



Masan Consumer Corporation
Separate Financial Statements
for the year ended 31 December 2020



Masan Consumer Corporation Corporate Information

Enterprise Registration Certificate No.

0302017440

31 May 2000

The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 26 October 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

Chairman
(from 30 June 2020)

Member
(until 30 June 2020)

Mr Truong Cong Thang

Chairman
(until 30 June 2020)

Member
(from 30 June 2020)

Dr Nguyen Dang Quang
Ms Nguyen Hoang Yen
Mr Nguyen Thieu Quang

Member

Member

Member

Board of Management

Mr Truong Cong Thang
Ms Nguyen Hoang Yen
Mr Pham Hong Son
Mr Nguyen Anh Nguyen

Chief Executive Officer
Deputy Chief Executive Officer
Deputy Chief Executive Officer
Deputy Chief Executive Officer
(until 12 April 2020)

Registered Office

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

Auditor

KPMG Limited
Vietnam

Masan Consumer Corporation
Statement of the Board of Management

The Board of Management of Masan Consumer Corporation (“the Company”) presents this statement and the accompanying separate financial statements of the Company for the year ended 31 December 2020.

The Company’s Board of Management is responsible for the preparation and fair presentation of the separate 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 separate financial statements set out on pages 5 to 46 give a true and fair view of the separate financial position of the Company as at 31 December 2020, and of its separate results of operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company 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 separate financial statements for issue.



On behalf of the Board of Management

Nguyen Hoang Yen
Authorised Representative

Ho Chi Minh City, 3 March 2021



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

INDEPENDENT AUDITOR'S REPORT

To the Shareholders Masan Consumer Corporation

We have audited the accompanying separate financial statements of Masan Consumer Corporation ("the Company"), which comprise the separate balance sheet as at 31 December 2020, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 3 March 2021, as set out on pages 5 to 46.

Management's Responsibility

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

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of Masan Consumer Corporation as at 31 December 2020 and of its separate results of operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.



KPMG Limited's Branch in Ho Chi Minh City
Vietnam
Audit Report No.: 20-01-00251-21-1

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

Nguyen Ho Khanh Tan
Practicing Auditor Registration
Certificate No. 3458-2020-007-1

Ho Chi Minh City, 3 March 2021

Masan Consumer Corporation
Separate balance sheet as at 31 December 2020

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		6,505,485,604,071	5,308,882,755,413
Cash and cash equivalents	110	4	2,947,154,597,143	1,409,367,132,962
Cash	111		8,154,597,143	14,967,132,962
Cash equivalents	112		2,939,000,000,000	1,394,400,000,000
Short-term financial investments	120		10,000,000,000	150,604,109,559
Trading securities	121	5(a)	-	150,604,109,559
Held-to-maturity investments	123	5(b)	10,000,000,000	-
Accounts receivable – short-term	130		3,058,316,412,757	3,357,440,669,322
Accounts receivable from customers	131	6	313,830,715,055	310,423,899,804
Prepayments to suppliers	132		24,859,787,346	11,297,745,747
Short-term loans receivable	135	7(a)	84,500,000,000	1,200,000,000,000
Other short-term receivables	136	8(a)	2,635,125,910,356	1,835,719,023,771
Inventories	140	9	481,655,967,649	383,016,961,802
Inventories	141		500,540,316,455	395,247,821,242
Allowance for inventories	149		(18,884,348,806)	(12,230,859,440)
Other current assets	150		8,358,626,522	8,453,881,768
Short-term prepaid expenses	151		8,358,626,522	8,453,881,768

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

Masan Consumer Corporation
Separate balance sheet as at 31 December 2020 (continued)

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		17,230,323,169,712	16,585,385,718,276
Accounts receivable – long-term	210		8,702,374,554,542	8,882,257,469,321
Long-term loans receivable	215	7(b)	6,927,734,374,092	7,655,716,876,592
Other long-term receivables	216	8(b)	1,774,640,180,450	1,226,540,592,729
Fixed assets	220		97,714,378,016	143,312,835,605
Tangible fixed assets	221	10	9,704,194,184	22,357,447,117
<i>Cost</i>	222		86,654,805,385	87,426,926,948
<i>Accumulated depreciation</i>	223		(76,950,611,201)	(65,069,479,831)
Intangible fixed assets	227	11	88,010,183,832	120,955,388,488
<i>Cost</i>	228		279,311,481,116	278,488,281,116
<i>Accumulated amortisation</i>	229		(191,301,297,284)	(157,532,892,628)
Long-term work in progress	240		11,489,721,019	-
Construction in progress	242	12	11,489,721,019	-
Long-term financial investments	250		8,222,671,509,348	7,429,671,509,348
Investments in subsidiaries	251	5(c)	8,222,671,509,348	7,429,671,509,348
Other long-term assets	260		196,073,006,787	130,143,904,002
Long-term prepaid expenses	261	13	4,831,752,760	3,258,628,454
Deferred tax assets	262	14	191,241,254,027	126,885,275,548
TOTAL ASSETS (270 = 100 + 200)	270		23,735,808,773,783	21,894,268,473,689

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

Masan Consumer Corporation
Separate balance sheet as at 31 December 2020 (continued)

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

	Code	Note	31/12/2020 VND	1/1/2020 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		8,359,179,703,796	8,071,672,446,359
Current liabilities	310		8,334,673,044,860	8,048,323,180,639
Accounts payable to suppliers	311	15	2,159,141,349,925	3,106,605,047,439
Advances from customers	312		26,571,898,080	40,813,457,144
Taxes payable to State Treasury	313	16	214,022,786,367	87,503,609,584
Payables to employees	314		-	6,994,718
Accrued expenses	315	17	1,182,013,933,038	758,974,279,727
Other short-term payables	319	18(a)	11,550,745,860	10,219,792,027
Short-term borrowings	320	19	4,741,372,331,590	4,044,200,000,000
Long-term liabilities	330		24,506,658,936	23,349,265,720
Other long-term payables	337	18(b)	24,506,658,936	23,349,265,720
EQUITY (400 = 410)	400		15,376,629,069,987	13,822,596,027,330
Owners' equity	410	20	15,376,629,069,987	13,822,596,027,330
Share capital	411	21	7,267,938,180,000	7,229,246,040,000
- Ordinary shares with voting rights	411a		7,267,938,180,000	7,229,246,040,000
Share premium	412	21	3,710,767,704,992	3,555,999,144,992
Treasury shares	415	21	(1,640,252,631,255)	(1,640,252,631,255)
Undistributed profits after tax	421		6,038,175,816,250	4,677,603,473,593
- Undistributed profits after tax brought forward	421a		1,505,442,755,593	684,760,794,910
- Undistributed profit after tax for the current year/prior year	421b		4,532,733,060,657	3,992,842,678,683
TOTAL RESOURCES (440 = 300 + 400)	440		23,735,808,773,783	21,894,268,473,689

3 March 2021

Prepared by:



Phan Thi Thuy Hoa
Chief Accountant

Approved by:




Huynh Viet Thang
Chief Financial Officer

Nguyen Hoang Yen
Authorised Representative

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

Masan Consumer Corporation
Separate statement of income for the year ended 31 December 2020

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

	Code	Note	2020 VND	2019 VND
Revenue from sale of goods	01	24	23,407,911,657,241	19,656,939,440,911
Revenue deductions	02	24	645,997,002,306	631,564,792,092
Net revenue (10 = 01 - 02)	10	24	22,761,914,654,935	19,025,374,648,819
Cost of sales	11	25	18,003,887,524,396	15,642,717,371,798
Gross profit (20 = 10 - 11)	20		4,758,027,130,539	3,382,657,277,021
Financial income	21	26	4,456,626,688,812	4,216,302,657,798
Financial expenses	22	27	222,538,031,695	160,230,334,047
<i>In which: Interest expense</i>	23		208,683,534,044	159,192,751,248
Selling expenses	25	28	3,838,226,339,163	2,956,303,265,234
General and administration expenses	26	29	445,659,633,735	405,785,128,882
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		4,708,229,814,758	4,076,641,206,656
Other income	31		889,496,460	1,206,440,807
Other expenses	32		935,584,588	80,428,078
Results of other activities (40 = 31 - 32)	40		(46,088,128)	1,126,012,729
Accounting profit before tax (50 = 30 + 40)	50		4,708,183,726,630	4,077,767,219,385
Income tax expense – current	51	31	239,806,644,452	40,963,400,747
Income tax (benefit)/expense – deferred	52	31	(64,355,978,479)	43,961,139,955
Net profit after tax (60 = 50 - 51 - 52)	60		4,532,733,060,657	3,992,842,678,683

3 March 2021

Prepared by:



Phan Thi Thuy Hoa
Chief Accountant

Approved by:



Huynh Viet Thang
Chief Financial Officer



Nguyen Hoang Yen
Authorized Representative

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

Masan Consumer Corporation
Separate statement of cash flows for the year ended 31 December 2020
(Indirect method)

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

	Code	2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	4,708,183,726,630	4,077,767,219,385
Adjustments for			
Depreciation and amortisation	02	46,941,586,008	46,848,372,670
Allowances and provisions	03	37,439,596,114	20,599,519,529
Exchange loss/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	461,314,855	(45,354,374)
Gains on disposals of fixed assets and construction in progress	05	(194,519,329)	-
Interest income, distributed profits and related income from investing activities	05	(4,449,065,826,631)	(4,214,743,202,071)
Interest expense	06	208,683,534,044	159,192,751,248
Operating profit before changes in working capital	08	552,449,411,691	89,619,306,387
Change in receivables and other assets	09	(13,252,332,395)	(78,510,896,309)
Change in inventories	10	(136,078,601,961)	13,102,363,630
Change in payables and other liabilities	11	(512,250,710,902)	286,146,728,672
Change in prepaid expenses	12	(1,477,869,060)	(135,967,956)
Change in trading securities	13	150,604,109,559	(150,604,109,559)
		39,994,006,932	159,617,424,865
Interest paid	14	(211,194,930,707)	(153,031,051,851)
Corporate income tax paid	15	(135,672,035,496)	(47,625,173,264)
Net cash flows from operating activities	20	(306,872,959,271)	(41,038,800,250)

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

Masan Consumer Corporation
Separate statement of cash flows for the year ended 31 December 2020
(Indirect method – continued)

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

	Code	2020 VND	2019 VND
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(13,438,092,519)	(1,062,372,727)
Proceeds from disposals of fixed assets and construction in progress	22	554,090,910	-
Payments for granting loans	23	(1,406,500,000,000)	(2,038,000,000,000)
Payments for other investments	23	(430,000,000,000)	-
Placements of term deposits to banks	23	(10,000,000,000)	-
Receipts from collecting loans	24	247,000,000,000	150,000,000,000
Withdrawals of other investments	24	150,000,000,000	-
Payments for investments in subsidiaries	25	(793,000,000,000)	(918,900,000,000)
Receipts of interest and distributed profits	27	3,378,079,881,454	4,298,164,709,075
Net cash flows from investing activities	30	1,122,695,879,845	1,490,202,336,348
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share capital issued	31	193,460,700,000	213,452,750,000
Proceeds from borrowings from banks	33	16,814,140,140,544	11,730,891,113,249
Payments to settle loan principals to banks	34	(16,117,325,145,989)	(10,060,797,111,678)
Payments of dividends	36	(168,210,345,900)	(2,745,473,534,300)
Net cash flows from financing activities	40	722,065,348,655	(861,926,782,729)
Net cash flows during the year (50 = 20 + 30 + 40)	50	1,537,888,269,229	587,236,753,369
Cash and cash equivalents at the beginning of the year	60	1,409,367,132,962	822,064,867,520
Effect of exchange rate fluctuations on cash and cash equivalents	61	(100,805,048)	65,512,073
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)	70	2,947,154,597,143	1,409,367,132,962

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

Masan Consumer Corporation
Separate statement of cash flows for the year ended 31 December 2020
(Indirect method – continued)

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

NON-CASH INVESTING AND FINANCING ACTIVITIES

	2020	2019
	VND	VND
Loans collection by netting off with dividends payable	3,002,982,502,500	-
	3,002,982,502,500	-

3 March 2021

Prepared by:

 Phan Thi Thuy Hoa
 Chief Accountant

Approved by:

 Huynh Viet Thang
 Chief Financial Officer

Approved by:

 Nguyen Hoang Yen
 Authorised Representative



Masan Consumer Corporation

Notes to the separate financial statements for the year ended 31 December 2020

Form B 09 – DN

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

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

1. Reporting entity

(a) Ownership structure

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

(b) Principal activities

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

(c) Normal operating cycle

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

(d) The Company’s headcount

As at 31 December 2020, the Company had 1,220 employees (1/1/2020: 1,238 employees).

2. Basis of preparation

(a) Statement of compliance

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

The Company prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the consolidated financial position as at 31 December 2020 of the Company and its subsidiaries (collectively referred to as “the Group”), their consolidated results of operations and their consolidated cash flows for the year then ended, these separate financial statements should be read in conjunction with the consolidated financial statements of the Group as at 31 December 2020 and for the year then ended.

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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

(b) Cash and cash equivalents

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

(c) Investments

(i) Trading securities

Trading securities are bonds held by the Company for trading purpose i.e. purchased for resale with the aim of making profits over a short period of time. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less interest income for the period before investment acquisition date and allowance for diminution in value. An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(ii) Held-to-maturity investments

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

(iii) Investments in subsidiaries

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

(d) Accounts receivable

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

(e) 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 Company applies the perpetual method of accounting for inventories.

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

(f) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

▪ leasehold improvements	3 – 5 years
▪ office equipment	3 – 8 years
▪ machinery and equipment	3 – 7 years
▪ motor vehicles	3 – 7 years

(g) Intangible fixed assets

(i) 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 their estimated useful lives ranging from 4 years to 10 years.

(ii) Brand name

Cost of acquiring a brand name is capitalised and treated as an intangible fixed asset and is amortised on a straight-line basis over 10 years.

(h) Construction in progress

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

(i) Long-term prepaid expenses

Tools and supplies

Tools and supplies include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Costs of those assets are amortised on a straight-line basis over a period ranging from 2 years to 3 years.

(j) Accounts payable to suppliers and other payables

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

(k) Provisions

A provision is recognised if, as a result of a past event, the Company 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.

(l) Equity

(i) Share capital and share premium

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

(ii) Treasury shares

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

(m) Taxation

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

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

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

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

(n) Revenue

Sale of goods

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

(o) Financial income and financial expenses

(i) *Financial income*

Financial income mainly comprises interest income from deposits at banks, interest income from loans receivable and other investing activities, profits distributed by subsidiaries and foreign exchange gains.

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

Profits distributed by subsidiaries are recognised when the right to receive profits distributed by subsidiaries is established. Distributed profits which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

(ii) Financial expenses

Financial expenses mainly comprise interest expense on borrowings and foreign exchange losses.

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

(p) Operating lease payments

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

(q) Related parties

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

(r) Comparative information

Comparative information in these separate financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year separate financial statements and is 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 separate financial statements is not intended to present the Company's separate financial position, separate results of operations or separate cash flows for the prior year.

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

4. Cash and cash equivalents

	31/12/2020	1/1/2020
	VND	VND
Cash on hand	136,266,830	223,439,876
Cash at banks	8,018,330,313	14,743,693,086
Cash equivalents	2,939,000,000,000	1,394,400,000,000
Cash and cash equivalents in the separate statement of cash flows	<u>2,947,154,597,143</u>	<u>1,409,367,132,962</u>

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020 (continued)

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

5. Investments

(a) Trading securities

	31/12/2020				1/1/2020			
	Quantity	Cost VND	Fair value VND	Allowance for diminution in value VND	Quantity	Cost VND	Fair value VND	Allowance for diminution in value VND
Bonds	-	-	-	-	15,000	150,604,109,559	(*)	-

(*) The Company has not determined the fair value of the trading securities for disclosure in the separate 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 value of the trading securities may differ from its carrying amounts.

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

	31/12/2020 VND	1/1/2020 VND
Term deposits at banks	10,000,000,000	-

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

(c) Investments in subsidiaries

	31/12/2020		1/1/2020	
	% of equity owned and voting rights	Cost VND	% of equity owned and voting rights	Cost VND
Investments in subsidiaries:				
▪ Masan Food Company Limited (i)	100%	3,234,900,009,348	100%	2,444,900,009,348
▪ Masan Beverage Company Limited (ii)	100%	4,315,000,000,000	100%	4,315,000,000,000
▪ Masan Consumer (Thailand) Limited (iii)	99.99%	64,771,500,000	99.99%	64,771,500,000
▪ Masan HPC Company Limited (iv)	100%	605,000,000,000	100%	605,000,000,000
▪ Masan Innovation Company Limited (v)	100%	3,000,000,000	-	-
		8,222,671,509,348		7,429,671,509,348

The Company has not determined the fair values of investments in subsidiaries for disclosure in the separate 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 investments in subsidiaries may differ from their carrying amounts.

There was no allowance for diminution in value of investments in subsidiaries of the Company in these separate financial statements for the years ended 31 December 2020 and 2019.

- (i) Masan Food Company Limited has 10 subsidiaries, which include (1) Masan Industrial One Member Company Limited (“MSI”), (2) Viet Tien Food Technology One Member Company Limited (“VTF”), (3) Masan PQ Corporation (“MPQ”), (4) Masan HD One Member Company Limited (“MHD”), (5) Masan MB One Member Company Limited (“MMB”), (6) Masan HG One Member Company Limited (“MHG”), (7) Masan JinJu Joint Stock Company (“MSJ”), (8) Nam Ngu Phu Quoc One Member Company Limited (“NPQ”), (9) Masan Long An Company Limited (“MLA”) and (10) Masan HN Company Limited (“HNF”). These subsidiaries, except for MLA and HNF, are manufacturing companies and sell their products to the Company who then distributes them to the market. MLA was established in 2019, HNF was established in 2020 and as at the date of issuance of these separate financial statements, these entities have not yet started their operations. Please see Note 32 for significant transactions between the Company and these subsidiaries.
- (ii) Masan Beverage Company Limited has 5 subsidiaries, which include (1) VinaCafé Bien Hoa Joint Stock Company (“VCF”), (2) Café De Nam Joint Stock Company (“CDN”), (3) Vinh Hao Mineral Water Corporation (“VHC”), (4) Kronfa., JSC (“KRP”) and (5) Quang Ninh Mineral Water Corporation (“QNW”). These subsidiaries are manufacturing companies and sell their products to the Company who then distributes them to the market. Please see Note 32 for significant transactions between the Company and these subsidiaries.

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

- (iii) Masan Consumer (Thailand) Limited (“MTH”) was established in 2016. MTH is the trading and distribution company and distributes the Company’s products in Thailand.
- (iv) Masan HPC Company Limited (“HPC”) has 1 subsidiary, Net Detergent Joint Stock Company (“NET”). NET is the home care products manufacturing company and distributes its products directly to the market and through the Company. Please see Note 32 for significant transactions between the Company and these subsidiaries.
- (v) Masan Innovation Company Limited (“INV”) has 1 subsidiary, Hi-Fresh Company Limited (“HIF”). HIF was established in 2020 and as at the date of issuance of these separate financial statements, HIF has started its operations. Please see Note 32 for significant transactions between the Company and these subsidiaries.

MTH is incorporated in Thailand. Other subsidiaries are incorporated in Vietnam.

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

	2020	2019
	VND	VND
Opening balance	7,429,671,509,348	6,510,771,509,348
Additions during the year	793,000,000,000	918,900,000,000
	<hr/>	<hr/>
Closing balance	8,222,671,509,348	7,429,671,509,348
	<hr/>	<hr/>

6. Accounts receivable from customers

	31/12/2020	1/1/2020
	VND	VND
Receivables from third parties	191,483,292,448	171,174,295,803
Receivables from related parties	122,347,422,607	139,249,604,001
	<hr/>	<hr/>
	313,830,715,055	310,423,899,804
	<hr/>	<hr/>

Please see Note 32 for detailed balances with the related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 30 to 180 days from invoice date.

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

7. Loans receivable

(a) Short-term loans receivable

	31/12/2020	1/1/2020
	VND	VND
Short-term loans receivable from a related party	84,500,000,000	-
Long-term loans receivable within 12 months	-	1,200,000,000,000
	84,500,000,000	1,200,000,000,000
	84,500,000,000	1,200,000,000,000

The short-term loans receivable from a related party were unsecured and earned annual interest at 6.5% as at 31 December 2020 (1/1/2020: Nil). These loans mature within 12 months from the drawdown dates. Interest is receivable on the maturity date of loan agreements.

(b) Long-term loans receivable

	31/12/2020	1/1/2020
	VND	VND
Long-term loans receivable from related parties	6,927,734,374,092	8,855,716,876,592
Receivable within 12 months	-	(1,200,000,000,000)
	6,927,734,374,092	7,655,716,876,592
	6,927,734,374,092	7,655,716,876,592

The long-term loans receivable were unsecured and earned interest at 6.5% per annum as at 31 December 2020 (1/1/2020: 6.5% per annum). These loans mature on 31 December 2022. Interest is receivable on the maturity date of loan agreements.

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

8. Other receivables

(a) Other short-term receivables

	31/12/2020	1/1/2020
	VND	VND
Non-trade amounts due from related parties:		
▪ Distributed profits receivable	2,317,204,977,769	1,795,989,914,373
▪ Accrued interest receivable (*)	9,832,184,934	24,041,096
▪ Other receivables (**)	2,123,755,382	7,974,881,347
Short-term deposits for other investing activities (***)	280,000,000,000	-
Accrued interest receivable from other investments (***)	9,224,657,536	-
Accrued interest receivable from deposits at banks	4,223,923,288	3,010,684,932
Short-term deposits	3,059,779,000	18,344,329,780
Others	9,456,632,447	10,375,172,243
	2,635,125,910,356	1,835,719,023,771

(b) Other long-term receivables

	31/12/2020	1/1/2020
	VND	VND
Accrued interest receivable from related parties (*)	1,747,095,378,919	1,217,570,536,868
Long-term deposits	27,544,801,531	8,970,055,861
	1,774,640,180,450	1,226,540,592,729

(*) These represented interest income receivable from loans provided to related parties. Please see Note 7 and Note 32 for further information.

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

(***) As at 31 December 2020, these balances represented the amounts deposited to a third party under business cooperation contracts. According to these contracts, the third party committed to the Company a minimum rate of return on the deposit amounts of 6.5% per annum (1/1/2020: Nil).

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

9. Inventories

	31/12/2020		1/1/2020	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	17,796,304,259	-	3,884,300,800	-
Raw materials	64,749,179,435	(761,110,672)	33,819,566,835	(678,394,538)
Tools and supplies	433,000	-	3,553,000	-
Finished goods	43,842,351,330	-	23,574,905,415	(361,405,062)
Merchandise inventories	374,152,048,431	(18,123,238,134)	333,965,495,192	(11,191,059,840)
	<u>500,540,316,455</u>	<u>(18,884,348,806)</u>	<u>395,247,821,242</u>	<u>(12,230,859,440)</u>

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

	2020 VND	2019 VND
Opening balance	12,230,859,440	4,022,158,351
Increase in allowance during the year	37,516,084,167	22,101,076,216
Allowance utilised during the year	(30,786,106,748)	(12,390,818,440)
Written back	(76,488,053)	(1,501,556,687)
Closing balance	<u>18,884,348,806</u>	<u>12,230,859,440</u>

Included in inventories as at 31 December 2020 was VND18,884 million (1/1/2020: VND12,231 million) of slow-moving inventories.

Masan Consumer Corporation

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

Form B 09 – DN

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

10. Tangible fixed assets

	Leasehold improvements VND	Office equipment VND	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost					
Opening balance	52,666,866,594	24,872,026,185	3,618,331,741	6,269,702,428	87,426,926,948
Additions during the year	-	61,000,000	168,500,000	-	229,500,000
Transfer from construction in progress	-	-	325,000,000	-	325,000,000
Disposals	-	(221,130,011)	(86,872,000)	(819,284,000)	(1,127,286,011)
Written off	-	(40,000,000)	(159,335,552)	-	(199,335,552)
Closing balance	52,666,866,594	24,671,896,174	3,865,624,189	5,450,418,428	86,654,805,385
Accumulated depreciation					
Opening balance	40,715,129,350	15,023,882,076	3,357,244,555	5,973,223,850	65,069,479,831
Charge for the year	10,451,709,071	2,458,968,235	131,608,442	130,895,604	13,173,181,352
Disposals	-	(221,130,011)	(79,133,903)	(792,450,516)	(1,092,714,430)
Written off	-	(40,000,000)	(159,335,552)	-	(199,335,552)
Closing balance	51,166,838,421	17,221,720,300	3,250,383,542	5,311,668,938	76,950,611,201
Net book value					
Opening balance	11,951,737,244	9,848,144,109	261,087,186	296,478,578	22,357,447,117
Closing balance	1,500,028,173	7,450,175,874	615,240,647	138,749,490	9,704,194,184

Included in tangible fixed assets were assets costing VND20,721 million which were fully depreciated as of 31 December 2020 (1/1/2020: VND15,204 million), but which are still in active use.

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

11. Intangible fixed assets

	Software VND	Brand name VND	Total VND
Cost			
Opening balance	277,851,917,480	636,363,636	278,488,281,116
Transfer from construction in progress	823,200,000	-	823,200,000
<hr/>			
Closing balance	278,675,117,480	636,363,636	279,311,481,116
<hr/>			
Accumulated amortisation			
Opening balance	156,896,528,992	636,363,636	157,532,892,628
Charge for the year	33,768,404,656	-	33,768,404,656
<hr/>			
Closing balance	190,664,933,648	636,363,636	191,301,297,284
<hr/>			
Net book value			
Opening balance	120,955,388,488	-	120,955,388,488
Closing balance	88,010,183,832	-	88,010,183,832
<hr/>			

Included in intangible fixed assets were assets costing VND12,138 million which were fully amortised as of 31 December 2020 (1/1/2020: VND11,019 million), but which are still in active use.

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

12. Construction in progress

	VND
Opening balance	-
Additions during the year	12,962,921,019
Transfer to tangible fixed assets	(325,000,000)
Transfer to intangible fixed assets	(823,200,000)
Disposals	(325,000,000)
	11,489,721,019
Closing balance	11,489,721,019

Major construction in progress at the end of the annual accounting period were as follows:

	31/12/2020	1/1/2020
	VND	VND
Office equipment	11,300,357,019	-
Software	189,364,000	-
	11,489,721,019	-
	11,489,721,019	-

13. Long-term prepaid expenses

	Tools and supplies VND
Opening balance	3,258,628,454
Additions during the year	4,176,236,048
Amortisation for the year	(2,603,111,742)
	4,831,752,760
Closing balance	4,831,752,760

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

14. Deferred tax assets

Recognised deferred tax assets

	31/12/2020 VND	1/1/2020 VND
Accrued advertising and promotion expenses	124,360,651,581	78,071,356,273
Accrued logistic expenses	28,611,176,281	20,249,218,279
Accrued sales discounts	17,789,645,144	15,300,614,186
Other accruals	20,479,781,021	13,264,086,810
	191,241,254,027	126,885,275,548

15. Accounts payable to suppliers

	31/12/2020 Cost/Amount within payment capacity VND	1/1/2020 Cost/Amount within payment capacity VND
Payables to third parties	106,734,660,938	183,410,728,203
Payables to related parties	2,052,406,688,987	2,923,194,319,236
	2,159,141,349,925	3,106,605,047,439

Please see Note 32 for detailed balances with the related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice date.

Masan Consumer Corporation

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

Form B 09 – DN*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***16. Taxes payable to State Treasury**

	1/1/2020 VND	Incurred VND	Paid VND	Deducted/Refunded VND	31/12/2020 VND
Value added tax	50,056,107,151	2,266,167,768,724	(167,425,373,505)	(2,076,671,911,808)	72,126,590,562
Corporate income tax	34,202,134,764	239,806,644,452	(135,672,035,496)	-	138,336,743,720
Personal income tax	3,245,367,669	70,074,226,550	(67,891,277,939)	(1,868,864,195)	3,559,452,085
Import-export tax	-	866,582,037	(866,582,037)	-	-
Others	-	36,881,433,294	(36,881,433,294)	-	-
	87,503,609,584	2,613,796,655,057	(408,736,702,271)	(2,078,540,776,003)	214,022,786,367

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

17. Accrued expenses

	31/12/2020	1/1/2020
	VND	VND
Advertising and promotion expenses	621,803,257,904	390,356,781,366
Bonus and 13 th month salary	180,471,727,506	97,128,286,151
Logistic expenses	143,055,881,405	101,246,091,395
Sales discounts	88,948,225,718	76,503,070,931
Exhibition expense	52,874,347,636	26,709,655,659
Purchases not yet received invoices	44,667,901,602	12,679,714,612
Accrued information and technology expenses	15,006,398,136	19,670,592,138
Accrued interest expense	11,565,709,350	14,077,106,013
Market research expense	10,980,889,362	8,829,022,402
Others	12,639,594,419	11,773,959,060
	1,182,013,933,038	758,974,279,727

18. Other payables

(a) Other short-term payables

	31/12/2020	1/1/2020
	VND	VND
Trade union fee, social, health and unemployment insurances	7,391,024,269	6,958,231,034
Dividends payable	4,036,758,100	3,068,888,500
Others	122,963,491	192,672,493
	11,550,745,860	10,219,792,027

(b) Other long-term payables

	31/12/2020	1/1/2020
	VND	VND
Long-term deposits received	24,506,658,936	23,349,265,720

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020 (continued)

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

19. Short-term borrowings

	1/1/2020		Movements during the year			31/12/2020	
	Carrying amount VND	Amount within repayment capacity VND	Addition VND	Decrease VND	Revaluation VND	Carrying amount VND	Amount within repayment capacity VND
Short-term borrowings	4,044,200,000,000	4,044,200,000,000	16,814,140,140,544	(16,117,325,145,989)	357,337,035	4,741,372,331,590	4,741,372,331,590

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

	Currency	Annual interest rate	31/12/2020 VND	1/1/2020 VND
Unsecured bank loans	VND	1.00% – 3.50%	4,216,600,400,000	4,044,200,000,000
Unsecured bank loans	USD	1.70% – 1.94%	524,771,931,590	-
			<u>4,741,372,331,590</u>	<u>4,044,200,000,000</u>

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020 (continued)

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

20. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Undistributed profits after tax VND	Total VND
Balance as at 1 January 2019	6,279,291,230,000	4,292,501,204,992	(1,640,252,631,255)	3,429,441,848,410	12,360,981,652,147
Share capital issued (Note 21)	30,493,250,000	182,959,500,000	-	-	213,452,750,000
Bonus shares issued (Note 21)	919,461,560,000	(919,461,560,000)	-	-	-
Net profit for the year	-	-	-	3,992,842,678,683	3,992,842,678,683
Dividends (Note 22)	-	-	-	(2,744,681,053,500)	(2,744,681,053,500)
Balance as at 1 January 2020	7,229,246,040,000	3,555,999,144,992	(1,640,252,631,255)	4,677,603,473,593	13,822,596,027,330
Share capital issued (Note 21)	38,692,140,000	154,768,560,000	-	-	193,460,700,000
Net profit for the year	-	-	-	4,532,733,060,657	4,532,733,060,657
Dividends (Note 22)	-	-	-	(3,172,160,718,000)	(3,172,160,718,000)
Balance as at 31 December 2020	7,267,938,180,000	3,710,767,704,992	(1,640,252,631,255)	6,038,175,816,250	15,376,629,069,987

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

21. Share capital, treasury shares and share premium

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
Authorised and issued share capital				
Ordinary shares	726,793,818	7,267,938,180,000	722,924,604	7,229,246,040,000
Treasury shares				
Ordinary shares	18,000,000	1,640,252,631,255	18,000,000	1,640,252,631,255
Shares currently in circulation				
Ordinary shares	708,793,818	7,087,938,180,000	704,924,604	7,049,246,040,000
Share premium		3,710,767,704,992		3,555,999,144,992

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

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

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

	2020		2019	
	Number of shares	Par value VND	Number of shares	Par value VND
Balance at the beginning of the year – currently in circulation	704,924,604	7,049,246,040,000	609,929,123	6,099,291,230,000
Issuance of new shares by cash	3,869,214	38,692,140,000	3,049,325	30,493,250,000
Issuance of bonus shares	-	-	91,946,156	919,461,560,000
Balance at the end of the year – currently in circulation	708,793,818	7,087,938,180,000	704,924,604	7,049,246,040,000

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

22. Dividends

The Annual General Meeting of Shareholders of the Company on 30 June 2020 resolved to distribute dividends by cash amounting to VND3,172,161 million (2019: VND2,744,681 million).

23. Off balance sheet items

(a) Lease commitments

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

	31/12/2020 VND	1/1/2020 VND
Within 1 year	105,959,720,862	63,048,361,853
Within 2 to 5 years	108,600,761,150	40,641,183,340
	214,560,482,012	103,689,545,193

(b) Foreign currency

	31/12/2020		1/1/2020	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	33,107	760,963,016	164,183	3,794,279,992

(c) Capital expenditure commitments

The Company had the following outstanding capital commitments approved but not provided for in the separate balance sheet:

	31/12/2020 VND	1/1/2020 VND
Approved but not contracted	2,139,731,000	668,000,000
Approved and contracted	573,235,500	-
	2,712,966,500	668,000,000

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

24. Revenue from sale of goods

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

Net revenue comprised of:

	2020	2019
	VND	VND
Total revenue		
▪ Sale of goods	23,402,428,301,625	19,650,284,731,511
▪ Other sales	5,483,355,616	6,654,709,400
	<hr/>	<hr/>
	23,407,911,657,241	19,656,939,440,911
	<hr/>	<hr/>
Less revenue deductions		
▪ Sale discounts	577,522,774,918	570,855,433,993
▪ Sale returns	68,474,227,388	60,709,358,099
	<hr/>	<hr/>
	645,997,002,306	631,564,792,092
	<hr/>	<hr/>
Net revenue	22,761,914,654,935	19,025,374,648,819
	<hr/>	<hr/>

25. Cost of sales

	2020	2019
	VND	VND
Total cost of sales		
▪ Goods sold	17,966,447,928,282	15,622,117,852,269
▪ Allowance for inventories	37,439,596,114	20,599,519,529
	<hr/>	<hr/>
	18,003,887,524,396	15,642,717,371,798
	<hr/>	<hr/>

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

26. Financial income

	2020	2019
	VND	VND
Profits distributed by subsidiaries	3,843,250,960,832	3,656,274,773,924
Interest income from loans provided to related parties	539,374,122,875	505,042,638,075
Interest income from deposits at banks and other investments	66,440,742,924	53,425,790,072
Foreign exchange gains	7,560,862,181	1,559,455,727
	<hr/>	<hr/>
	4,456,626,688,812	4,216,302,657,798
	<hr/>	<hr/>

27. Financial expenses

	2020	2019
	VND	VND
Interest expense on borrowings from banks	208,683,534,044	159,192,751,248
Foreign exchange losses	10,688,648,490	428,692,643
Others	3,165,849,161	608,890,156
	<hr/>	<hr/>
	222,538,031,695	160,230,334,047
	<hr/>	<hr/>

28. Selling expenses

	2020	2019
	VND	VND
Advertising and promotion expenses	2,414,445,681,543	1,699,940,789,294
Logistic expenses	666,033,619,578	632,445,508,801
Staff costs	395,382,381,452	305,596,794,290
Exhibition expense	220,374,582,596	165,478,631,308
Marketing research expense	39,534,262,129	47,464,674,472
Leased line system and information technology services	47,416,937,990	43,556,091,765
Others	55,038,873,875	61,820,775,304
	<hr/>	<hr/>
	3,838,226,339,163	2,956,303,265,234
	<hr/>	<hr/>

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

29. General and administration expenses

	2020 VND	2019 VND
Staff costs	251,882,765,096	225,756,678,391
Office rental	57,239,364,220	58,372,237,158
Leased line system and information technology services	38,413,774,919	29,644,769,957
Depreciation and amortisation of fixed assets	29,461,523,409	29,489,528,278
Research and development expenses	21,892,285,223	8,331,305,157
Others	46,769,920,868	54,190,609,941
	<hr/>	<hr/>
	445,659,633,735	405,785,128,882
	<hr/>	<hr/>

30. Trading and business costs by elements

	2020 VND	2019 VND
Cost of merchandise goods sold	17,966,447,928,282	15,622,117,852,269
Staff costs	655,496,107,334	531,353,472,681
Depreciation and amortisation	46,941,586,008	46,848,372,670
Outside services	3,505,350,508,198	2,685,234,007,912
Other expenses	113,537,367,472	119,252,060,382
	<hr/>	<hr/>

31. Income tax

(a) Recognised in the separate statement of income

	2020 VND	2019 VND
Current tax expense		
Current year	238,643,632,270	40,963,400,747
Under provision in prior years	1,163,012,182	-
	<hr/>	<hr/>
	239,806,644,452	40,963,400,747
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	(64,355,978,479)	43,961,139,955
	<hr/>	<hr/>
Income tax expense	175,450,665,973	84,924,540,702
	<hr/>	<hr/>

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

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

(b) Reconciliation of effective tax rate

	2020	2019
	VND	VND
Accounting profit before tax (*)	4,708,183,726,630	4,077,767,219,385
Tax at the Company's income tax rate	941,636,745,326	815,553,443,877
Tax exempt income	(768,650,192,167)	(731,254,954,785)
Non-deductible expenses	1,301,100,632	626,051,610
Under provision in prior years	1,163,012,182	-
	175,450,665,973	84,924,540,702

(*) The Company's accounting profit before tax included VND3,843,251 million (2019: VND3,656,275 million) of profits distributed by subsidiaries which is not subject to tax.

(c) Applicable tax rates

The Company has an obligation to pay corporate income tax to the government at normal corporate income tax rate of 20%.

(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 audit 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 it has adequately provided for tax liabilities based on its interpretation of tax legislation, including transfer pricing requirements and computation of corporate income tax. However, the relevant authorities may have differing interpretations and the effects could be significant.

Masan Consumer Corporation**Notes to the separate financial statements for the year ended 31 December 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***32. Significant transactions and balances with related parties**

During the year and as at the year-end, the Company had the following significant transactions and balances with its related parties:

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
Parent company					
Masan Consumer Holdings Company Limited	Dividends declared	3,021,089,152,500	2,611,289,133,000	-	-
	Dividends paid by cash	18,106,650,000	2,611,289,133,000	-	-
	Dividends payable netted off with loans receivable	3,002,982,502,500	-	-	-
Subsidiaries					
Masan Food Company Limited	Distributed profits	3,003,285,570,832	3,021,694,613,924	2,317,204,977,769	1,795,989,914,373
	Capital contribution	790,000,000,000	313,900,000,000	-	-
Masan Innovation Company Limited	Capital contribution	3,000,000,000	-	-	-
Masan Industrial One Member Company Limited	Sale of goods	425,017,098,884	414,740,948,014	-	-
	Purchase of goods and services	6,598,420,309,871	5,397,143,230,444	(643,217,573,047)	(591,543,910,924)
	Collection of loans by cash	-	105,000,000,000	-	-
	Collection of loans by netted off with dividends payable	1,002,982,502,500	-	-	-
	Loans provided	1,075,000,000,000	-	3,103,734,374,092	3,031,716,876,592
	Interest income from loans receivable	196,229,061,230	203,849,199,718	1,074,930,022,756	878,700,961,526
Viet Tien Food Technology One Member Company Limited	Sale of goods	18,280,639	1,910,215,886	-	-
	Purchase of goods	-	145,425,695,546	-	(61,972,189,384)

Masan Consumer Corporation

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

Form B 09 – DN

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

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
Masan HD One Member Company Limited	Sale of goods	107,380,766,378	31,951,294,198	-	-
	Purchase of goods	1,672,400,807,338	1,024,136,441,236	(171,680,360,519)	(90,218,292,179)
Masan PQ Corporation	Sale of goods	12,659,075	15,268,019	-	-
	Purchase of goods	1,162,144,632	737,701,485	(21,924,170)	(401,940,380)
Nam Ngu Phu Quoc One Member Company Limited	Sale of goods	1,757,841,301	2,251,844,151	-	-
	Purchase of goods	176,780,117,885	172,685,546,819	(78,730,938,333)	(46,638,259,241)
Masan Beverage Company Limited	Distributed profits	839,965,390,000	634,580,160,000	-	-
	Interest income from loans receivable	17,095,890	-	-	-
	Loans provided	12,000,000,000	-	-	-
	Collection of loans by cash	12,000,000,000	-	-	-
VinaCafé Bien Hoa Joint Stock Company	Sale of goods	101,973,274,178	109,864,662,462	-	-
	Sale of fixed assets	325,000,000	-	-	-
	Purchase of goods and services	2,647,008,559,069	2,835,573,409,147	(199,894,999,344)	(1,177,933,303,323)
Café De Nam Joint Stock Company	Sale of goods	380,880,699	2,180,245	-	-
	Purchase of goods	4,123,884,843	7,344,011,934	(1,337,493,036)	(1,268,774,450)
Masan MB One Member Company Limited	Sale of goods	239,057,655,052	256,616,599,027	-	-
	Purchase of goods	4,382,350,117,273	4,104,010,916,464	(749,901,338,937)	(612,049,216,638)
	Loans provided	-	1,993,000,000,000	3,824,000,000,000	5,824,000,000,000
	Collection of loans by netted off with dividends payable	2,000,000,000,000	-	-	-
	Interest income from loans receivable	333,295,780,821	301,169,397,261	672,165,356,163	338,869,575,342

Masan Consumer Corporation

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

Form B 09 – DN

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

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
Masan JinJu Joint Stock Company	Sale of goods and services	6,051,064,675	3,330,785,544	-	-
	Purchase of goods	738,626,861,662	342,267,550,555	(41,599,000,281)	(55,715,890,787)
Masan HG One Member Company Limited	Sale of goods	15,288,304,744	-	-	-
	Purchase of goods	137,483,697,940	-	(80,100,508,999)	-
	Loans provided	319,500,000,000	-	84,500,000,000	-
	Collection of loans by cash	235,000,000,000	-	-	-
	Interest income from loans receivable	9,832,184,934	-	9,832,184,934	-
Vinh Hao Mineral Water Corporation	Sale of goods	256,198,756	4,138,651,800	-	-
	Purchase of goods and services	440,052,119,314	629,899,517,964	(25,453,952,663)	(218,196,622,572)
Quang Ninh Mineral Water Corporation	Sale of goods	181,584,586	119,778,975	-	-
	Purchase of goods and services	211,011,537,586	267,164,694,056	(60,468,599,658)	(67,135,919,358)
Masan Consumer (Thailand) Limited	Sale of goods	84,890,066,233	57,823,942,807	-	13,297,723,713
Masan HPC Company Limited	Capital contribution	-	605,000,000,000	-	-
	Sale of goods	730,431	-	-	-
	Loans provided	-	45,000,000,000	-	-
	Collection of loans by cash	-	45,000,000,000	-	-
	Interest income from loans receivable	-	24,041,096	-	24,041,096
Net Detergent Joint Stock Company	Purchase of goods and services	89,295,038,986	-	-	-
	Prepayment for purchase of goods	624,158,194	-	624,158,194	-

Masan Consumer Corporation

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

Form B 09 – DN

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

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
Other related parties					
Masan Brewery Company Limited	Sale of services	-	1,000,000,000	-	1,000,000,000
Masan Brewery PY One Member Company Limited	Sale of goods	66,939,287	44,454,161	-	-
Masan Master Brewer Company Limited	Sale of goods	2,469,183	1,261,868	-	-
Masan Brewery Distribution One Member Company Limited	Sale of goods	1,942,563,514	3,192,744	-	-
	Sale returns	-	1,194,673,977	-	-
	Purchase of goods	14,020,134,692	550,716,470	-	-
	Management fee	25,552,551,615	43,899,198,611	25,103,111,299	76,560,997,745
	Prepayment for purchase of goods	-	146,127,485	-	146,127,485
Masan Brewery HG One Member Company Limited	Sale of goods	64,077,751	96,562,265	-	-
	Purchase of goods	-	41,850,264	-	-
	Return of goods	-	56,122,834	-	-
	Management fee	4,181,202,965	3,422,504,715	4,566,907,528	3,901,450,010
Agro Nutrition International Joint Stock Company	Sale of goods	94,592,730	32,324,909	5,480,000	6,587,800
	Management fee	1,874,054,697	3,516,609,673	968,269,483	1,851,733,472
MNS Feed Tien Giang Company Limited	Sale of goods	10,585,455	-	-	-
	Management fee	1,016,708,669	1,072,868,060	525,670,141	565,193,852

Masan Consumer Corporation

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

Form B 09 – DN

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

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
MNS Feed Thai Nguyen Company Limited	Sale of goods Management fee	45,861,817 1,058,214,817	32,096,545 879,568,987	- 547,134,612	- 463,338,369
MNS Feed Vinh Long Company Limited	Sale of goods Management fee	2,236,364 305,774,592	- 1,121,192,828	- 158,544,470	- 590,657,722
MNS Feed Hau Giang Company Limited	Sale of goods Management fee	11,330,909 783,660,463	- 884,076,132	- 403,572,318	- 465,644,364
MNS Feed Nghe An Company Limited	Sale of goods Management fee	79,429,090 1,066,209,157	40,491,636 1,386,854,782	- 550,479,112	- 730,275,716
MNS Farm Nghe An Company Limited	Sale of goods Management fee	337,893,004 5,174,364,010	- 4,576,729,011	- 2,778,795,592	- 2,678,874,657
Vietnamese – French Cattle Feed Joint Stock Company	Sale of goods Management fee	229,103,459 5,113,037,788	77,160,181 5,709,464,606	5,280,001 2,636,848,112	- 3,005,475,157
Proconco Can Tho One Member Company Limited	Sale of goods Management fee	51,734,545 2,218,852,516	- 2,411,943,046	- 1,143,397,827	- 1,269,531,065
Conco Binh Dinh Co., Ltd	Sale of goods Management fee	16,101,818 1,273,739,897	- 1,284,195,718	- 657,801,465	- 676,273,315
Proconco Hung Yen Manufacturing and Trading Company Limited	Sale of goods Management fee	7,781,636 264,268,445	8,100,000 124,649,821	- 137,079,999	5,610,000 66,007,008

Masan Consumer Corporation

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

Form B 09 – DN

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

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
Masan MEATLife Corporation	Sale of goods	141,696,375	6,555,636	1,800,002	-
	Management fee	8,634,102,192	9,406,249,966	4,562,023,846	5,009,393,771
MNS Meat Ha Nam Company Limited	Sale of goods	792,079,105	326,141,355	22,632,600	116,949,047
	Purchase of goods	16,643,859,512	6,509,335	-	-
	Management fee	13,624,058,876	9,199,836,783	7,564,922,630	5,856,548,984
	Prepayment for purchase of goods	498,592,776	-	498,592,776	-
MEATDeli Sai Gon Company Limited (formerly known as "MNS Meat Sai Gon Company Limited")	Sale of goods	22,816,576	-	25,098,232	-
	Management fee	3,925,545	-	-	-
Nui Phao Mining Company Limited	Sale of goods	1,321,145,309	1,366,258,009	86,774,470	75,409,765
	Management fee	1,273,608,625	2,762,610,442	4,439,840,974	2,992,606,068
Masan Blue Corporation	Sale of goods	122,360,755	3,642,299,383	-	3,302,403,296
	Management fee	-	1,451,627,991	-	1,539,672,402
Masan Group Corporation	Sale of goods	4,457,415,831	120,257,134	-	-
	Management fee	3,061,474,525	3,383,713,619	3,367,621,978	3,647,590,054
Vincommerce General Commercial Services Joint Stock Company	Sale of goods	660,431,253,393	-	62,949,345,993	17,548,537,996
	Purchase of goods and services	133,963,439,713	-	-	(120,000,000)
	Office rental support fee	12,406,997,483	-	1,231,116,341	-
	Settlement discount and other sale support payable	3,566,107,138	-	-	-
	Other receivable	31,628,964	-	31,628,964	-

Masan Consumer Corporation

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

Form B 09 – DN

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

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
Vineco Agricultural Investment	Sale of goods	99,678,637	-	-	-
Development and Production	Office rental support fee	1,054,215,907	-	-	-
Limited Liability Company	Purchase of goods	12,503,082	-	-	-
	Advance from customer	168,474,203	-	(168,474,203)	-
Key management personnel	Remuneration to key management personnel (*)	11,859,304,811	11,581,923,149	-	-

As at 31 December 2020 and 1 January 2010, the Company had current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank at normal commercial terms.

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

Masan Consumer Corporation
Notes to the separate financial statements for the year ended 31 December 2020
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/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 for the year ended 31 December 2020 was as follows:

Name	Position	VND
Board of Directors		
Mr Danny Le	Chairman	-
Mr Truong Cong Thang	Member	-
Dr Nguyen Dang Quang	Member	-
Ms Nguyen Hoang Yen	Member	-
Mr Nguyen Thieu Quang	Member	-
<hr/>		
Name	Position	VND
Board of Management		
Mr Truong Cong Thang	Chief Executive Officer	-
<hr/>		

33. Post balance sheet events

There have been no other significant events occurred after the balance sheet date which would require adjustments or disclosures to be made in these separate financial statements.

3 March 2021

Prepared by:

 Phan Thi Thuy Hoa
 Chief Accountant

Approved by:

 Huynh Viet Thang
 Chief Financial Officer

Approved by:

 Nguyen Hoang Yen
 Authorised Representative

