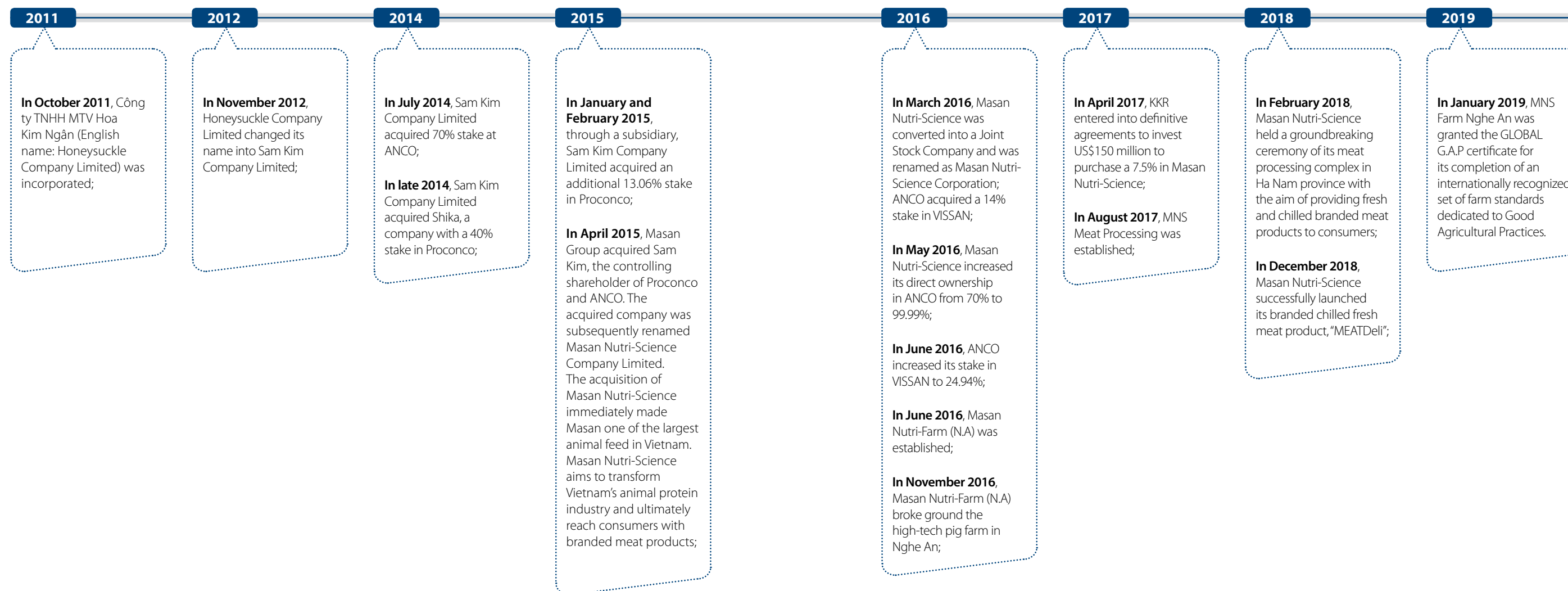
GENERAL CORPORATE INFORMATION

MASAN NUTRI-SCIENCE'S CORPORATE HISTORY AND STRUCTURE

CORPORATE HISTORY

Masan Nutri-Science ("MNS") was incorporated on 7 October 2011 under the name Công ty TNHH MTV Hoa Kim Ngân (English name: Honeysuckle Company Limited). Today, Masan Nutri-Science, a subsidiary of Masan Group, is Vietnam's largest fully-integrated ("Feed-Farm-Food" business model) branded meat platform, focused on driving productivity in Vietnam's animal protein industry and ultimately directly serving consumers with traceable, quality and affordable meat products, a US\$10.2 billion opportunity (pork alone).

KEY EVENTS IN OUR COMPANY'S HISTORY INCLUDE:



In 2018, Masan Nutri-Science sold 1.5 million tons of animal feed through its national network of over 2,500 dealers and 13 feed facilities. By implementing an FMCG approach to the feed business, Masan Nutri-Science has developed the successful umbrella brand "Bio-zeem" and quickly capture significant market share in the pig feed market.

With the cash flows of its feed business, Masan Nutri-Science has since gone on to develop an integrated branded platform with the commissioning of its large-scale pig farm in Nghe An and its meat processing complex in Ha Nam. In 4Q2018, Masan Nutri-Science successfully launched MEATDeli – the first chilled meat introduced in Vietnam. With this launching, MNS officially completed integrated 3F value chain: Animal feed (Feed) – Farming (Farm) – Foods (Food). Have an integrated platform allows us to increase productivity while ensuring the quality of our end products, enabling us to a branded meat company.

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

Approval	General Meeting of Shareholders	
Validation	Board of Directors	Supervisory Board
Strategic Management	Management Board » Chief Executive Officer » Chief Financial Officer » Chief Accountant	

BOARD OF DIRECTORS

The Board of Directors (the "Board") is elected by shareholders to oversee the activities of MNS. Members of the Board of Directors meet regularly to discuss the 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 primary responsibilities include strategic management, resource allocation at the senior management level, financial accounting and controls, capital management, governance, and internal control.

BOARD OF DIRECTORS

BOARD RESPONSIBILITY AND DELEGATION OF AUTHORITY

The Board of Directors is chaired by the Chairman.

Members of the Board of Directors include:

» **Mr. Danny Le – Chairman of the Board of Directors**

Danny Le is Head of Strategy and Development at

Masan Group. He is also a member of the Board of Directors at various subsidiaries of Masan Group. Danny Le played a critical role in the transformation of Masan Nutri-Science from a pure feed platform into a branded integrated meat platform. He is responsible for the strategic direction of Masan Nutri-Science and forged a partnership with global investment firm KKR.

Prior to joining Masan Group, Danny advised financial institutions at Morgan Stanley, New York, working with multinational clients to execute M&A, capital markets and privatization transactions.

Mr. Danny Le has a Bachelor's degree from Bowdoin College, USA.

» **Mr. Yew Kean Lai - Vice Chairman**

Mr. Yew Kean Lai is one of the founders of and was Chairman of Agro Nutrition International Joint Stock Company (ANCO) from 2004 to 2014. He was responsible for ANCO's successful product formulation and today leads MNS' research and development activities.

Mr. Yew has a Bachelor of Science from University of Malaya, Malaysia.

» **Mr. Pham Trung Lam - Member**

Mr. Pham Trung Lam is CEO of Masan Nutri-Science, Proconco and ANCO. He has been instrumental to the successful integration and transformation of

ANCO and Proconco, merging them to become MNS and a leader of Vietnam's animal feed industry. Prior to joining Masan Nutri-Science, he led the building of Masan Consumer's sales platform, which is today's largest FMCG distribution network in Vietnam.

Before joining Masan, he was with Unilever and Nestlé Vietnam.

Mr. Lam has a Bachelor in Business Administration from Economics University.

» **Mr. David Tan Wei Ming, Member**

Mr. David Tan Wei Ming is a Director at KKR Southeast Asia. He supports deal origination and execution, supports KKR's Southeast Asian practice, and manages portfolio companies. Before joining KKR, he was with UBS Investment Bank and supported execution of capital raising activities for leveraged finance and financial sponsor transactions.

Mr. Tan has a dual degree in Economics and History from University of Pennsylvania, USA.

» **Mr. Tran Phuong Bac, Member**

Mr. Tran Phuong Bac has been selected to the Board of Directors since 2018 Annual General Meeting of Shareholders. Mr. Bac is the General Counsel of Masan Group, who is in charge of all legal & compliance matters of the Group, including MNS and its subsidiary companies.

Prior to joining Masan, Mr. Bac was a Partner of a prestigious local law firm, he had also worked for leading MNCs in finance and FMCG. He was also a lecturer at HCMC University of Laws.

Mr. Bac is a lawyer registered with the HCMC Bar, he holds a LL.B from HCMC University of Laws and LL.M from Groningen University (the Netherlands).

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

- » Chairing meetings of the Board and providing its effective leadership;
- » Maintaining dialogue with the Management Board and providing appropriate strategic input; and
- » Monitoring the performance of the Board.

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 and corporate governance;
- » Specific business proposals; and
- » Minutes from the previous meeting and outstanding issues.

ACTIVITIES OF THE BOARD

In 2018, the Board mainly were involved with the discussion and approval of the following items:

- » Changing its operational model to a trading company;
- » Simplifying the Company's capital structure and corporate structure;
- » Establishing the Company's subsidiaries and branches;
- » Payment of dividends to the shareholders;
- » Deciding business development plans and annual budgets for each of our businesses and subsidiaries; and
- » Other activities.

SHAREHOLDER INFORMATION

As of 31 December 2018, the Company's charter capital is VND 2,162,182,990,000; and is divided into 216,218,299 common shares.

MANAGEMENT BOARD

The Management Board is responsible for implementation 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 three executives, the Chief Executive Officer, Chief Financial Officer and Chief Accountant. Members of the Management Board include:

» **Mr. Pham Trung Lam - Chief Executive Officer**

For profile, please see Board of Directors section

» **Ms. Nguyen Thi Minh Hang - Chief Financial Officer**

Ms. Nguyen Thi Minh Hang has 24 years of experience in finance and accounting at various commercial and manufacturing companies. She was formerly Chief Financial Officer at ScanCom International Vietnam, and Chief Financial Officer at Triumph International.

Ms. Hang has a Master's Degree in International Accounting from Swinburne University, Australia. She is also a Chartered Professional Accountant (CPA) of Australia.

» **Mr. Tran Quang Be - Chief Accountant**

Mr. Tran Quang Be has more than 20 years of experience in financial accounting within the animal feed industry.

He has a bachelor's degree in Audit Accounting from Ho Chi Minh City University of Economics.

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:

» **Ms. Doan Thi My Duyen – Head of the Supervisory Board**

Ms. Doan Thi My Duyen is the Head of the Supervisory Board at MNS and Deputy CFO and Chief Accountant of Masan Group. She has over 10 years experience in finance at various industries, including manufacturing, trading, services and construction. She was formerly with KPMG Ltd., Vietnam.

Ms. Doan Thi My Duyen has a Master's degree in Corporate Finance and Accounting from the Ho Chi Minh City's University of Economics. She is also a member of Association of Chartered Certified Accountants (ACCA).

» **Ms. Pham Quynh Nga - Member**

Ms. Pham Quynh Nga is a member of the Supervisory Board of MNS. She is also primarily responsible for Masan Group's financial reporting, building and developing Group's financial forecasting model, and monitoring the Masan Group's consolidated budget on monthly basis. Prior to joining Masan, she worked at KPMG in its accounting and auditing division.

Ms. Pham Quynh Nga graduated from RMIT Vietnam with a Bachelor of Business (Accountancy). She is also qualified Certified Practising Accountant (CPA) of Australia.

» **Ms. Nguyen Thi Thu Hang - Member**

Ms. Nguyen Thi Thu Hang is a member of the Supervisory Board of MNS. She is primarily in charge of building and developing Masan Group's financial models. Prior to joining Masan, she worked for Barclays Capital Singapore in risk management.

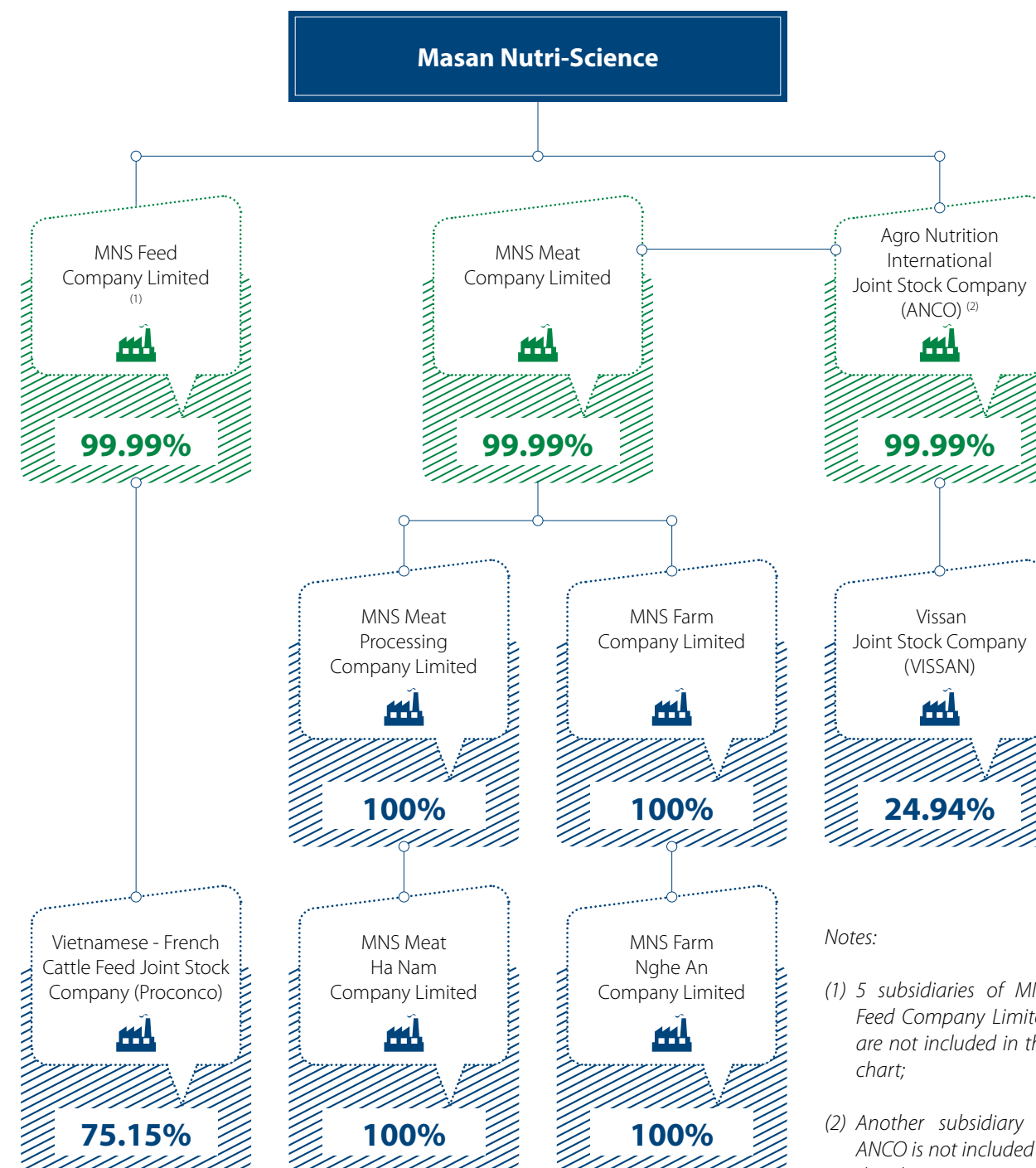
Ms. Nguyen Thi Thu Hang has a Master's degree in Finance from Nanyang Technological University, Singapore.

ACTIVITIES OF THE SUPERVISORY BOARD

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

CORPORATE STRUCTURE

As of 31 December 2018



Notes:

(1) 5 subsidiaries of MNS Feed Company Limited are not included in this chart;

(2) Another subsidiary of ANCO is not included in this chart.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

SUBSIDIARIES & ASSOCIATES

Agro Nutrition International Joint Stock Company (ANCO)

ANCO was formerly established in 2003 as the Agro Nutrition International Joint Venture - a joint venture between investors from Vietnam and Malaysia. In 2008, the JV was officially converted into a Joint Stock Company as Agro Nutrition International JSC (ANCO). The lines of business stated in ANCO's business registration certificate include animal, cattle and aqua feed manufacturing, import and export of animal, cattle feed and aquaculture, and distribution of materials for feed. ANCO owns several brands and well-known for its pig feed portfolio covering the full range of a pig's development phases.

MNS Farm Nghe An Company Limited

MNS Farm Nghe An is MNS's large-scale, hi-tech pig farm in Nghe An province. With nearly 200 hectares of land for the project, the farm is the largest pig farm in the province. MNS Farm Nghe An is expected to produce up to 250,000 pigs per year when fully ramped up. MNS Farm Nghe An has completed an internationally recognized set of farm standards dedicated to Good Agricultural Practices and was granted the GLOBAL G.A.P certificate on 15 January 2019.

Vietnamese – French Cattle Feed Joint Stock Company (Proconco)

Proconco was established on 2 April, 1991 as Vietnamese French Production of Animal Feed Joint Venture. Proconco completed its transformation into a Joint Stock company in 2008. The lines of business stated in Proconco's business registration certificate include animal, cattle and aqua feed production, breeding and purchasing pigs, chickens, aquaculture, production of plastic packaging, leasing factories.

Proconco has achieved ISO 9001-2000 certification and HACCP, and was voted as Vietnam High Quality Products for many years. Feed products for cattle, poultry and aqua with brand "Con Cò" have always been highly trusted by farmers. The "Con Cò" brand is one of the oldest and most premium brands in the animal feed industry in Vietnam. In addition, Proconco also has other brands such as Delice, Porcy, and Ami.

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 on 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

3F	Feed – Farm – Food
ANCO	Agro Nutrition International Joint Stock Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
FCR	Feed Conversion Ratio
FMCG	Fast-moving Consumer Goods
GDP	Gross Domestic Product
JSC	Joint Stock Company
M&A	Mergers and Acquisitions
Masan	A term referring to Masan Nutri-Science, inclusive of subsidiaries and affiliates, as a whole
Masan Group or the Group	Masan Group Corporation
Masan Nutri-Farm NA	Masan Nutri-Farm (N.A) LLC.
Masan Nutri-Science or MNS	Masan Nutri-Science JSC
MNC	Multinational Company
MNIS	Masan Institute of Nutri-Science
Proconco	Vietnamese – French Cattle Feed Joint Stock Company
R&D	Research and Development
SG&A	Selling, General and Administration expenses
The Board	The Board of Directors
US\$	U.S. Dollar
VISSAN	Vissan Joint Stock Company
VND	Vietnamese Dong



[A] 10th Floor, Central Plaza, 17 Le Duan, Ben Nghe Ward, District 1,
Ho Chi Minh City, Vietnam

[T] (84) 28 6256 3862

[F] (84) 28 3827 4115