



KPMG'S COPY

**Masan MEATLife Corporation  
and its subsidiaries**

**Consolidated Financial Statements  
for the year ended 31 December 2020**



**Masan MEATLife Corporation**  
**Corporate Information**

**Enterprise Registration  
Certificate No.**

0311224517

7 October 2011

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is by the Enterprise Registration Certificate No. 0311224517 dated 14 December 2020. The Enterprise 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  
Mr. Pham Trung Lam  
Mr. Tran Phuong Bac  
Mr. Neal Leroux Kok

Chairman  
Member  
Member  
Member

**Board of Management**

Mr. Pham Trung Lam  
Ms. Nguyen Thi Minh Hang

Chief Executive Officer  
Chief Financial Officer

**Supervisory Board**

Ms. Doan Thi My Duyen  
Ms. Pham Quynh Nga  
Ms. Nguyen Thi Thu Hang

Chief Supervisor  
Member  
Member

**Registered Office**

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

**Auditor**

KPMG Limited  
Vietnam

## **Masan MEATLife Corporation**

### **Statement of the Board of Management**

The Board of Management of Masan MEATLife 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 2020.

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 5 to 64 give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, 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



Phạm Trung Lam  
*Chief Executive Officer*

Ho Chi Minh City, 3 March 2021





KPMG Limited Branch  
10<sup>th</sup> 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 MEATLife Corporation**

We have audited the accompanying consolidated financial statements of Masan MEATLife Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2020, 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 3 March 2021, as set out on pages 5 to 64.

### **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 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 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 MEATLife Corporation and its subsidiaries as at 31 December 2020 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. 20-01-00895-21-2



Nelson Rodriguez Casihan  
Practicing Auditor Registration  
Certificate No. 2225-2018-007-1  
Deputy General Director

Nguyen Thuy Ninh  
Practicing Auditor Registration  
Certificate No. 4623-2018-007-1

Ho Chi Minh City, 3 March 2021

**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2020**

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>6,211,564,450,510</b>	<b>4,326,407,159,062</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>6</b>	<b>1,635,795,211,649</b>	<b>1,485,599,402,638</b>
Cash	111		115,495,211,649	181,699,402,638
Cash equivalents	112		1,520,300,000,000	1,303,900,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>134,950,000,000</b>	<b>156,400,000,000</b>
Held-to-maturity investments	123	7(a)	134,950,000,000	156,400,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>1,990,001,817,972</b>	<b>1,063,739,035,323</b>
Accounts receivable from customers	131	8	627,931,119,627	374,451,806,121
Prepayments to suppliers	132	9	85,724,798,419	678,682,279,544
Short-term loans receivable	135	7(b)	1,290,000,000,000	-
Other short-term receivables	136	10	77,307,967,823	116,349,265,265
Allowance for doubtful debts	137	11	(92,114,531,528)	(105,744,315,607)
Shortage of assets awaiting resolution	139		1,152,463,631	-
<b>Inventories</b>	<b>140</b>	<b>12</b>	<b>2,234,732,675,442</b>	<b>1,529,201,648,403</b>
Inventories	141		2,262,342,474,609	1,550,320,775,204
Allowance for inventories	149		(27,609,799,167)	(21,119,126,801)
<b>Other current assets</b>	<b>150</b>		<b>216,084,745,447</b>	<b>91,467,072,698</b>
Short-term prepaid expenses	151	17(a)	123,438,517,357	33,022,312,069
Deductible value added tax	152		67,456,959,335	44,630,050,178
Taxes receivable from State Treasury	153		25,189,268,755	13,814,710,451

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



**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2020 (continued)**

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
<b>Long-term assets</b> <b>(200 = 210 + 220 + 240 + 250 + 260)</b>	<b>200</b>		<b>11,745,889,703,075</b>	<b>10,384,987,528,036</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>32,405,791,605</b>	<b>16,506,597,000</b>
Other long-term receivables	216	10	32,405,791,605	16,506,597,000
<b>Fixed assets</b>	<b>220</b>		<b>8,384,846,294,660</b>	<b>7,354,513,390,155</b>
Tangible fixed assets	221	13	5,007,399,190,225	4,091,424,919,307
Cost	222		6,632,821,701,303	5,283,195,968,073
Accumulated depreciation	223		(1,625,422,511,078)	(1,191,771,048,766)
Finance lease tangible fixed assets	224	14	22,278,740,158	-
Cost	225		22,761,303,606	-
Accumulated depreciation	226		(482,563,448)	-
Intangible fixed assets	227	15	3,355,168,364,277	3,263,088,470,848
Cost	228		5,198,505,528,456	4,863,075,848,521
Accumulated amortisation	229		(1,843,337,164,179)	(1,599,987,377,673)
<b>Long-term work in progress</b>	<b>240</b>		<b>181,974,737,981</b>	<b>353,241,217,535</b>
Construction in progress	242	16	181,974,737,981	353,241,217,535
<b>Long-term financial investments</b>	<b>250</b>		<b>2,171,509,761,899</b>	<b>2,173,141,241,640</b>
Investments in associates	252	7(c)	2,146,548,963,099	2,159,937,181,640
Equity investments in other entities	253	7(d)	30,588,758,800	21,646,000,000
Allowance for diminution in the value of long-term financial investments	254	7(d)	(5,627,960,000)	(8,441,940,000)
<b>Other long-term assets</b>	<b>260</b>		<b>975,153,116,930</b>	<b>487,585,081,706</b>
Long-term prepaid expenses	261	17(b)	766,265,266,034	415,519,871,660
Deferred tax assets	262	18	65,262,127,233	72,065,210,046
Goodwill	269	19	143,625,723,663	-
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>17,957,454,153,585</b>	<b>14,711,394,687,098</b>

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



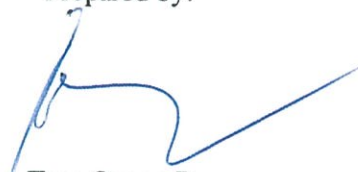
**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2020 (continued)**

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>9,494,240,002,625</b>	<b>7,188,198,744,263</b>
<b>Current liabilities</b>	<b>310</b>		<b>7,369,795,640,876</b>	<b>3,491,877,094,955</b>
Accounts payable to suppliers	311	20	1,211,902,007,419	857,647,315,709
Advances from customers	312		40,214,767,845	20,315,335,561
Taxes payable to State Treasury	313	21	89,188,157,901	100,050,815,239
Payables to employees	314		6,741,983,560	5,223,968
Accrued expenses	315	22	719,523,876,565	684,459,335,316
Unearned revenue	318		732,616,572	-
Other short-term payables	319	23	43,066,987,270	40,909,847,703
Short-term borrowings, bonds and finance lease liabilities	320	24(a)	5,252,694,200,724	1,782,758,178,439
Bonus and welfare funds	322	25	5,731,043,020	5,731,043,020
<b>Long-term liabilities</b>	<b>330</b>		<b>2,124,444,361,749</b>	<b>3,696,321,649,308</b>
Other long-term payables	337		2,660,000,000	4,960,000,000
Long-term borrowings, bonds and finance lease liabilities	338	24(b)	1,587,928,564,410	3,173,252,547,708
Deferred tax liabilities	341	18	499,705,073,935	488,104,212,517
Long-term provisions	342	26	34,150,723,404	30,004,889,083
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>8,463,214,150,960</b>	<b>7,523,195,942,835</b>
<b>Owners' equity</b>	<b>410</b>	<b>27</b>	<b>8,463,214,150,960</b>	<b>7,523,195,942,835</b>
Share capital	411	28	3,267,148,470,000	3,243,274,470,000
- Ordinary shares with voting rights	411a		3,267,148,470,000	3,243,274,470,000
Share premium	412		2,119,055,015,149	2,119,105,015,149
Other capital	414	29	(175,543,000,000)	(175,543,000,000)
Undistributed profits after tax	421		403,360,978,012	140,019,641,401
- Undistributed profits after tax brought forward	421a		140,019,641,401	24,671,734,409
- Net profit after tax for the current year	421b		263,341,336,611	115,347,906,992
Non-controlling interests	429		2,849,192,687,799	2,196,339,816,285
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>17,957,454,153,585</b>	<b>14,711,394,687,098</b>

3 March 2021

Prepared by:



Tran Quang Be  
Chief Accountant

Approved by:



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*

**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated statement of income for the year ended 31 December 2020**

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

	Code	Note	2020 VND	2019 VND
Revenue from sales of goods	01	32	17,038,062,202,090	14,574,901,245,099
Revenue deductions	02	32	919,056,719,159	776,149,958,427
Net revenue (10 = 01 - 02)	10	32	16,119,005,482,931	13,798,751,286,672
Cost of sales	11	33	13,394,378,798,551	11,533,148,211,650
Gross profit (20 = 10 - 11)	20		2,724,626,684,380	2,265,603,075,022
Financial income	21	34	109,387,462,759	76,612,962,663
Financial expenses	22	35	508,024,853,285	364,166,857,502
<i>In which: Interest expense</i>	23		423,754,793,202	284,977,600,614
Share of profit in associates	24	7(c)	10,014,797,072	9,690,583,861
Selling expenses	25	36	932,548,757,092	680,705,067,100
General and administration expenses	26	37	719,109,230,448	797,348,195,270
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		684,346,103,386	509,686,501,674
Other income	31	38	18,750,848,870	93,616,762,281
Other expenses	32	39	22,754,045,641	35,373,594,141
Results of other activities (40 = 31 - 32)	40		(4,003,196,771)	58,243,168,140
Accounting profit before tax (50 = 30 + 40)	50		680,342,906,615	567,929,669,814
Income tax expense – current	51	40	215,665,596,683	235,735,572,677
Income tax benefit – deferred	52	40	(27,524,972,132)	(37,520,851,914)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		492,202,282,064	369,714,949,051

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



**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated statement of income for the year ended 31 December 2020 (continued)**

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

	Code	Note	2020 VND	2019 VND
<b>Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)</b>	60		<b>492,202,282,064</b>	<b>369,714,949,051</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		263,341,336,611	115,347,906,992
Non-controlling interests	62		228,860,945,453	254,367,042,059
<b>Earnings per share</b>				
Basic earnings per share	70	41	810	356

3 March 2021

Prepared by:

  
Tran Quang Be  
Chief Accountant

Approved by:

  
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*



**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 2020**  
**(Indirect method)**

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

	Code	2020 VND	2019 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Accounting profit before tax	01	680,342,906,615	567,929,669,814
Adjustments for			
Depreciation and amortisation	02	694,784,321,964	689,604,467,950
Allowances and provisions	03	(8,687,139,844)	23,958,276,321
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	1,076,739,859	806,922,251
Profits from investing activities	05	(107,137,208,092)	(75,524,224,039)
Interest expense and bond issuance costs	06	444,166,557,907	305,389,365,319
Other adjustments	07	(5,036,135,615)	-
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>1,699,510,042,794</b>	<b>1,512,164,477,616</b>
Change in receivables and other current assets	09	(108,169,745,792)	(42,695,268,160)
Change in inventories	10	(633,630,466,261)	(154,160,780,880)
Change in payables and other liabilities	11	292,218,404,025	(350,187,479,358)
Change in prepaid expenses	12	23,658,944,498	31,321,783,266
		<b>1,273,587,179,264</b>	<b>996,442,732,484</b>
Payments of interest and bond issuance costs	14	(435,215,348,165)	(296,097,952,566)
Corporate income tax paid	15	(201,952,780,669)	(216,671,182,854)
Other payments for operating activities	17	(3,130,013,125)	(4,790,250,984)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>633,289,037,305</b>	<b>478,883,346,080</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(1,010,842,903,442)	(2,117,083,988,566)
Proceeds from disposals of fixed assets	22	10,817,466,978	30,158,242,943
Payments for granting loans and placement of term deposits	23	(1,404,350,000,000)	(156,400,000,000)
Receipts from collecting loans and withdrawal of term deposits	24	135,800,000,000	-
Acquisition of subsidiaries, net of cash acquired (Note 5)	25	(41,967,438,969)	-
Receipts of interest and dividends	27	55,029,934,802	76,690,742,499
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(2,255,512,940,631)</b>	<b>(2,166,635,003,124)</b>

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




**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 2020**  
**(Indirect method – continued)**

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

	Code	2020 VND	2019 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from equity issued	31	23,884,000,000	-
Proceeds from borrowings	33	10,036,334,243,368	5,256,456,574,119
Payments to settle loan principals	34	(8,258,965,332,980)	(3,417,751,623,048)
Payments of principal of finance lease liabilities	35	(894,410,556)	-
Payments of dividends	36	(27,530,627,600)	(23,597,966,228)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>1,772,827,872,232</b>	<b>1,815,106,984,843</b>
<b>Net cash flows during the year</b> <b>(50 = 20 + 30 + 40)</b>	<b>50</b>	<b>150,603,968,906</b>	<b>127,355,327,799</b>
<b>Cash and cash equivalents at the beginning</b> <b>of the year</b>	<b>60</b>	<b>1,485,599,402,638</b>	<b>1,358,425,295,976</b>
<b>Effect of exchange rate fluctuations on</b> <b>cash and cash equivalents</b>	<b>61</b>	<b>(408,159,895)</b>	<b>(181,221,137)</b>
<b>Cash and cash equivalents at the end of the year</b> <b>(70 = 50 + 60 + 61) (Note 6)</b>	<b>70</b>	<b>1,635,795,211,649</b>	<b>1,485,599,402,638</b>

3 March 2021

Prepared by:

  
Tran Quang Be  
Chief Accountant

Approved by:

  
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*

**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020**

**Form B 09 – DN/HN**

*(Issued under Circular No. 202/2014/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 consolidated financial statements.

**1. Reporting entity**

**(a) Ownership structure**

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

The Company’s shares were traded on the Unlisted Public Company Market (“Upcom”) in accordance with the Decision No. 804/QD-SGDHN issued by the Ha Noi Stock Exchange on 2 December 2019.

**(b) Principal activities**

The principal activities of the Company are investment holding and to trade in livestock, poultry and aquaculture feeds and other products in accordance with its Enterprise Registration Certificate.

**(c) Normal operating cycle**

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



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

**(d) Group structure**

As at 31 December 2020, the Group had 3 directly owned subsidiaries, 17 indirectly owned subsidiaries and 3 indirectly owned associates (1/1/2020: 2 directly owned subsidiaries, 16 indirectly owned subsidiaries and 4 indirectly owned associates). Information of the subsidiaries and associates are described as follows:

No.	Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
				31/12/2020	1/1/2020	31/12/2020	1/1/2020
Directly owned subsidiaries							
1	MNS Feed Company Limited (“MNS Feed”)	Investment holding;	Song May Industrial Zone, Bac Son Commune, Trang Bom District, Dong Nai Province, Vietnam	99.99%	99.99%	99.99%	99.99%
2	MNS Meat Company Limited (“MNS Meat”)	(*) Investment holding;	Song May Industrial Zone, Bac Son Commune, Trang Bom District, Dong Nai Province, Vietnam	100.00%	99.99%	99.99%	100.00%
3	3F VIET Joint Stock Company (“3F VIET”)	(**) To breed poultry and process and preserve meat and meat related products;	68 Nguyen Hue Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	51.00%	-	51.00%	-

(\*) In December 2020, the Company restructured its group structure by acquiring 99.99% equity interest in MNS Meat from ANCO and selling 100% equity interest together with a call option in ANCO to MNS Feed. All these transactions were made at their costs. As the result of the restructuring, MNS Meat became the Company’s direct subsidiary and ANCO became the Company’s indirect subsidiary.

(\*\*) The Group completed the acquisition of 51% equity interest in 3F VIET Joint Stock Company on 20 November 2020. See Note 5 for more details.

**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

No.	Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
				31/12/2020	1/1/2020	31/12/2020	1/1/2020
Indirectly owned subsidiaries							
1	Agro Nutrition International Joint Stock Company (“ANCO”)	(i) To manufacture, process livestock, poultry and aquaculture feeds;	Song May Industrial Zone, Bac Son Commune, Trang Bom District, Dong Nai Province, Vietnam	99.99%	99.99%	100.00%	100.00%
2	Agro Nutrition International Binh Dinh One Member Limited Company (“ANCO Binh Dinh”)	(i) To manufacture, process livestock, poultry and aquaculture feeds;	Nhon Hoi Industrial Park (Area A), Nhon Hoi District, Quy Nhon City, Binh Dinh Province, Vietnam	99.99%	99.99%	100.00%	100.00%
3	MNS Feed Vinh Long Company Limited (“MNS Feed Vinh Long”)	(i) To manufacture, process livestock, poultry and aquaculture feeds;	Co Chien Industrial Park, Son Dong Hamlet, Thanh Duc Commune, Long Ho District, Vinh Long Province, Vietnam	99.99%	99.99%	100.00%	100.00%
4	MNS Feed Thai Nguyen Company Limited (“MNS Feed Thai Nguyen”)	(i) To manufacture, process livestock, poultry and aquaculture feeds;	Trung Thanh Industrial Park, Trung Thanh Commune, Pho Yen Town, Thai Nguyen Province, Vietnam	99.99%	99.99%	100.00%	100.00%
5	MNS Feed Tien Giang Company Limited (“MNS Feed Tien Giang”)	(i) To manufacture, process livestock, poultry and aquaculture feeds;	Long Giang Industrial Park, Tan Lap 1 Ward, Tan Phuoc District, Tien Giang Province, Vietnam	99.99%	99.99%	100.00%	100.00%



**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

No.	Name	Principal activity	Address	Percentage of economic interests			Percentage of voting rights	
				31/12/2020	1/1/2020	31/12/2020	1/1/2020	1/1/2020
6	MNS Feed Nghe An Company Limited (“MNS Feed Nghe An”)	(i) To manufacture, process livestock, poultry and aquaculture feeds;	Nam Can Industrial Park, South East Nghe An Industrial Zone, Nghi Xa Ward, Nghi Loc District, Nghe An Province, Vietnam	99.99%	99.99%	100.00%	100.00%	100.00%
7	MNS Feed Hau Giang Company Limited (“MNS Feed Hau Giang”)	(i) To manufacture, process livestock, poultry and aquaculture feeds;	Tan Phu Thanh Industrial Park – Phase 1, Tan Phu Thanh Commune, Chau Thanh A District, Hau Giang Province, Vietnam	99.99%	99.99%	100.00%	100.00%	100.00%
8	Vietnamese – French Cattle Feed Joint Stock Company (“Proconco”)	(i) To manufacture, process protein enriched and refined animal feeds;	Bien Hoa I Industrial Park, Bien Hoa City, Dong Nai Province, Vietnam	75.15%	75.15%	75.15%	75.15%	75.15%
9	Proconco Can Tho One Member Company Limited (“Proconco Can Tho”)	(i) To manufacture and trade feeds and raw material for manufacturing animal feeds;	Industrial Park Tra Noc 1, Tra Noc Ward, Binh Thuy District, Can Tho City, Vietnam	75.15%	75.15%	75.15%	75.15%	75.15%
10	Conco Binh Dinh Co., Ltd. (“Proconco Binh Dinh”)	(i) To manufacture, process feeds and raw material for manufacturing animal feeds;	Nhon Hoa Industrial Park, Nhon Tho Ward, An Nhon Town, Binh Dinh Province, Vietnam	75.15%	75.15%	75.15%	75.15%	75.15%
11	Proconco Hung Yen Trading and Production Co., Ltd (“Proconco Hung Yen”)	(i) To manufacture, process feeds, poultry feed and aquaculture feed;	Yen Phu Hamlet, Giai Pham Commune, Yen My District, Hung Yen Province, Vietnam	75.15%	75.15%	75.15%	75.15%	75.15%



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

No.	Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
				31/12/2020	1/1/2020	31/12/2020	1/1/2020
12	MNS Meat Processing Company Limited ("MNS Meat Processing")	(ii) Investment holding;	10 <sup>th</sup> Floor, Central Plaza Tower, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100.00%	100.00%	100.00%	100.00%
13	MNS Meat Ha Nam Company Limited ("MNS Meat Ha Nam")	(ii) To process and preserve meat and meat related products;	Dong Van IV Industrial Zone, Dai Cuong Commune, Kim Bang District, Ha Nam Province, Vietnam	100.00%	100.00%	100.00%	100.00%
14	MEATDeli Sai Gon Company Limited (formerly known as "MNS Meat Sai Gon Company Limited")	(ii) To process and preserve meat and meat related products;	Tan Duc Industrial Park, Huu Thanh Ward, Duc Hoa District, Long An Province, Vietnam	100.00%	100.00%	100.00%	100.00%
15	MNS Farm Company Limited ("MNS Farm")	(ii) Investment holding;	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam	100.00%	100.00%	100.00%	100.00%
16	MNS Farm Nghe An Company Limited ("MNS Farm Nghe An")	(ii) To breed swine;	Con Son Hamlet, Ha Son Commune, Quy Hop District, Nghe An Province, Vietnam	100.00%	100.00%	100.00%	100.00%
17	3F VIET Food Company Limited ("3F VIET Food")	(iii) To process and preserve meat and meat related product;	Kien An Hamlet, An Lap Ward, Dau Tieng District, Binh Duong Province, Vietnam	51.00%	-	51.00%	-

**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

No.	Name	Principal activity	Address	Percentage of economic interests		Percentage of voting rights	
				31/12/2020	1/1/2020	31/12/2020	1/1/2020
Indirectly owned associates							
1	Thuan Phat Packing Joint Stock Company (“Thuan Phat”)	(i) To manufacture PP and PE package and trade plastic materials;	Tan Bien Ward, Bien Hoa City, Dong Nai Province, Vietnam	25.00%	25.00%	25.00%	25.00%
2	Abattoir Long Binh Joint Stock Company (“Abattoir”)	(i) To perform abattoir and processing activities for cattle and poultry;	Long Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam	25.00%	25.00%	25.00%	25.00%
3	Dong Nai Producing Trading Services Joint Stock Company (“Donatraco”)	(i) To plant industrial and agricultural trees;	75A Ha Huy Giap Street, Quyet Thang Ward, Bien Hoa City, Dong Nai Province, Vietnam	10.63%	21.30%	10.63%	21.30%
4	Vissan Joint Stock Company (“Vissan”)	(i) To process and trade fresh meat, processed foods and meat related products;	420 No Trang Long Street, Ward 13, Binh Thanh District, Ho Chi Minh City, Vietnam	24.90%	24.90%	24.90%	24.90%

(i) These subsidiaries and the associates are indirectly owned by the Company through MNS Feed.

(ii) These subsidiaries are indirectly owned by the Company through MNS Meat.

(iii) This subsidiary is indirectly owned by the Company through 3F VIET.

The percentage of economic interests represent both the directly and indirectly effective economic interests of the Company and its subsidiaries in the subsidiaries and the directly effective economic interests of the Company and its subsidiaries in the associates.

As at 31 December 2020, the Group had 4,323 employees (1/1/2020: 3,501 employees).

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**2. Basis of preparation**

**(a) Statement of compliance**

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

The consolidated financial statements of the Company comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates.

**(b) Basis of measurement**

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

**(c) Annual accounting period**

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

**(d) Accounting and presentation currency**

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

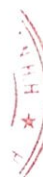
**3. Summary of significant accounting policies**

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

**(a) Basis of consolidation**

**(i) Subsidiaries**

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





**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(ii) Non-controlling interests**

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

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received is recorded directly in undistributed profits after tax under equity.

**(iii) Associates**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition the consolidated financial statements include the Group’s share of the profit or loss of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence until the date that significant influence ceases. The carrying amount of investments in associates is also adjusted for the alterations in the investor’s proportionate interest in the associates arising from changes in the associates’ equity that have not been included in the income statement (such as revaluation of fixed assets, or foreign exchange translation differences, etc.).

When the Group’s share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

**(iv) Transactions and balances eliminated on consolidation**

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

**(v) Business combination under common control**

Business combination where the same group of investors (“the Controlling Investors”) control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling Investors. Such common control business combination is specifically excluded from the scope of Vietnamese Accounting Standard No. 11 – *Business Combination* and in selecting its accounting policies with respect to such transaction, the Group has considered Vietnamese Accounting Standard No. 01 – *Framework* and Vietnamese Accounting Standard No. 21 – *Presentation of Financial Statements*. Based on these standards, the Group has adopted the merger (“carry-over”) basis of accounting. The assets and liabilities of the combining companies are consolidated using the existing book values from the Controlling Investors’ perspective. Any difference between the cost of acquisition and net assets value acquired is treated as a deemed distribution to or contribution from investors and recorded in undistributed profits after tax under equity.





**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

The consolidated statement of income and consolidated statement of cash flows include the results of operations of the combining companies from the date of the business combination.

**(vi) Business combination under non-common control**

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

Cost of a business combination (cost of the acquisition) is the aggregate amount of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in the acquisition in exchange for control of the acquiree and any costs directly attributable to the business combination. Identifiable assets acquired, identifiable liabilities and contingent liabilities assumed in a business combination are recognised at fair value at the acquisition date.

Any goodwill that arises representing the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree is recognised in consolidated balance sheet, then amortised through to the consolidated statement of income (Note 3(j)). When the excess is negative (gain from bargain purchase), it is recognised in the consolidated statement of income for the current year after a reassessment has been performed to ensure that the measurement of identifiable assets acquired, liabilities and contingent liabilities assumed and the cost of the business combination appropriately reflects consideration of all available information as of the acquisition date.

**(b) 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 account transfer buying rate and account transfer selling rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions.

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

**(c) Cash and cash equivalents**

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known 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.

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(d) Investments**

**(i) *Held-to-maturity investments***

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

**(ii) *Equity investments in other entities***

Equity investments in other entities are initially recognised at cost which include 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 values if the investee has suffered a loss, except where such a loss was anticipated by the Group'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.

**(e) Accounts receivable**

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

**(f) Inventories**

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

The Group applies the perpetual method of accounting for inventories.



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(g) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use, and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated 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:

▪ buildings and structures	4 – 20 years
▪ machinery and equipment	2 – 15 years
▪ motor vehicles	3 – 15 years
▪ office equipment	3 – 15 years

**(h) Intangible fixed assets**

**(i) Land use rights**

Land use rights comprise of:

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

Land use rights with indefinite term are stated at cost and are not amortised. Land use rights with definite term are stated at cost less accumulated amortisation. The initial cost of a land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over a period ranging from 35 to 49 years.

**(ii) Software**

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over a period ranging from 5 to 7 years.

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(iii) Brand name**

Brand name that is acquired by the Group on the acquisition of a subsidiary is recognised as intangible fixed asset and amortised on a straight-line basis over their estimated useful lives ranging from 9 to 20 years. The fair value of brand name acquired in a business combination is determined based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned.

**(iv) Customer relationships**

Customer relationships that is acquired by the Group on the acquisition of a subsidiary is recognised as intangible fixed asset and amortised on a straight-line basis over their estimated useful lives ranging from 16 to 20 years.

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

**(v) Technology**

Technology that is acquired by the Group on the acquisition of a subsidiary is recognised as intangible fixed asset and amortised on a straight-line basis over their estimated useful lives of 5 years.

The fair value of technology acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

**(i) Construction in progress**

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

**(j) Goodwill**

Goodwill arises on the acquisition of subsidiaries and associates. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as Management determines that it is not fully recoverable.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(k) Prepaid expenses**

**(i) Prepaid land costs**

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing regulation and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the terms of the leases ranging from 35 to 50 years.

**(ii) Tools and instruments**

Tools and instruments include assets held for use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Costs of tools and instruments are amortised on a straight-line basis over a period ranging from 1 to 3 years.

**(iii) Chicken and swine breeders**

Chicken and swine breeders are recognised as prepaid expenses and amortised on a straight-line basis over their estimated useful lives ranging from 1 to 3 years. The amortisation cost of breeders that directly relates to farming of livestock in work in progress are capitalised as part of the cost of the work in progress.

**(l) Accounts payable**

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

**(m) Provisions**

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

**Severance allowance**

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group are excluded.



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(n) Straight bonds issued**

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

**(o) Equity**

**(i) Ordinary shares**

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of shares, net of tax effects. Such costs are recognised as a deduction from share premium. The difference between the proceeds from issuance of shares and the par value of shares issued is recorded as share premium.

**(ii) Other capital**

Other capital is resulting from transactions involving equity instruments.

**(p) Taxation**

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

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

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

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

**(q) Revenue from the sales of goods**

Revenue from the sales of goods is recognised in the consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue from the sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(r) Financial income and financial expenses**

**(i) Financial income**

Financial income comprises interest income from bank deposits and loans receivables and foreign exchange gains and dividend income from equity from equity investments in other entities.

Interest income is recognised in the consolidated statement of income on a time proportion basis with reference to the principal outstanding and the applicable interest rate. Dividend income is recognised when the right to receive dividend is established.

**(ii) Financial expenses**

Financial expenses comprise interest expense on borrowings and bonds and associated issuance costs, allowance for diminution in the value of financial investments and foreign exchange losses.

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

**(s) Leases**

**(i) Leased assets**

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

Depreciation on finance leased assets is computed on a straight-line basis over the shorter of the lease term and the estimated useful lives of the leased assets unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in Note 3(g).

Assets held under other leases are classified as operating leases and are not recognised in the Group's consolidated balance sheet.

**(ii) Lease payments**

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

Lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(t) Earnings per share**

The Group presents basic and diluted earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company (after deducting any amounts appropriated to bonus and welfare funds for the annual accounting period) by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options. During the year, the Company had no potential ordinary shares and therefore does not present diluted EPS.

**(u) Segment reporting**

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

**(v) Related parties**

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

**(w) Employee stock ownership plans**

Shares issued to employees based on the employee stock ownership plans are issued at par value.

**(x) Comparative information**

Comparative information in these consolidated financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current period consolidated financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these consolidated financial statements is not intended to present the Group’s consolidated financial position, consolidated results of operation or consolidated cash flows for the prior year.



#### **4. Segment reporting**

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

The following summary describes the operations of each reportable segment:

<b>Reportable segments</b>	<b>Operations</b>
▪ Feed	To manufacture, process livestock, poultry and aquaculture feeds.
▪ Meat and Farm	To breed cattle and poultry, process and preserve meat and meat related product.

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

Unallocated expenses represent general and administration expenses, financial expenses, finance income, other expenses and other income which the Company's Board of Management assesses cannot be allocated to each segment on a reasonable basis. These expenses were incurred at the corporate level.

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(a) Business segments**

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Feed		Meat and Farm		Elimination		Consolidated	
	2020 VND	2019 VND	2020 VND	2019 VND	2020 VND	2019 VND	2020 VND	2019 VND
Total segment revenue	13,871,348,036,256	13,474,840,096,172	2,378,515,081,290	420,936,545,037	(130,857,634,615)	(97,025,354,537)	16,119,005,482,931	13,798,751,286,672
Segment results	1,132,196,578,398	1,106,348,481,932	(301,509,172,296)	(389,228,060,184)	344,085,774	2,126,432,059	831,031,491,876	719,246,853,807
Unallocated net expenses							(150,839,359,221)	(150,891,655,372)
Results from operating activities							680,192,132,655	568,355,198,435
Results of other activities	-	-	-	-	-	-	150,773,960	(425,528,621)
Income tax	(182,722,241,213)	(198,186,843,580)	(5,418,383,338)	(27,877,183)	-	-	(188,140,624,551)	(198,214,720,763)
Net profit after tax	949,474,337,185	908,161,638,352	(306,927,555,634)	(389,255,937,367)	344,085,774	2,126,432,059	492,202,282,064	369,714,949,051



**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

	Feed		Meat and Farm		Elimination		Consolidated	
	31/12/2020	1/1/2020	31/12/2020	1/1/2020	31/12/2020	1/1/2020	31/12/2020	1/1/2020
	VND	VND	VND	VND	VND	VND	VND	VND
Segment assets	13,204,151,038,455	11,680,898,345,139	3,631,354,037,072	2,214,730,352,221	(1,024,599,885,041)	(1,344,171,191,902)	15,810,905,190,486	12,551,457,505,458
Investments in associates	11,058,791,099	24,447,009,640	2,135,490,172,000	2,135,490,172,000	-	-	2,146,548,963,099	2,159,937,181,640
<b>Total assets</b>							<b>17,957,454,153,585</b>	<b>14,711,394,687,098</b>
Segment liabilities	6,408,607,930,041	5,078,302,036,984	4,082,917,417,084	3,453,398,383,866	(997,285,344,500)	(1,343,501,676,587)	9,494,240,002,625	7,188,198,744,263
Capital expenditure	76,060,499,581	115,568,331,196	934,782,403,861	2,001,515,657,370	-	-	1,010,842,903,442	2,117,083,988,566
Depreciation of tangible fixed assets	292,943,955,506	314,754,461,028	157,283,641,098	53,101,028,522	-	-	450,227,596,604	367,855,489,550
Amortisation of intangible fixed assets	243,980,444,881	321,233,686,684	576,280,479	515,291,716	-	-	244,556,725,360	321,748,978,400

**(b) Geographical segments**

The Group operates in one geographical segment, which is Vietnam based on geographical location of customers and assets.

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**5. Business combination – 3F VIET Joint Stock Company**

In November 2020, the Company completed the acquisition of 51% equity interest of 3F VIET Joint Stock Company for a total consideration of VND614,774 million including transaction costs.

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

	<b>Pre-acquisition carrying amounts VND</b>	<b>Fair value adjustments VND</b>	<b>Recognised value on acquisition VND</b>
Cash and cash equivalents	572,806,861,031	-	572,806,861,031
Accounts receivable from customers			
– short-term	50,928,099,166	-	50,928,099,166
Inventories – net	78,574,272,708	-	78,574,272,708
Other current assets	93,091,862,791	10,156,240,460	103,248,103,251
Other long-term receivables	442,300,000	-	442,300,000
Tangible fixed assets – net	69,197,407,384	15,256,816,244	84,454,223,628
Finance lease tangible fixed assets – net	22,761,303,606	-	22,761,303,606
Intangible fixed assets – net	-	322,659,298,685	322,659,298,685
Construction in progress	38,200,969,560	-	38,200,969,560
Long-term prepaid expenses	12,690,035,104	-	12,690,035,104
Deferred tax assets	6,281,936,945	-	6,281,936,945
Accounts payable to suppliers – short-term	(184,351,921,800)	-	(184,351,921,800)
Short-term borrowings and finance lease liabilities	(70,203,918,995)	-	(70,203,918,995)
Other current liabilities	(25,368,527,367)	-	(25,368,527,367)
Long-term borrowings and finance lease liabilities	(34,421,855,455)	-	(34,421,855,455)
Other long-term liabilities	(5,036,135,615)	-	(5,036,135,615)
Deferred tax liabilities	-	(52,210,853,308)	(52,210,853,308)
<b>Net identifiable assets and liabilities</b>	<b>625,592,689,063</b>	<b>295,861,502,081</b>	<b>921,454,191,144</b>
<b>Net assets acquired</b>			<b>469,941,637,483</b>
<b>Goodwill on business acquisition (Note 19)</b>			<b>144,832,662,517</b>
<b>Consideration transferred</b>			<b>614,774,300,000</b>
<b>Cash acquired</b>			<b>572,806,861,031</b>
<b>Net cash outflow</b>			<b>41,967,438,969</b>

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

For the period from the acquisition date to 31 December 2020, the acquired business contributed revenue of VND106,243 million and loss of VND11,171 million to the Group's results.



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**6. Cash and cash equivalents**

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Cash on hand	2,283,647,862	1,146,399,948
Cash in banks	113,112,956,930	180,275,108,940
Cash in transit	98,606,857	277,893,750
Cash equivalents	1,520,300,000,000	1,303,900,000,000
	<hr/> 1,635,795,211,649	<hr/> 1,485,599,402,638 <hr/>

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

As at 31 December 2020, cash at bank with carrying value of VND3,000 million (1/1/2020: nil) were pledged with banks as security for loans granted to the Group (Note 24).

**7. Investments**

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
<b>Short-term financial investments</b>		
▪ Held-to-maturity investments (a)	134,950,000,000	156,400,000,000
▪ Short-term loans receivable (b)	1,290,000,000,000	-
	<hr/>	<hr/>
<b>Long-term financial investments</b>		
▪ Investments in associates (c)	2,146,548,963,099	2,159,937,181,640
▪ Equity investments in other entities (d)	30,588,758,800	21,646,000,000
▪ Allowance for diminution in the value of long-term financial investments (d)	(5,627,960,000)	(8,441,940,000)
	<hr/> 2,171,509,761,899	<hr/> 2,173,141,241,640 <hr/>

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

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

Held-to-maturity investments – short-term represented term deposits at banks with remaining terms to maturity of more than three months and less than twelve months from the balance sheet date and earned annual interest at 5.8% (1/1/2020: 6.2%).

As at 31 December 2020, term deposits with carrying value of VND12,900 million (1/1/2020: VND1,400 million) were pledged at Vietnam Technological and Commercial Joint Stock Bank, a related party as security for a subsidiary's performance obligations under certain purchase agreements.

**(b) Short-term loans receivable**

Terms and conditions of outstanding short-term loans receivable in VND were as follows:

	Annual interest rate	Year of maturity	31/12/2020 VND	1/1/2020 VND
Masan Group Corporation, the parent company	6.5%	2021	150,000,000,000	-
Third parties	6.5%	2021	1,140,000,000,000	-
			<hr/>	
			1,290,000,000,000	-
			<hr/>	

Loans receivable from the parent company and third parties are unsecured.



**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

**(c) Investments in associates**

	No. of shares	31/12/2020 % economic interests/ voting rights	Carrying value under equity method VND	No. of shares	1/1/2020 % economic interests/ voting rights	Carrying value under equity method VND
Vissan Joint Stock Company ("Vissan")	20,180,026	24.9%	2,135,490,172,000	20,180,026	24.9%	2,135,490,172,000
Thuan Phat Packing Joint Stock Company ("Thuan Phat")	490,000	25.0%	4,289,329,696	490,000	25.0%	4,925,117,326
Abattoir Long Binh Joint Stock Company ("Abattoir")	900,000	25.0%	6,769,461,403	500,000	25.0%	6,708,889,701
Dong Nai Producing Trading Services Joint Stock Company ("Donatraco") (*)	-	-	-	850,800	21.3%	12,813,002,613
			<u>2,146,548,963,099</u>			<u>2,159,937,181,640</u>

(\*) During the year, Donatraco issued 4,000,000 shares to other investors, as a result, the Group' economic interests and voting rights decreased from 21.3% to 10.63%.  
The Group transferred this investment to investments in other entities (Note 7(d)) accordingly.

The Group has not determined the fair value of the equity investments in associates for disclosure in the consolidated financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these equity investments may differ from their carrying amounts.

## Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

Movements of carrying value of investments in associates during the year were as follows:

	Vissan VND	Thuan Phat VND	Abattoir VND	Donatraco VND	Total VND
Opening balance	2,135,490,172,000	4,925,117,326	6,708,889,701	12,813,002,613	2,159,937,181,640
Share of post-acquisition profit/(loss)	10,090,013,000	(635,787,630)	560,571,702	-	10,014,797,072
Dividends declared	(10,090,013,000)	-	(500,000,000)	-	(10,590,013,000)
Transfer to equity investments in other entities	-	-	-	(8,942,758,800)	(8,942,758,800)
Loss from transfer to equity investments in other entities	-	-	-	(3,870,243,813)	(3,870,243,813)
Closing balance	2,135,490,172,000	4,289,329,696	6,769,461,403	-	2,146,548,963,099

	<b>31/12/2020</b>						<b>1/1/2020</b>					
	No. of shares	% economic interests/ voting rights	Cost VND	Allowance for diminution in value VND	Fair value VND	No. of shares	% economic interests/ voting rights	Cost VND	Allowance for diminution in value VND	Fair value VND		
Dinh Vu Petroleum Service Port Joint Stock Company	2,164,600	5.41%	21,646,000,000	(5,627,960,000)	16,018,040,000	2,164,600	5.41%	21,646,000,000	(8,441,940,000)	13,204,060,000		
Donatraco	850,800	10.63%	8,942,758,800	-	(*)	-	-	-	-	-		
			<b>30,588,758,800</b>	<b>(5,627,960,000)</b>				<b>21,646,000,000</b>	<b>(8,441,940,000)</b>			



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

Fair value of the investment in Dinh Vu Petroleum Service Port Joint Stock Company was determined as referenced to the share price of this company quoted on the Unlisted Public Company Market (“UPCoM”) as at 31 December 2020 at VND7,400 per share (1/1/2020: VND6,100 per share).

- (\*) The Group has not determined the fair value of the equity investments in other entities for disclosure in the consolidated financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these equity investments may differ from their carrying amounts.

Movements of the allowance for diminution in value of equity investments in other entities during the year were as follows:

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Opening balance	8,441,940,000	8,441,940,000
Written back during the year	(2,813,980,000)	-
Closing balance	<u>5,627,960,000</u>	<u>8,441,940,000</u>

## **8. Accounts receivable from customers – short-term**

### **(a) Accounts receivable from customers detailed by significant customers**

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
VinCommerce General Commercial Services Joint Stock Company	83,785,913,212	12,829,922,578
Other customers	544,145,206,415	361,621,883,543
	<u>627,931,119,627</u>	<u>374,451,806,121</u>

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(b) Accounts receivable from customer who are related parties**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
<b>Parent company</b>		
▪ Masan Group Corporation	248,831,324	548,065,749
<b>Other related parties</b>		
▪ VinCommerce General Commercial Services Joint Stock Company	83,785,913,212	12,829,922,578
▪ Masan Industrial One Member Company Limited	6,232,503,836	34,385,400
▪ Masan Consumer Corporation	1,801,255,001	-
▪ Masan HD One Member Company Limited	1,397,985,320	-
▪ Masan Jinju Joint Stock Company	661,043,452	-
▪ Masan Blue Corporation	43,139	96,748,292
▪ Massan HG One Member Company Limited	-	119,013,887

The amounts due from the parent company and other related parties were unsecured, interest free and are receivable within 30 days to 60 days from the invoice date.

**9. Prepayment to suppliers – short-term**

As at 31 December 2020, prepayments to suppliers of the Group amounting to VND69,877 million (1/1/2020: VND629,642 million) was related to fixed assets.

**10. Other receivables**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
<b>Other short-term receivables</b>		
Interest receivable from deposits at banks and loans to third parties	60,210,285,880	7,199,576,986
Interest receivable from loans to Masan Group Corporation, parent company	2,323,972,603	-
Advances to employees	2,324,001,905	2,458,153,241
Short-term deposits	5,139,283,628	2,725,355,215
Value added tax receivables	-	83,863,305,408
Others	7,310,423,807	20,102,874,415
	<b>77,307,967,823</b>	<b>116,349,265,265</b>
<b>Other long-term receivables</b>		
Long-term deposits	32,405,791,605	16,506,597,000

Interest receivable from loans to the parent company was unsecured and is receivable on the maturity date or repayment date of the related loan agreements, whichever earlier.



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**11. Allowance for doubtful debts**

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

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Opening balance	105,744,315,607	106,135,140,349
Allowance made during the year	6,703,483,901	13,515,336,137
Allowance utilised during the year	(6,469,263)	(5,926,240,831)
Written back during the year	(20,326,798,717)	(7,979,920,048)
Closing balance	92,114,531,528	105,744,315,607

**12. Inventories**

	<b>31/12/2020</b>		<b>1/1/2020</b>	
	<b>Cost</b> <b>VND</b>	<b>Allowance</b> <b>VND</b>	<b>Cost</b> <b>VND</b>	<b>Allowance</b> <b>VND</b>
Goods in transit	459,084,932,233	-	167,454,196,591	-
Raw materials	1,168,506,803,921	(1,299,376,917)	854,900,390,692	(2,331,488,570)
Tools and supplies	103,156,978,499	(1,776,950,917)	98,633,586,054	(1,663,097,204)
Work in process	311,633,159,151	-	167,771,382,262	-
Finished goods	218,245,504,872	(24,533,471,333)	260,041,238,033	(17,124,541,027)
Merchandise inventories	1,715,095,933	-	1,519,981,572	-
	2,262,342,474,609	(27,609,799,167)	1,550,320,775,204	(21,119,126,801)

Included in inventories as at 31 December 2020 was VND2,825 million (1/1/2020: VND3,994 million) of slow-moving inventories.

Included in inventories as at 31 December 2020 were VND43,106 million (1/1/2020: VND33,415 million) of finished goods carried at net realisable value.

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

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Opening balance	21,119,126,801	5,577,461,820
Allowance made during the year	53,141,164,887	20,548,202,829
Allowance utilised during the year	(183,039,564)	-
Written back during the year	(46,467,452,957)	(5,006,537,848)
Closing balance	27,609,799,167	21,119,126,801

**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

**13. Tangible fixed assets**

<b>Cost</b>	<b>Buildings and structures VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Office equipment VND</b>	<b>Total VND</b>
Opening balance	3,188,673,996,467	1,945,851,589,013	89,822,342,421	58,848,040,172	5,283,195,968,073
Increase from business combination (Note 5)	15,397,326,967	49,129,991,022	19,926,905,639	-	84,454,223,628
Additions	55,000,587,017	82,854,143,763	30,543,503,645	4,922,653,000	173,320,887,425
Transfer from construction in progress	618,049,390,769	479,201,247,091	5,790,952,617	14,502,017,988	1,117,543,608,465
Disposals	(5,317,028,800)	(8,388,903,855)	(9,634,877,033)	(1,975,000,000)	(25,315,809,688)
Written off	-	-	-	(377,176,600)	(377,176,600)
Reclassifications	13,175,049,637	16,296,540,000	(13,175,049,637)	(16,296,540,000)	-
Closing balance	3,884,979,322,057	2,564,944,607,034	123,273,777,652	59,623,994,560	6,632,821,701,303
<b>Accumulated depreciation</b>					
Opening balance	462,790,361,492	674,449,719,044	38,613,830,121	15,917,138,109	1,191,771,048,766
Charge for the year	195,395,082,300	228,828,919,291	14,022,220,939	11,498,810,626	449,745,033,156
Disposals	(3,752,168,725)	(2,170,297,761)	(9,387,077,805)	(406,849,953)	(15,716,394,244)
Written off	-	-	-	(377,176,600)	(377,176,600)
Reclassifications	2,200,993,104	4,004,680,569	(2,200,993,104)	(4,004,680,569)	-
Closing balance	656,634,268,171	905,113,021,143	41,047,980,151	22,627,241,613	1,625,422,511,078
<b>Net book value</b>					
Opening balance	2,725,883,634,975	1,271,401,869,969	51,208,512,300	42,930,902,063	4,091,424,919,307
Closing balance	3,228,345,053,886	1,659,831,585,891	82,225,797,501	36,996,752,947	5,007,399,190,225



**Masan MEATLife Corporation and its subsidiaries****Notes to the consolidated financial statements for the year ended 31 December 2020  
(continued)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

Included in tangible fixed assets as of 31 December 2020 were assets costing VND736,455 million (1/1/2020: VND562,087 million) which were fully depreciated, but which are still in active use.

As at 31 December 2020, tangible fixed assets with net book value of VND3,646,538 million (1/1/2020: VND2,831,368 million) were pledged with banks as security for loans granted to the Group (Note 24).

The net book value of temporarily idle buildings and equipment in tangible fixed assets amounted to VND38,254 million as of 31 December 2020 (1/1/2020: nil).

**14. Finance lease tangible fixed assets**

	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Total VND</b>
<b>Cost</b>			
Increase from business combination and closing balance (Note 5)	20,950,856,339	1,810,447,267	22,761,303,606
<b>Accumulated depreciation</b>			
Charge for the year and closing balance	443,666,189	38,897,259	482,563,448
<b>Net book value</b>			
Closing balance	20,507,190,150	1,771,550,008	22,278,740,158

The Group leases fixed assets under various finance lease agreements. At the end of each of the leases the Group has the option to purchase that assets at a beneficial price. The leased assets secure the lease obligations (Note 24).

**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

**15. Intangible fixed assets**

	Land use rights VND	Software VND	Brand name VND	Customer relationships VND	Technology VND	Total VND
<b>Cost</b>						
Opening balance	207,411,509,016	61,564,339,505	1,615,000,000,000	2,413,100,000,000	566,000,000,000	4,863,075,848,521
Increase from business combination (Note 5)	-	-	199,782,021,840	122,877,276,845	-	322,659,298,685
Transfer from construction in progress	12,487,500,000	282,881,250	-	-	-	12,770,381,250
Closing balance	219,899,009,016	61,847,220,755	1,814,782,021,840	2,535,977,276,845	566,000,000,000	5,198,505,528,456
<b>Accumulated amortisation</b>						
Opening balance	28,276,376,950	22,349,750,704	400,775,000,009	606,936,250,000	541,650,000,010	1,599,987,377,673
Charge for the year	6,054,612,598	9,050,354,565	82,599,833,540	121,294,985,813	24,349,999,990	243,349,786,506
Closing balance	34,330,989,548	31,400,105,269	483,374,833,549	728,231,235,813	566,000,000,000	1,843,337,164,179
<b>Net book value</b>						
Opening balance	179,135,132,066	39,214,588,801	1,214,224,999,991	1,806,163,750,000	24,349,999,990	3,263,088,470,848
Closing balance	185,568,019,468	30,447,115,486	1,331,407,188,291	1,807,746,041,032	-	3,355,168,364,277

Included in intangible fixed assets as of 31 December 2020 were assets costing VND571,533 million (1/1/2020: VND5,533 million), which were fully amortised but which are still in active use.

As at 31 December 2020, tangible fixed assets with net book value of VND12,756 million (1/1/2020: nil) were pledged with banks as security for loans granted to the Group (Note 24).



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**16. Construction in progress**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Opening balance	353,241,217,535	466,397,480,764
Increase from business combination (Note 5)	38,200,969,560	-
Additions	931,704,821,109	1,817,117,245,784
Transfer to tangible fixed assets	(1,117,543,608,465)	(1,894,952,134,157)
Transfer to intangible fixed assets	(12,770,381,250)	(2,810,682,089)
Transfer to long-term prepaid expenses	(10,858,280,508)	(32,164,905,115)
Written off	-	(345,787,652)
Closing balance	181,974,737,981	353,241,217,535

Major constructions in progress as at the year-ended were as follows:

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Machinery and equipment	101,949,035,951	200,969,624,893
Buildings and structures	65,934,569,800	111,507,525,682
Others	14,091,132,230	40,764,066,960
	181,974,737,981	353,241,217,535

As at 31 December 2020, construction in progress with carrying value of VND90,728 million (1/1/2020: VND103,081 million) were pledged with banks as security for loans granted to the Group (Note 24).

During the year, trial run expenses, borrowing costs and amortisation of land use rights capitalised into construction in progress amounting to VND14,799 million, VND14,427 million and VND12,090 million (2019: VND100,075 million, VND54,401 million and VND1,164 million), respectively.

**17. Prepaid expenses**

**(a) Short-term prepaid expenses**

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Chicken breeders	81,879,962,385	-
Tools and supplies	22,946,828,578	17,205,476,758
Prepaid insurance expenses	2,531,295,441	2,103,576,576
Prepaid operating leases	2,315,939,143	3,358,901,259
Other short-term prepaid expenses	13,764,491,810	10,354,357,476
	123,438,517,357	33,022,312,069

**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

**(b) Long-term prepaid expenses**

	Prepaid land costs VND	Tools and instruments VND	Swine breeders VND	Others VND	Total VND
Opening balance	227,599,611,920	30,471,011,587	76,004,264,262	81,444,983,891	415,519,871,660
Increase from business combination (Note 5)	7,570,900,283	5,119,134,821	-	-	12,690,035,104
Additions	378,607,946,564	17,129,544,230	34,556,546,050	30,253,852,622	460,547,889,466
Transfer (to)/from construction in progress	(8,548,452,280)	3,117,866,491	15,822,553,797	466,312,500	10,858,280,508
Amortisation for the year	(7,902,700,858)	(19,832,720,505)	(39,286,264,321)	(35,775,847,224)	(102,797,532,908)
Disposals	-	(882,516,615)	(28,094,002,555)	(353,109,144)	(29,329,628,314)
Written off	-	(484,060,500)	-	(739,588,982)	(1,223,649,482)
Closing balance	597,327,305,629	34,638,259,509	59,003,097,233	75,296,603,663	766,265,266,034

As at 31 December 2020, prepaid land costs, swine breeders and chicken breeders with carrying value of VND497,123 million (1/1/2020: VND158,193 million), VND54,332 million (1/1/2020: VND67,586 million) and VND10,411 million (1/1/2020: nil), respectively, were pledged with banks as security for loans granted to the Group (Note 24).



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**18. Deferred tax assets and liabilities**

**(a) Recognised deferred tax assets and liabilities**

	31/12/2020 VND	1/1/2020 VND
Deferred tax assets:		
Unrealised profits	2,370,069,907	2,765,147,122
Allowance for doubtful debts	10,788,145,285	12,647,944,572
Allowance for inventories	168,235,517	283,103,492
Accrued expenses and provisions	29,345,427,420	24,529,369,238
Tax losses carried forward	21,280,300,095	30,527,132,812
Others	1,309,949,009	1,312,512,810
Total deferred tax assets	65,262,127,233	72,065,210,046
Deferred tax liabilities:		
Intangible fixed assets	(489,812,587,555)	(476,314,542,644)
Tangible fixed assets	(8,312,052,463)	(11,789,669,873)
Short-term prepaid expenses	(1,396,483,063)	-
Others	(183,950,854)	-
Total deferred tax liabilities	(499,705,073,935)	(488,104,212,517)
Net deferred tax liabilities	(434,442,946,702)	(416,039,002,471)

**(b) Movements of temporary differences during the year**

	1/1/2020 VND	Increase from business combination VND	Recognised in consolidated statement of income VND	31/12/2020 VND
Unrealised profits	2,765,147,122	-	(395,077,215)	2,370,069,907
Allowance for doubtful debts	12,647,944,572	-	(1,859,799,287)	10,788,145,285
Allowance for inventories	283,103,492	-	(114,867,975)	168,235,517
Accrued expenses	24,529,369,238	-	4,816,058,182	29,345,427,420
Tax losses carried forward	30,527,132,812	6,281,936,945	(15,528,769,662)	21,280,300,095
Intangible fixed assets	(476,314,542,644)	(48,510,695,427)	35,012,650,516	(489,812,587,555)
Tangible fixed assets	(11,789,669,873)	(2,176,721,812)	5,654,339,222	(8,312,052,463)
Short-term prepaid expenses	-	(1,523,436,069)	126,953,006	(1,396,483,063)
Others	1,312,512,810	-	(186,514,655)	1,125,998,155
	(416,039,002,471)	(45,928,916,363)	27,524,972,132	(434,442,946,702)

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**19. Goodwill**

	VND
<b>Cost</b>	
Additions and closing balance	144,832,662,517
<b>Accumulated amortisation</b>	
Charge for the year and closing balance	1,206,938,854
<b>Net book value</b>	
Closing balance	143,625,723,663

**20. Accounts payable to suppliers – short-term**

**(a) Accounts payable to suppliers detailed by significant suppliers**

	<b>Cost/Amount within repayment capacity</b>	
	<b>31/12/2020</b>	<b>1/1/2020</b>
	VND	VND
Pro-active Synergy Sdn. Bhd	109,355,355,375	99,777,835,335
Other suppliers	1,102,546,652,044	757,869,480,374
	1,211,902,007,419	857,647,315,709

**(b) Accounts payable to suppliers who are related parties**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	VND	VND
<b>Associates</b>		
Thuan Phat Packing Joint Stock Company	4,144,420,506	1,119,450,200
Abattoir Long Binh Joint Stock Company	566,385,400	487,835,600
<b>Other related parties</b>		
Masan Consumer Corporation	22,923,950,274	20,377,310,037
VinCommerce General Commercial Services Joint Stock Company	96,591,591	-
Masan Jinju Joint Stock Company	-	1,372,172,193
Masan Industrial One Member Company Limited	-	16,249,800

The amounts due to the associates and other related parties were unsecured, interest free and are payable within 60 days from invoice date.



**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

**21. Taxes payable to State Treasury**

	1/1/2020 VND	Increase from business combination VND	Incurred VND	Paid VND	Net-off/ Reclassified VND	31/12/2020 VND
Value added tax	19,099,652,828	4,624,689,182	34,428,752,118	(21,516,279,340)	(33,783,406,735)	2,853,408,053
Import-export tax	124,856,397	-	83,202,118,558	(83,284,241,311)	-	42,733,644
Corporate income tax	66,075,864,373	-	215,665,596,683	(201,952,780,669)	(2,679,143,954)	77,109,536,433
Personal income tax	14,750,441,641	129,524,102	56,187,658,840	(58,102,477,133)	(3,789,702,079)	9,175,445,371
Other taxes	-	-	1,127,609,760	(1,120,575,360)	-	7,034,400
	100,050,815,239	4,754,213,284	390,611,735,959	(365,976,353,813)	(40,252,252,768)	89,188,157,901

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**22. Accrued expenses**

	31/12/2020 VND	1/1/2020 VND
Sales discounts	319,777,308,156	291,574,701,027
Construction costs	172,437,425,556	168,592,805,169
Performance bonus	88,668,006,045	81,393,289,994
Interest expense	67,447,906,749	66,763,968,562
Advertising and promotion expenses	30,195,906,640	45,905,498,536
Transportation expenses	8,961,029,431	6,472,895,904
Others	32,036,293,988	23,756,176,124
	719,523,876,565	684,459,335,316

**23. Other short-term payables**

	31/12/2020 VND	1/1/2020 VND
Dividends payable (*)	27,530,697,600	27,530,697,600
Interest expense payable to		
▪ Masan Group Corporation, parent company (**)	1,478,794,521	-
▪ Masan Horizon Company Limited, a related party (**)	3,276,712,329	-
Trade union fee, social and health insurances	544,072,657	65,185,648
Short-term deposits received	1,890,698,011	522,722,051
Others	8,346,012,152	12,791,242,404
	43,066,987,270	40,909,847,703

(\*) Dividends payable to shareholders were unsecured, interest free and are payable at call.

(\*\*) Interest expense payable to a related party and the parent company was unsecured, interest free and is payables on the maturity date or repayment date of the related loans, whichever earlier (Note 24).



**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

**24. Borrowings, bonds and finance lease liabilities**

**(a) Short-term borrowings, bonds and finance lease liabilities**

	1/1/2020	Movements during the year				31/12/2020
	Carrying amount/ Amount within repayment capacity VND	Increase from business combination VND	Additions VND	Repayments VND	Reclassifications VND	Carrying amount/ Amount within repayment capacity VND
Short-term borrowings	1,334,291,823,097	58,451,771,063	9,163,800,150,628	(7,793,652,904,602)	-	2,762,890,840,186
Current portion of long-term borrowings	448,466,355,342	-	514,427,078,794	(465,312,428,378)	-	497,581,005,758
Bonds maturing within 12 months	-	-	1,986,509,803,914	-	-	1,986,509,803,914
Finance lease principals due within 12 months	-	11,752,147,932	-	(894,410,556)	(5,145,186,510)	5,712,550,866
	1,782,758,178,439	70,203,918,995	11,664,737,033,336	(8,259,859,743,536)	(5,145,186,510)	5,252,694,200,724

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

	Currency	Annual interest rate	31/12/2020 VND	1/1/2020 VND
Secured bank loans	VND	6.3% - 6.8%	49,776,484,675	-
Unsecured bank loans	VND	2.3% - 6.4%	2,313,114,355,511	1,334,291,823,097
Unsecured loan from Masan Horizon Company Limited – a related party	VND	6.5%	400,000,000,000	-
			2,762,890,840,186	1,334,291,823,097

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

The secured bank loan is secured by the following assets:

	Carrying value	
	31/12/2020	1/1/2020
	VND	VND
▪ Tangible fixed assets (Note 13)	2,439,619,793	-
▪ Intangible fixed assets (Note 15)	12,487,500,000	-
▪ Chicken breeders (Note 17)	10,411,242,874	-

The unsecured bank loans of subsidiaries with carrying value of VND561,650 million is guaranteed by the Company.

**(b) Long-term borrowings and bonds**

	31/12/2020	1/1/2020
	VND	VND
Long-term borrowings (i)	2,080,290,896,158	1,638,720,863,841
Straight bonds (ii)	1,986,509,803,914	1,982,998,039,209
Finance lease liabilities (iii)	10,931,224,876	-
	4,077,731,924,948	3,621,718,903,050
Repayable within 12 months	(2,489,803,360,538)	(448,466,355,342)
Repayable after 12 months	1,587,928,564,410	3,173,252,547,708

**(i) Long-term borrowings**

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

	Currency	Annual interest rate	Year of maturity	31/12/2020	1/1/2020
				VND	VND
<b>Secured bank loans</b>					
Bank loan 1	VND	8.4% - 9.6%	2023	732,000,000,000	1,000,000,000,000
Bank loan 2	VND	10.8%	2023	527,807,022,513	563,760,348,133
Bank loan 3	VND	7.6% - 8%	2026	788,318,632,486	-
Bank loan 4	VND	10.8%	2023	4,465,246,159	-
Bank loan 5	VND	3.8%	2023	27,699,995,000	-
Bank loan 6	VND	7.8% - 8.6%	2021	-	74,960,515,708
				2,080,290,896,158	1,638,720,863,841



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

The bank loan 1 is secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
▪ Tangible fixed assets (Note 13)	1,550,515,159,475	1,534,966,636,445
▪ Construction in progress (Note 16)	55,859,969,508	2,592,204,271
▪ Swine breeders (Note 17)	54,331,604,049	67,585,772,456
▪ Prepaid land costs (Note 17)	55,717,838,560	55,690,275,866

The bank loan 2 is secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
▪ Tangible fixed assets (Note 13)	1,009,936,668,293	977,729,994,560
▪ Construction in progress (Note 16)	23,785,309,575	73,136,695,417
▪ Prepaid land costs (Note 17)	72,367,032,919	73,954,609,508

The bank loan 3 is secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
▪ Cash and cash equivalents (Note 4)	3,000,000,000	-
▪ Tangible fixed assets (Note 13)	1,002,328,778,791	-
▪ Intangible fixed assets (Note 15)	268,737,188	-
▪ Construction in progress (Note 16)	11,082,326,866	-
▪ Prepaid land costs (Note 17)	362,763,523,475	-

The bank loan 4 is secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
▪ Tangible fixed assets (Note 13)	54,221,261,588	-

The bank loan 5 is secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
▪ Tangible fixed assets (Note 13)	27,096,626,556	-
▪ Prepaid land costs (Note 17)	6,274,809,391	-

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(ii) Straight bonds**

The carrying amount of the bonds comprised of:

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Straight bonds	2,000,000,000,000	2,000,000,000,000
Unamortised bond issuance costs	(13,490,196,086)	(17,001,960,791)
	<hr/> 1,986,509,803,914	<hr/> 1,982,998,039,209 <hr/>

The secured bonds of the Group as at 31 December 2020 comprised the followings:

- The bonds amounting to VND1,300 billion (1/1/2020: VND1,300 billion), excluded issuance costs, have a maturity term of 5 years (2021) and bear annual interest rate of 7.0% in the first year and 1.5% plus the amalgamated average 12 months deposit rates of selected banks in the remaining years. The bonds were secured by 10.53% contributed capital of MNS Feed (1/1/2020: 17.1 million shares of ANCO and 24.64% contributed capital of MNS Feed); and
- The bonds amounting to VND700 billion (1/1/2020: VND700 billion), excluded issuance costs, have a maturity term of 5 years (2021) and bear annual interest rate of 8.0% in the first year and 3.0% per annum plus the amalgamated average 12 months deposit rates of selected banks in the remaining years. The bonds were secured by 14.4 million shares of Proconco (1/1/2020: 14.4 million shares).

Movements of bonds issuance costs during the year were as follows:

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Opening balance	17,001,960,791	20,513,725,496
Additions	16,900,000,000	16,900,000,000
Amortisation during the year	(20,411,764,705)	(20,411,764,705)
Closing balance	<hr/> 13,490,196,086	<hr/> 17,001,960,791 <hr/>

As at 31 December 2020, a related party of the Group held VND70,779 million (1/1/2020: VND177,647 million) of the issued bonds.



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(iii) Finance lease liabilities**

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

	<b>Payments VND</b>	<b>31/12/2020 Interest VND</b>	<b>Principal VND</b>
Within 1 year	6,354,915,967	642,365,101	5,712,550,866
Within 2 to 5 years	5,441,615,159	222,941,149	5,218,674,010
	<b>11,796,531,126</b>	<b>865,306,250</b>	<b>10,931,224,876</b>

**25. Bonus and welfare funds**

This fund is established by appropriating from undistributed profits after tax as approved by the Board of Directors of the Company or its subsidiaries. This fund is used to pay bonus and welfare to the employees of the Group's entities in accordance with the Group's bonus and welfare policies.

There were no movements of bonus and welfare funds during the year.

**26. Long-term provisions**

	<b>31/12/2020 VND</b>	<b>1/1/2020 VND</b>
Severance allowance	27,951,319,000	30,004,889,083
Site restoration	6,199,404,404	-
	<b>34,150,723,404</b>	<b>30,004,889,083</b>

Movements of provisions for long-term provision during the year were as follows:

	<b>Severance allowance VND</b>	<b>Site restoration VND</b>	<b>Total VND</b>
Opening balance	30,004,889,083	-	30,004,889,083
Provision made during the year	1,076,443,042	6,199,404,404	7,275,847,446
Provision utilised during the year	(3,130,013,125)	-	(3,130,013,125)
Closing balance	<b>27,951,319,000</b>	<b>6,199,404,404</b>	<b>34,150,723,404</b>

**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)**

**Form B 09 – DN/HN**  
(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

**27. Changes in owners' equity**

	Share capital VND	Share premium VND	Other capital VND	Undistributed profits after tax VND	Non-controlling interests VND	Total VND
<b>Balance as at 1 January 2019</b>	2,162,182,990,000	3,200,196,495,149	(175,543,000,000)	24,671,734,409	1,969,503,401,826	7,181,011,621,384
Shares issuance from share premium	1,081,091,480,000	(1,081,091,480,000)	-	-	-	-
Net profit for the year	-	-	-	115,347,906,992	254,367,042,059	369,714,949,051
Dividends declared by subsidiaries	-	-	-	-	(27,530,627,600)	(27,530,627,600)
<b>Balance as at 1 January 2020</b>	3,243,274,470,000	2,119,105,015,149	(175,543,000,000)	140,019,641,401	2,196,339,816,285	7,523,195,942,835
Shares issuance under employee stock ownership plans	23,874,000,000	(50,000,000)	-	-	-	23,824,000,000
Capital contribution by non-controlling interests	-	-	-	-	10,000,000	10,000,000
Net profit for the year	-	-	-	263,341,336,611	228,860,945,453	492,202,282,064
Dividend declared by subsidiaries	-	-	-	-	(27,530,627,600)	(27,530,627,600)
Business combination (Note 5)	-	-	-	-	451,512,553,661	451,512,553,661
<b>Balance as at 31 December 2020</b>	3,267,148,470,000	2,119,055,015,149	(175,543,000,000)	403,360,978,012	2,849,192,687,799	8,463,214,150,960



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

## 28. Share capital

The Company's authorised and issued share capital are as follows:

	31/12/2020		1/1/2020	
	Number of shares	VND	Number of shares	VND
<b>Authorised share capital</b>	326,714,847	3,267,148,470,000	324,327,447	3,243,274,470,000
<b>Issued share capital</b>				
Ordinary shares	326,714,847	3,267,148,470,000	324,327,447	3,243,274,470,000
<b>Shares in circulation</b>				
Ordinary shares	326,714,847	3,267,148,470,000	324,327,447	3,243,274,470,000

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.

Movements of share capital during the year were as follows:

	2020		2019	
	Number of shares	VND	Number of shares	VND
Balance at beginning of the year	324,327,447	3,243,274,470,000	216,218,299	2,162,182,990,000
Shares issuance under employee stock ownership plans	2,387,400	23,874,000,000	-	-
Shares issuance from share premium	-	-	108,109,148	1,081,091,480,000
Balance at the end of the year	326,714,847	3,267,148,470,000	324,327,447	3,243,274,470,000

## 29. Other capital

In 2016, ANCO, a subsidiary of the Company, granted a call option to an investor to buy 5% of ANCO's equity interest on a fully diluted basis at par value, which can be exercised within 10 years from January 2016. In February 2016, this option was acquired by the Company as part of the Company's overall restructuring and efforts to increase its equity interest in its subsidiaries, particularly ANCO and Proconco. The Group recorded this equity transaction in other capital.

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

### 30. Employee stock ownership plans

The Group has employee stock ownership plans (“ESOP”) 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 October 2020, the Company issued 2,387,400 shares to employees at par for cash.

### 31. Off balance sheet items

#### (a) Leases

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

	31/12/2020 VND	1/1/2020 VND
Within 1 year	163,945,911,460	104,562,891,454
Within 2 to 5 years	476,301,666,571	368,201,771,146
More than 5 years	940,826,070,753	844,655,381,218
	1,581,073,648,784	1,317,420,043,818

#### (b) Foreign currency

	31/12/2020		1/1/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	464,813	10,690,166,020	280,136	6,473,386,904

#### (c) Capital expenditure commitments

The Group had the following outstanding capital commitments approved but not provided for in the consolidated balance sheets:

	31/12/2020 VND	1/1/2020 VND
Approved but not contracted	137,592,200,578	418,187,747,223
Approved and contracted	150,578,701,716	608,810,652,838
	288,170,902,294	1,026,998,400,061



**Masan MEATLife Corporation and its subsidiaries****Notes to the consolidated financial statements for the year ended 31 December 2020  
(continued)****Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)***32. Revenue from sales of goods**

Total revenue represented the gross value of goods sold exclusive of value added tax.

Net revenue comprised of:

	<b>2020 VND</b>	<b>2019 VND</b>
Total revenue		
▪ Finished goods sold and others	17,038,062,202,090	14,574,901,245,099
Less revenue deductions		
▪ Sales discounts	916,909,321,924	773,962,404,405
▪ Sales returns	2,147,397,235	2,149,156,464
▪ Sales allowances	-	38,397,558
	919,056,719,159	776,149,958,427
Net revenue	16,119,005,482,931	13,798,751,286,672

**33. Cost of sales**

	<b>2020 VND</b>	<b>2019 VND</b>
Total cost of sales		
▪ Finished goods sold and others	13,387,705,086,621	11,517,606,546,669
▪ Allowance for inventories	6,673,711,930	15,541,664,981
	13,394,378,798,551	11,533,148,211,650

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**34. Financial income**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Interest income from		
▪ Deposits at banks	34,897,156,723	66,595,478,990
▪ Loans receivable	64,877,446,576	-
Realised foreign exchange gains	9,506,915,841	6,684,466,647
Unrealised foreign exchange gains arising from revaluation of monetary items denominated in foreign currencies	105,943,619	28,677,392
Dividends income from equity investments in other entities	-	3,246,900,000
Others	-	57,439,634
	109,387,462,759	76,612,962,663

**35. Financial expenses**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Interest expense on loans from:		
▪ Banks and a third party	244,813,177,392	106,109,734,434
▪ Bondholders	174,186,108,960	178,867,866,180
▪ Related parties	4,755,506,850	-
Bond issuance costs	20,411,764,705	20,411,764,705
Loss on transfer investments in an associate to investments in other entity	3,870,243,813	-
Realised foreign exchange losses	2,702,661,713	3,195,090,439
Unrealised foreign exchange losses arising from revaluation of monetary items denominated in foreign currencies	1,182,683,478	835,599,643
Allowance for diminution in the value of long-term financial investments	(2,813,980,000)	-
Others	58,916,686,374	54,746,802,101
	508,024,853,285	364,166,857,502



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**36. Selling expenses**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Staff costs	327,157,356,198	280,166,909,297
Advertising and promotion expenses	215,920,335,136	134,149,385,468
Transportation expenses	173,747,503,368	101,887,715,617
Operating leases expenses	34,949,626,320	17,018,964,660
Depreciation and amortisation	18,493,398,203	15,092,811,601
Tools and supplies	20,581,719,203	7,192,946,732
Others	141,698,818,664	125,196,333,725
	932,548,757,092	680,705,067,100

**37. General and administration expenses**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Amortisation of fair value uplift of fixed assets and goodwill arising in business combination	271,618,656,261	356,665,918,097
Staff costs	236,873,820,122	222,682,866,323
Operating leases expenses	22,669,767,526	17,184,735,840
Depreciation and amortisation	44,493,599,612	39,704,191,717
Office supplies	15,265,781,733	11,571,235,183
Allowance for doubtful debts	(13,623,314,816)	5,535,416,089
Others	141,810,920,010	144,003,832,021
	719,109,230,448	797,348,195,270

**38. Other income**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Gains from disposals of fixed assets	2,042,046,588	1,830,413,450
Gains from transfers of land use rights	-	81,264,692,532
Others	16,708,802,282	10,521,656,299
	18,750,848,870	93,616,762,281



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**39. Other expenses**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Depreciation charge of idle fixed assets	16,234,413,515	4,170,246,541
Losses from disposals of fixed assets and written off of construction in progress	823,995,054	5,839,152,262
Brokerage and consulting fees	253,147,638	7,156,797,417
Penalty due to contracts cancellation	-	13,938,212,527
Others	5,442,489,434	4,269,185,394
	<hr/> 22,754,045,641 <hr/>	<hr/> 35,373,594,141 <hr/>

**40. Income tax**

**(a) Recognised in the consolidated statement of income**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
<b>Current tax expense</b>		
Current year	216,662,179,878	236,635,000,681
Over provision in prior years	(996,583,195)	(899,428,004)
	<hr/> 215,665,596,683 <hr/>	<hr/> 235,735,572,677 <hr/>
<b>Deferred tax benefit</b>		
Origination and reversal of temporary differences	(29,733,844,502)	(39,207,309,145)
Written off of deferred tax assets	2,208,872,370	1,686,457,231
	<hr/> (27,524,972,132) <hr/>	<hr/> (37,520,851,914) <hr/>
Income tax expense	<hr/> 188,140,624,551 <hr/>	<hr/> 198,214,720,763 <hr/>



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

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

	2020 VND	2019 VND
Accounting profit before tax	680,342,906,615	567,929,669,814
Tax at the Company's tax rate	136,068,581,323	113,585,933,963
Effects of different tax rates applied to subsidiaries	(100,258,085,089)	(10,163,162,777)
Non-deductible expenses	8,666,726,955	41,735,442,016
Unrecognised deferred tax assets	146,973,706,556	55,710,179,973
Deferred tax assets written off	2,208,872,370	1,686,457,231
Effect of share of profits from associates	(2,002,959,414)	(1,938,116,772)
Tax losses utilised	(2,519,634,955)	(853,204,867)
Tax exempt income	-	(649,380,000)
Over provision in prior years	(996,583,195)	(899,428,004)
	188,140,624,551	198,214,720,763

Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group's entities can utilise the benefits therefrom.

**(c) Applicable tax rates**

Under the prevailing corporate income tax laws, the Company has an obligation to pay corporate income tax to the government at usual income tax rate of 20% of taxable profits.

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

**(d) Tax contingencies**

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



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**41. Basic earnings per share**

The calculation of basic earnings per share for the year ended 31 December 2020 was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds for the annual accounting period, of VND263,341 million (2019: VND115,348 million) and a weighted average number of ordinary shares outstanding of 324,927,558 shares during the year (2019: 324,327,447 shares), calculated as follows:

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

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Net profit attributable to ordinary shareholders	263,341,336,611	115,347,906,992

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

	<b>2020</b>	<b>2019</b>
Issued ordinary shares at the beginning of the year	324,327,447	216,218,299
Effect of shares issued from share premium	-	108,109,148
Effect of shares issued under employee stock ownership plans	600,111	-
Weighted average number of ordinary shares	324,927,558	324,327,447

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**42. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to the consolidated financial statements, the Group had the following significant transactions with related parties during the year:

	<b>Transaction value</b>	
	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
<i><b>Parent company</b></i>		
<b>Masan Group Corporation</b>		
Sales of goods	7,010,466,380	672,454,465
Loan received	1,000,000,000,000	-
Loan repaid	1,000,000,000,000	-
Interest expense	1,478,794,521	-
Loan provided	150,000,000,000	-
Interest income	2,323,972,603	-
<i><b>Associates</b></i>		
<b>Abattoir Long Binh Joint Stock Company</b>		
Processing fees	6,571,889,688	6,065,137,272
Dividends income	500,000,000	500,000,000
<b>Thuan Phat Packing Joint Stock Company</b>		
Purchases of goods	32,558,232,252	24,103,186,749
<b>Vissan Joint Stock Company</b>		
Dividends income	10,090,013,000	10,090,013,000
<i><b>Other related parties</b></i>		
<b>Masan Consumer Corporation</b>		
Management fee	46,647,750,731	42,915,067,735
Sales of goods	17,407,182,031	6,509,335
Purchases of goods	2,082,839,974	539,310,665
<b>Masan Jinju Joint Stock company</b>		
Sales of goods	33,195,468,475	724,577,512
Purchases of fixed assets	7,542,750,000	3,624,510,255
Purchases of goods	79,294,215	3,433,150
<b>Masan HD One Member Company Limited</b>		
Sales of goods	3,397,026,758	-
Purchases of services	6,046,100	239,896,666
<b>Masan Industrial One Member Company Limited</b>		
Sales of goods	10,654,065,847	52,453,025
Purchases of goods	1,042,367,970	132,946,280
Purchases of fixed assets	-	39,450,000



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
**(continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	<b>Transaction value</b>	
	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
<b>Masan HG One Member Company Limited</b>		
Sales of fixed assets	-	108,194,443
<b>Masan Blue Corporation</b>		
Sales of goods	193,396,704	94,713,551
<b>Masan Horizon Company Limited</b>		
Loan received	400,000,000,000	-
Interest expense	3,276,712,329	-
<b>NET Detergent Joint Stock Company</b>		
Purchases of goods	187,858,491	-
<b>Masan Brewery Distribution Company Limited</b>		
Purchases of goods	5,202,000	-
<b>Nui Phao Mining Company Limited</b>		
Sales of goods	3,636,364	-
<b>VinCommerce General Commercial Services Joint Stock Company</b>		
Purchases of goods	1,593,060,811	-
Sales of goods	530,491,166,219	-
<b>Masan MB One Member Company Limited</b>		
Purchases of goods	-	337,735,333
<b>Key management personnel</b>		
Remuneration to key management personnel (*)	38,131,029,571	43,418,278,587

As at and for the year ended 31 December 2020 and 2019, the Company and its subsidiaries have current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank, a related party at normal trading terms.

- (\*) No board fees were paid to the Board of Directors' members of the Company for the years ended 31 December 2020 and 2019.



**Masan MEATLife Corporation and its subsidiaries****Notes to the consolidated financial statements for the year ended 31 December 2020**  
(continued)**Form B 09 – DN/HN***(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

Included in the remuneration to key management personnel, the actual board fees, salary and bonus for each member of the Company's Board of Directors and the Company's Chief Executive Officer during the year ended 31 December 2020 was as follows:

Name	Position	2020 VND
<b>Board of Directors</b>		
Mr Danny Le	Chairman	-
Mr Pham Trung Lam	Member	-
Mr Tran Phuong Bac	Member	-
Mr Neal Leroux Kok	Member	-
<b>Chief Executive Officer</b>		
Mr Pham Trung Lam		5,983,476,000

**43. Non-cash investing and financing activities**

	31/12/2020 VND	1/1/2020 VND
Cost of fixed assets and construction in progress acquired through occurrence of liabilities	223,489,926,168	336,937,952,785
Share issuance cost yet to be paid	50,000,000	-
Share issuance from share premium	-	1,081,091,480,000

**44. Comparative information**

Comparative information as at 1 January 2020 was derived from the balances and amounts reported in the Group's consolidated financial statements as at and for the year ended 31 December 2019.

3 March 2021

Prepared by:



Tran Quang Be  
Chief Accountant

Approved by:



Nguyen Thi Minh Hang  
Chief Financial Officer



Pham Trung Lam  
Chief Executive Officer