



**Masan Consumer Corporation and its subsidiaries**

Consolidated 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

Member

Ms Nguyen Hoang Yen

Member

Mr Nguyen Thieu Quang

Member

**Board of Management**

Mr Truong Cong Thang

Chief Executive Officer

Ms Nguyen Hoang Yen

Deputy Chief Executive Officer

Mr Pham Hong Son

Deputy Chief Executive Officer

Mr Nguyen Anh Nguyen

Deputy Chief Executive Officer  
(until 12 April 2020)

**Registered Office**

12<sup>th</sup> 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 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 70 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

Nguyen Hoang Yen  
*Authorised Representative*

Ho Chi Minh City, 3 March 2021



KPMG Limited Branch  
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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 Consumer Corporation

We have audited the accompanying consolidated financial statements of Masan Consumer 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 70.

### 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 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the 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 Consumer 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.: 20-01-00251-21-2



Trương Vinh Phúc

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 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> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>9,510,248,113,897</b>	<b>6,006,835,115,613</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>7</b>	<b>3,818,494,309,952</b>	<b>2,191,361,038,968</b>
Cash	111		146,894,309,952	148,761,038,968
Cash equivalents	112		3,671,600,000,000	2,042,600,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>212,300,000,000</b>	<b>193,304,109,559</b>
Trading securities	121	8(a)	-	150,604,109,559
Held-to-maturity investments	123	8(b)	212,300,000,000	42,700,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>3,515,086,732,291</b>	<b>2,406,606,412,273</b>
Accounts receivable from customers	131	9	399,157,914,891	350,452,939,057
Prepayments to suppliers	132		252,752,655,991	192,751,825,681
Short-term loans receivable	135	10(a)	-	1,805,000,000,000
Other short-term receivables	136	11(a)	2,863,176,161,409	58,401,647,535
<b>Inventories</b>	<b>140</b>	<b>12</b>	<b>1,841,626,811,696</b>	<b>1,168,106,286,708</b>
Inventories	141		1,873,240,612,964	1,213,146,818,871
Allowance for inventories	149		(31,613,801,268)	(45,040,532,163)
<b>Other current assets</b>	<b>150</b>		<b>122,740,259,958</b>	<b>47,457,268,105</b>
Short-term prepaid expenses	151		17,740,280,348	14,508,164,664
Deductible value added tax	152		104,031,879,014	32,721,326,665
Taxes and other receivables from State Treasury	153		968,100,596	227,776,776

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

**Masan Consumer 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)*

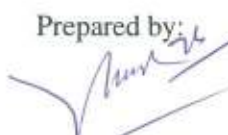
	Code	Note	31/12/2020 VND	1/1/2020 VND
<b>Long-term assets</b> (200 = 210 + 220 + 230 + 240 + 250 + 260)	<b>200</b>		<b>16,023,158,439,128</b>	<b>14,462,772,196,285</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>8,785,436,801,907</b>	<b>8,935,013,933,544</b>
Long-term loans receivable	215	10(b)	6,927,734,374,092	7,655,716,876,592
Other long-term receivables	216	11(b)	1,857,702,427,815	1,279,297,056,952
<b>Fixed assets</b>	<b>220</b>		<b>5,273,809,928,250</b>	<b>4,156,809,070,021</b>
Tangible fixed assets	221	13	4,211,295,739,877	3,306,841,235,689
Cost	222		7,542,782,663,774	6,155,131,133,166
Accumulated depreciation	223		(3,331,486,923,897)	(2,848,289,897,477)
Intangible fixed assets	227	14	1,062,514,188,373	849,967,834,332
Cost	228		2,421,367,789,360	2,059,063,363,496
Accumulated amortisation	229		(1,358,853,600,987)	(1,209,095,529,164)
<b>Investment property</b>	<b>230</b>	<b>15</b>	<b>14,517,800,560</b>	-
Cost	231		18,627,973,918	-
Accumulated depreciation	232		(4,110,173,358)	-
<b>Long-term work in progress</b>	<b>240</b>		<b>441,990,679,037</b>	<b>561,015,382,299</b>
Construction in progress	242	16	441,990,679,037	561,015,382,299
<b>Long-term financial investments</b>	<b>250</b>		<b>249,391,858,906</b>	<b>249,391,858,906</b>
Investment in an associate	252	8(c)	249,391,858,906	249,391,858,906
<b>Other long-term assets</b>	<b>260</b>		<b>1,258,011,370,468</b>	<b>560,541,951,515</b>
Long-term prepaid expenses	261	17	705,514,305,140	175,226,896,814
Deferred tax assets	262	18	230,398,418,399	167,181,054,605
Goodwill	269	19	322,098,646,929	218,134,000,096
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>25,533,406,553,025</b>	<b>20,469,607,311,898</b>

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

**Masan Consumer 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>11,250,421,793,413</b>	<b>8,062,640,263,873</b>
<b>Current liabilities</b>	<b>310</b>		<b>10,195,795,172,819</b>	<b>7,743,867,535,929</b>
Short-term accounts payable to suppliers	311	20	1,164,838,936,675	1,098,800,884,640
Advances from customers	312		39,399,035,761	42,571,451,835
Taxes payable to State Treasury	313	21	613,244,655,520	396,613,184,666
Payables to employees	314		17,172,287,679	444,487,500
Accrued expenses	315	22	1,632,364,860,850	1,050,521,768,150
Other short-term payables	319	23(a)	39,469,891,268	18,906,590,903
Short-term borrowings	320	24(a)	6,660,448,654,909	5,113,137,141,496
Bonus and welfare funds	322		28,856,850,157	22,872,026,739
<b>Long-term liabilities</b>	<b>330</b>		<b>1,054,626,620,594</b>	<b>318,772,727,944</b>
Long-term accounts payable to suppliers	331	20	27,667,776,000	31,012,774,000
Other long-term payables	337	23(b)	25,234,542,936	23,977,149,720
Long-term borrowings	338	24(b)	787,689,223,375	126,321,105,544
Deferred tax liabilities	341	18	199,223,889,416	122,925,355,852
Provisions – long-term	342		14,811,188,867	14,536,342,828
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>14,282,984,759,612</b>	<b>12,406,967,048,025</b>
<b>Owners' equity</b>	<b>410</b>	<b>25</b>	<b>14,282,984,759,612</b>	<b>12,406,967,048,025</b>
Share capital	411	26	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	26	3,710,767,704,992	3,555,999,144,992
Other capital	414		(265,775,657,006)	(265,775,657,006)
Treasury shares	415	26	(1,640,252,631,255)	(1,640,252,631,255)
Foreign exchange differences	417		13,495,754,932	13,597,433,276
Investment and development fund	418		22,731,972,844	22,731,972,844
Undistributed profits after tax	421		4,583,857,861,595	3,244,394,137,086
- Undistributed profits after tax brought forward	421a		72,233,419,086	-
- Undistributed profit after tax for the current year/prior year	421b		4,511,624,442,509	3,244,394,137,086
Non-controlling interests	429		590,221,573,510	247,026,608,088
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>25,533,406,553,025</b>	<b>20,469,607,311,898</b>

Prepared by:  
  
 Phan Thi Thuy Hoa  
 Chief Accountant

3 March 2021  
  
 Huynh Viet Thang  
 Chief Financial Officer



  
 Nguyen Hoang Yen  
 Authorised Representative

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



**Masan Consumer 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 sale of goods and provision of services	01	29	23,988,058,548,405	19,112,348,416,942
Revenue deductions	02	29	645,324,067,008	624,806,580,434
Net revenue (10 = 01 - 02)	10	29	23,342,734,481,397	18,487,541,836,508
Cost of sales	11	30	13,423,520,341,046	10,529,868,313,945
Gross profit (20 = 10 - 11)	20		9,919,214,140,351	7,957,673,522,563
Financial income	21	31	754,808,423,442	619,847,831,113
Financial expenses	22	32	315,433,247,596	240,140,907,448
<i>In which: Interest expense</i>	23		286,495,734,730	235,821,679,467
Share of profit in an associate	24	8(c)	13,296,085,000	7,977,651,000
Selling expenses	25	33	4,071,091,999,434	3,015,180,960,649
General and administration expenses	26	34	893,881,875,904	817,391,573,893
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		5,406,911,525,859	4,512,785,562,686
Other income	31		2,151,494,345	1,623,151,249
Other expenses	32		18,035,234,109	22,629,400,853
Results of other activities (40 = 31 - 32)	40		(15,883,739,764)	(21,006,249,604)
Accounting profit before tax (50 = 30 + 40)	50		5,391,027,786,095	4,491,779,313,082
Income tax expense – current	51	35	877,546,842,929	410,452,844,925
Income tax (benefit)/expense – deferred	52	35	(84,090,312,176)	19,648,372,146
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		4,597,571,255,342	4,061,678,096,011

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

**Masan Consumer 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 (brought forward from previous page)</b>	<b>60</b>		<b>4,597,571,255,342</b>	<b>4,061,678,096,011</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		4,520,298,845,178	4,026,490,967,694
Non-controlling interests	62		77,272,410,164	35,187,128,317
<b>Earnings per share</b>				
Basic earnings per share	70	36	6,403	5,727

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 consolidated financial statements*

**Masan Consumer 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>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>5,391,027,786,095</b>	<b>4,491,779,313,082</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	784,557,565,693	683,647,896,253
Allowances and provisions	03	53,082,363,339	42,936,679,383
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04	(201,663,077)	(390,948,962)
Losses on disposals and written-off of fixed assets	05	13,587,327,990	12,235,608,058
Interest income from investing activities	05	(738,150,351,781)	(612,432,646,819)
Share of profit in an associate	05	(13,296,085,000)	(7,977,651,000)
Interest expense and other financial costs	06	286,953,132,557	235,821,679,467
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>5,777,560,075,816</b>	<b>4,845,619,929,462</b>
Change in receivables and other assets	09	(75,081,420,768)	(106,580,652,628)
Change in inventories	10	(600,009,848,785)	3,309,468,770
Change in payables and other liabilities	11	379,878,201,175	(89,570,589,604)
Change in prepaid expenses	12	36,760,539,972	29,075,228,514
Change in trading securities	13	150,604,109,559	(150,604,109,559)
		<b>5,669,711,656,969</b>	<b>4,531,249,274,955</b>
Interest and other financial costs paid	14	(306,744,653,150)	(226,368,531,574)
Corporate income tax paid	15	(682,614,892,702)	(336,494,660,239)
Other payments for operating activities	17	(2,013,648,867)	(88,900,000)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>4,678,338,462,250</b>	<b>3,968,297,183,142</b>

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

**Masan Consumer 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 INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(1,469,923,979,055)	(1,134,946,239,050)
Proceeds from disposals of fixed assets	22	2,784,546,167	23,989,791,915
Payments for granting loans	23	(4,085,000,000,000)	(2,132,000,000,000)
Placements of term deposits to banks and payments for other investments	23	(3,752,000,000,000)	(42,700,000,000)
Receipts from collecting of loans	24	3,615,000,000,000	105,000,000,000
Withdrawals of term deposits from banks and collections of other investments	24	895,900,000,000	251,200,000,000
Acquisition of a subsidiary, net of cash acquired	25	(511,583,019,206)	-
Payments for acquisition of non-controlling interests in subsidiaries	25	(28,815,172,375)	-
Receipts of interests and dividends	27	122,092,343,504	99,441,361,113
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(5,211,545,280,965)</b>	<b>(2,830,015,086,022)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share capital issued	31	193,460,700,000	213,452,750,000
Proceeds from bank borrowings	33	22,549,387,230,018	17,077,918,308,831
Payments to settle loan principals to banks	34	(20,364,621,307,169)	(15,158,706,453,498)
Payments of dividends	36	(219,040,639,500)	(2,758,135,382,300)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>2,159,185,983,349</b>	<b>(625,470,776,967)</b>
<b>Net cash flows during the year</b> (50 = 20 + 30 + 40)	<b>50</b>	<b>1,625,979,164,634</b>	<b>512,811,320,153</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>2,191,361,038,968</b>	<b>1,669,119,982,526</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>556,238,144</b>	<b>638,064,939</b>
<b>Currency translation differences</b>	<b>61</b>	<b>597,868,206</b>	<b>8,791,671,350</b>
<b>Cash and cash equivalents at the end of the year</b> (70 = 50 + 60 + 61) (Note 7)	<b>70</b>	<b>3,818,494,309,952</b>	<b>2,191,361,038,968</b>

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

**Masan Consumer 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)*

**NON-CASH INVESTING AND FINANCING ACTIVITIES**

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

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 consolidated financial statements*

**Masan Consumer 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 Consumer Corporation (“the Company”) is a joint stock company incorporated in Vietnam. The consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in an associate.

**(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 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 Group is generally within 12 months.

**Masan Consumer 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) The Group’s structure**

As at 31 December 2020, the Company has 5 directly owned subsidiaries, 17 indirectly owned subsidiaries and 1 associate (1/1/2020: 4 directly owned subsidiaries, 14 indirectly owned subsidiaries and 1 associate). Information of the subsidiaries and an associate 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
<b>Directly owned subsidiaries</b>							
1	Masan Food Company Limited	Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
2	Masan Beverage Company Limited	Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
3	Masan Consumer (Thailand) Limited (“MTH”)	Trading and distribution	No. 83, 4 <sup>th</sup> Floor, Amnuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand.	99.99%	99.99%	99.99%	99.99%
4	Masan HPC Company Limited	Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
5	Masan Innovation Company Limited	(vii) Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	-	100%	-

**Masan Consumer Corporation and its subsidiaries**

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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
<b>Indirectly owned subsidiaries</b>							
1	Masan Industrial One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An City, Binh Duong Province, Vietnam.	100%	100%	100%	100%
2	Viet Tien Food Technology One Member Company Limited	(i) Seasonings manufacturing	Lot III-10, Street No. 1, Industrial Group III, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
3	Masan PQ Corporation	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc City, Kien Giang Province, Vietnam.	99.99%	99.99%	99.99%	99.99%
4	Masan Long An Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Hamlet 2, Thanh Hoa Commune, Ben Luc District, Long An Province, Vietnam.	100%	100%	100%	100%
5	Masan HD One Member Company Limited	(i) Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam.	100%	100%	100%	100%
6	Masan MB One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Loc District, Nghe An Province, Vietnam.	100%	100%	100%	100%
7	Masan HG One Member Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam.	100%	100%	100%	100%



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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
8	Masan JinJu Joint Stock Company	(i) Convenience food manufacturing and trading	Factory F5, Lot 6, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An City, Binh Duong Province, Vietnam.	74.99%	74.99%	74.99%	74.99%
9	Nam Ngu Phu Quoc One Member Company Limited	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc City, Kien Giang Province, Vietnam.	100%	100%	100%	100%
10	Masan HN Company Limited	(i), (vi) Seasonings, convenience food manufacturing and packaging	Lot CN-08 and CN-14, Dong Van IV Industrial Park, Dai Cuong Commune, Kim Bang District, Ha Nam Province, Vietnam.	100%	-	100%	-
11	VinaCafé Bien Hoa Joint Stock Company	(ii) Beverage manufacturing and trading	Bien Hoa Industrial Park I, Bien Hoa City, Dong Nai Province, Vietnam.	98.79%	98.49%	98.79%	98.49%
12	Vinh Hao Mineral Water Corporation	(ii) Beverage manufacturing and trading and packaging	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam.	90.18%	88.56%	90.18%	88.56%
13	KronFa., JSC	(iii) Beverage manufacturing	Km 37, Highway 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam.	90.17%	88.55%	99.99%	99.99%
14	Quang Ninh Mineral Water Corporation	(ii) Beverage manufacturing and trading	No. 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam.	65.85%	65.85%	65.85%	65.85%

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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
15	Café De Nam Joint Stock Company	(iv) Beverage manufacturing and trading	Lot C.IIII-3+5+7, Long Thanh Industrial Park, Tam An Commune, Long Thanh District, Dong Nai Province, Vietnam.	83.97%	83.72%	85%	85%
16	Net Detergent Joint Stock Company	(v) Home care products manufacturing and trading	D4 Street, Loc An – Binh Son Industrial Park, Binh Son Commune, Long Thanh District, Dong Nai Province, Vietnam.	52.25%	-	52.25%	-
17	Hi-Fresh Company Limited	(viii) Trading and distribution	8 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	-	100%	-
<b>An associate</b>							
1	Cholimex Food Joint Stock Company	(i) Seasonings manufacturing and trading	Lot C40 – 43/I, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.	32.83%	32.83%	32.83%	32.83%

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- (i) These subsidiaries and an associate are indirectly owned by the Company through Masan Food Company Limited.
- (ii) These subsidiaries are indirectly owned by the Company through Masan Beverage Company Limited.
- (iii) KronFa., JSC is indirectly owned by the Company through Vinh Hao Mineral Water Corporation.
- (iv) Café De Nam Joint Stock Company is indirectly owned by the Company through VinaCafé Bien Hoa Joint Stock Company.
- (v) Net Detergent Joint Stock Company is indirectly owned by the Company through Masan HPC Company Limited.
- (vi) Masan HN Company Limited was established on 5 August 2020 under the Enterprise Registration Certificate No. 0700841110 issued by the Department of Planning and Investment of Ha Nam Province.
- (vii) Masan Innovation Company Limited was established on 9 December 2020 under the Enterprise Registration Certificate No. 031663008 issued by the Department of Planning and Investment of Ho Chi Minh City.
- (viii) Hi-Fresh Company Limited was established on 14 December 2020 under the Enterprise Registration Certificate No. 0316638991 issued by the Department of Planning and Investment of Ho Chi Minh City and is indirectly owned by the Company through Masan Innovation Company Limited.

MTH is incorporated in Thailand. Other subsidiaries and the associate are incorporated in Vietnam.

As at 31 December 2020, the Group had 5,575 employees (1/1/2020: 4,596 employees).

## **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.

### **(b) Basis of measurement**

These 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.

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**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.

**(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 shareholders. Prior to 1 January 2015, 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 other capital under equity. From 1 January 2015, as a result of the adoption of Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance (“Circular 202”), such difference is recorded directly in undistributed profits after tax under equity.

**(iii) Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of income. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the separate financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

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**(iv) Associates (equity accounted investees)**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). 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 equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. The carrying amount of investments in equity accounted investees is also adjusted for the alterations in the investor's proportionate interest in the investees arising from changes in the investee's equity that have not been included in the consolidated 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 equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

**(v) Transactions eliminated on consolidation**

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

**(vi) Business combinations under common control**

Business combination where the same group of shareholders ("the Controlling Shareholders") control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling Shareholders. Such common control business combination is specifically excluded from the scope of Vietnamese 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 Shareholders' perspective. Prior to 1 January 2015, any difference between the cost of acquisition and net assets value acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in other capital under equity. From 1 January 2015, as a result of the adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity.

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

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**(vii) Business combinations 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, the Group takes into consideration potential voting rights that currently are exercisable.

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. 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**

**(i) 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 or its subsidiaries most frequently conduct transactions.

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

**(ii) Foreign operations**

All assets and liabilities of foreign operations are translated to 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. Capital is translated to VND at historical exchange rate. Accumulated losses are derived from the translated net loss from which they were appropriated. Revenues, income and expenses, and cash flows of foreign operations during the year are translated to VND at the exchange rates which approximate actual exchange rates ruling on the date of transactions.

Foreign currency differences arising from the translation of foreign operation's financial statements to VND are recognised in the consolidated balance sheet under the caption "Foreign exchange differences" in equity.

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**(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.

**(d) Investments**

**(i) Trading securities**

Trading securities are bonds held by the Group 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 their 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 and its subsidiaries 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.

**(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.

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**(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. 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	4 – 30 years
▪ leasehold improvements	3 – 5 years
▪ office equipment	3 – 10 years
▪ machinery and equipment	3 – 25 years
▪ motor vehicles	3 – 10 years

**(h) Intangible fixed assets**

**(i) Land use rights**

Land use rights comprise:

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

Land use rights 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 their estimated useful lives ranging from 19 years to 50 years.



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

**(iii) Exploitation rights for mineral water resources**

Expenditure on obtaining exploitation rights for mineral water resources is capitalised and treated as an intangible fixed asset. Amortisation is computed on a straight-line basis over their estimated useful lives ranging from 4 years to 30 years.

**(iv) 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.

The fair value of brand name that is acquired by the Group on the acquisition of a subsidiary is recognised as an intangible fixed asset and amortised on a straight-line basis over their estimated useful lives ranging from 10 years to 30 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.

**(v) Customer relationships**

The fair value of customer relationships that is acquired by the Group on the acquisition of a subsidiary is capitalised and treated as an intangible fixed asset. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationships is amortised on a straight-line basis over their estimated useful lives ranging from 5 years to 15 years.

**(vi) Mineral water resources**

The fair value of mineral water resources that is acquired by the Group on the acquisition of a subsidiary is capitalised and treated as an intangible fixed asset. The fair value of mineral water resources acquired in a business combination is determined using either the direct comparison method or the multi-period excess earnings method. The direct comparison approach estimates the value of mineral water resources by comparing recent asking/transacted price of similar interests located in the same area. In the multi-period excess earnings method, subject assets are valued after deducting a fair return on all the assets that are part of creating the related cash flows. The fair value of mineral water resources is amortised on a straight-line basis over their estimated useful lives ranging from 10 years to 37 years.

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**(i) Investment property held to earn rental**

**(i) Cost**

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its buildings, infrastructures and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Management of the Company's subsidiary. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repair and maintenance cost, is charged to the consolidated statement of income in the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

**(ii) Depreciation**

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

- buildings 20 – 25 years
- infrastructures 5 – 20 years

**(j) 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.

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

**(i) Prepaid land costs**

Prepaid land costs comprise prepaid land lease rentals, including those for which the land use rights certificate was obtained 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 from 42 years to 50 years.

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**(ii) Goodwill from equitisation**

Goodwill arising from equitisation of the state-owned enterprise is recognised as long-term prepaid expenses. Goodwill arising from equitisation of the state-owned enterprise includes brand name value and potential development value. Brand name value is determined on the basis of actual costs incurred for creation and protection of trademarks, trade name in the course of the enterprise's operation for the period of five years before the valuation date (including establishment costs and expenditures on training, advertising and promotional activities incurred to promote and introduce the enterprise and its products and website costs, etc.). Potential development value is evaluated on the basis of profitability of the enterprise in the future taking into account the enterprise's profit ratio and interest rates of 5-year government bonds. Goodwill arising from equitisation of the state-owned enterprise is amortised on a straight-line basis over 10 years starting from the date of transformation from a state-owned enterprise into a joint stock company (date of business registration certificate to transform to joint stock company).

**(iii) Tools and supplies**

Tools and supplies also 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 those assets are amortised on a straight-line basis over a period ranging from 2 years to 3 years.

**(iv) Loan arrangement costs**

Loan arrangement costs are initially recognised at cost and amortised on a straight-line basis over the term of the related loans.

**(l) 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. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

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 equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.

**(m) Accounts payable to suppliers and other payables**

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

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**(n) Provisions**

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

***Severance allowance***

Under the Vietnamese Labour Code, when 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.

**(o) 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) *Other capital***

Equity movements resulted from common control business combination and acquisition of/disposal to non-controlling interests for the period before 1 January 2015 that do not result in a loss of control are recorded in other capital under equity.

**(iii) *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.

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**(p) Taxation**

Income tax on the consolidated 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 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.

**(q) Revenue**

**(i) *Sale of goods***

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

**(ii) *Rental income***

Rental income from leased property is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

**(r) 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 and foreign exchange gains.

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

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**(ii) Financial expenses**

Financial expenses mainly comprise interest expense on borrowings from banks, foreign exchange losses and other financial expenses.

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.

**(s) Operating 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.

**(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 consolidated profit or loss attributable to 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 consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

**(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 segment. The Group’s primary format and secondary format for segment reporting are based on business segments and geographical segments, respectively.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise cash and cash equivalents and related income, investments and related income, loans and borrowings and related expenses, the Company’s headquarters corporate assets, general and administration expenses, income tax assets and liabilities and expenses, and items that are attributable to more than one segment and cannot reasonably be allocated to a segment.

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**(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) Comparative information**

Comparative information in these consolidated 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 consolidated 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 consolidated financial statements is not intended to present the Group's consolidated financial position, consolidated results of operations or consolidated cash flows for the prior year.

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

**Masan Consumer 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)***4. Segment reporting****(a) Business segments**

The Group classified its business segments into four main business segments which are food, beverage, home care products and others. Food segment includes seasonings and convenience food. Others segment includes warehouse rental and others.

**For the year ended 31 December 2020**

	<b>Food (*) VND</b>	<b>Beverage (*) VND</b>	<b>Home care products (*) VND</b>	<b>Others VND</b>	<b>Consolidated VND</b>
Total segment revenue – net	16,236,990,127,888	5,792,463,891,997	1,305,743,684,209	7,536,777,303	23,342,734,481,397
Segment gross profit	6,819,280,274,383	2,745,806,065,195	349,565,095,870	4,562,704,903	9,919,214,140,351
Segment results	4,091,945,361,963	1,414,822,519,732	25,650,193,255	4,562,704,903	5,536,980,779,853
Unallocated general and administration expenses					(569,444,429,840)
Financial income					754,808,423,442
Financial expenses					(315,433,247,596)
Net operating profit					5,406,911,525,859
Other income					2,151,494,345
Other expenses					(18,035,234,109)
Income tax expense					(793,456,530,753)
Net profit after tax					4,597,571,255,342



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<b>For the year ended 31 December 2019</b>	<b>Food (*) VND</b>	<b>Beverage (*) VND</b>	<b>Others VND</b>	<b>Consolidated VND</b>
Total segment revenue – net	12,880,154,993,002	5,596,076,690,655	11,310,152,851	18,487,541,836,508
Segment gross profit	5,436,802,789,396	2,516,572,339,086	4,298,394,081	7,957,673,522,563
Segment results	3,421,156,809,143	1,233,740,545,776	4,298,394,081	4,659,195,749,000
Unallocated general and administration expenses				(526,117,109,979)
Financial income				619,847,831,113
Financial expenses				(240,140,907,448)
Net operating profit				4,512,785,562,686
Other income				1,623,151,249
Other expenses				(22,629,400,853)
Income tax expense				(430,101,217,071)
Net profit after tax				4,061,678,096,011

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 which the Company's Board of Management assesses cannot be allocated to each segment on a reasonable basis. These expenses are incurred at the corporate level.

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- (\*) The segment results of the Food, Beverage and Home care products included amortisation of goodwill amounting to VND84,507 million (2019: VND68,801 million), amortisation of fair values of intangible fixed assets and long-term prepaid expenses arisen in business combinations amounting to VND111,588 million (2019: VND99,380 million), depreciation of fair values uplift of tangible fixed assets arisen in business combinations amounting to VND3,952 million (2019: VND2,304 million) and depreciation of fair values uplift of investment property arisen in business combinations amounting to VND2,856 million (2019: nil) during the year.

**As at 31 December 2020**

	<b>Food VND</b>	<b>Beverage VND</b>	<b>Home care products VND</b>	<b>Consolidated VND</b>
Segment assets	5,508,223,504,330	2,657,566,827,661	1,168,098,039,093	9,333,888,371,084
Unallocated assets				16,199,518,181,941
<b>Total assets</b>				<b>25,533,406,553,025</b>
Segment liabilities	1,245,516,882,503	509,129,738,294	342,197,039,797	2,096,843,660,594
Unallocated liabilities				9,153,578,132,819
<b>Total liabilities</b>				<b>11,250,421,793,413</b>
<b>For the year ended 31 December 2020</b>				
Capital expenditure	1,046,021,150,505	418,284,145,218	10,845,452,246	1,475,150,747,969
Unallocated capital expenditure				19,204,890,324
Depreciation of tangible fixed assets and investment property	377,306,766,937	137,909,650,317	21,903,196,876	537,119,614,130
Unallocated depreciation of tangible fixed assets and investment property				13,173,181,352
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	47,645,508,530	172,338,223,663	30,066,166,192	250,049,898,385
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses				36,371,516,398

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**As at 1 January 2020**

	<b>Food VND</b>	<b>Beverage VND</b>	<b>Home care products VND</b>	<b>Consolidated VND</b>
Segment assets	4,083,749,822,511	2,296,906,092,277	-	6,380,655,914,788
Unallocated assets				14,088,951,397,110
<b>Total assets</b>				<b>20,469,607,311,898</b>
Segment liabilities	1,251,917,157,075	578,553,540,514	-	1,830,470,697,589
Unallocated liabilities				6,232,169,566,284
<b>Total liabilities</b>				<b>8,062,640,263,873</b>
<b>For the year ended 31 December 2019</b>				
Capital expenditure	927,074,405,715	217,885,157,004	-	1,144,959,562,719
Unallocated capital expenditure				6,925,301,473
Depreciation of tangible fixed assets	325,196,656,875	136,964,228,518	-	462,160,885,393
Unallocated depreciation of tangible fixed assets				13,251,206,371
Amortisation of intangible fixed assets, goodwill and long-term prepaid expenses	40,732,287,383	171,873,955,214	-	212,606,242,597
Unallocated amortisation of intangible fixed assets and long-term prepaid expenses				38,637,098,477

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Details of unallocated assets and unallocated liabilities are as follows:

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Cash and cash equivalents	3,818,494,309,952	2,191,361,038,968
Short-term financial investments	212,300,000,000	193,304,109,559
Accounts receivable – short-term, net	2,959,815,772,943	2,279,713,485,812
Inventories	28,942,269,523	18,913,241,302
Other current assets	8,316,156,522	8,375,246,768
Accounts receivable – long-term, net	8,785,436,801,907	8,935,013,933,544
Fixed assets	97,794,178,017	143,392,635,606
Construction in progress	53,188,521,918	148,438,022,492
Other long-term assets	235,230,171,159	170,439,683,059
<b>Unallocated assets</b>	<b>16,199,518,181,941</b>	<b>14,088,951,397,110</b>
Short-term - accounts payable to suppliers	241,595,769,403	111,738,903,670
Advances from customers	25,947,739,882	40,813,457,140
Taxes payable to State Treasury	535,270,102,534	314,538,912,925
Payables to employees	-	6,994,718
Accrued expenses	691,852,007,440	393,178,617,202
Other short-term payables	11,550,745,860	9,509,077,737
Short-term borrowings	6,660,448,654,909	5,113,137,141,496
Long-term borrowings	787,689,223,375	126,321,105,544
Deferred tax liabilities	199,223,889,416	122,925,355,852
<b>Unallocated liabilities</b>	<b>9,153,578,132,819</b>	<b>6,232,169,566,284</b>

**(b) Geographical segments**

The Group operates in Vietnam and Thailand. The Thailand business is currently immaterial to the Group.

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**5. Business combination**

In February 2020, Masan HPC Company Limited, a subsidiary directly owned by the Company, acquired 52.25% equity interest of Net Detergent Joint Stock Company for a total consideration of VND565,077 million including transaction costs. For the period from the acquisition date to 31 December 2020, the acquired business contributed net revenue of VND1,264,597 million and profit of VND110,640 million to the Group's results.

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

	<b>Pre-business combination carrying amounts VND</b>	<b>Fair value adjustments VND</b>	<b>Recognised value on business combination VND</b>
Cash and cash equivalents	53,493,753,066	-	53,493,753,066
Held-to-maturity investments	63,500,000,000	-	63,500,000,000
Accounts receivable – short-term	48,238,103,297	-	48,238,103,297
Inventories	126,318,193,503	-	126,318,193,503
Other current assets	2,928,354,540	-	2,928,354,540
Tangible fixed assets – net	259,269,536,771	39,554,375,568	298,823,912,339
Intangible fixed assets – net	182,791,671	360,954,434,193	361,137,225,864
Investment property – net	11,774,005,829	6,853,968,089	18,627,973,918
Construction in progress	157,600,000	-	157,600,000
Long-term prepaid expenses	46,808,941,258	78,494,631,880	125,303,573,138
Short-term accounts payable to suppliers	(195,753,332,340)	-	(195,753,332,340)
Short-term borrowings	(23,649,116,960)	-	(23,649,116,960)
Other current liabilities	(61,108,357,044)	-	(61,108,357,044)
Other long-term liabilities	(100,000,000)	-	(100,000,000)
Deferred tax liabilities	-	(97,171,481,946)	(97,171,481,946)
<b>Total net identifiable assets from business combination</b>	<b>332,060,473,591</b>	<b>388,685,927,784</b>	<b>720,746,401,375</b>
Share of net assets from business combination			376,605,427,051
Goodwill on business combination (Note 19)			188,471,345,221
<b>Total consideration</b>			<b>565,076,772,272</b>
Cash acquired from business combination			53,493,753,066
Net cash outflow			511,583,019,206

Goodwill recognised on the acquisition of a subsidiary is attributable mainly to the synergies expected to be achieved from integrating the acquired company into the Group's existing business.

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**6. Transaction with non-controlling interests**

**(a) Transaction with non-controlling interests in VinaCafé Bien Hoa Joint Stock Company**

In June and July 2020, Masan Beverage Company Limited (“MSB”), a subsidiary of the Company, successfully acquired an additional 79,840 shares of VinaCafé Bien Hoa Joint Stock Company (“VCF”) for a total consideration of VND17,083 million. As a result of these transactions, the Company’s equity interests in VCF increased from 98.49% to 98.79%.

The transactions with non-controlling interests have the following effects:

	<b>VND</b>
Consideration paid in cash	17,083,287,375
Proportionate carrying amount of net assets acquired	(5,367,157,242)
	11,716,130,133
Difference recorded in undistributed profits after tax (Note 25)	11,716,130,133

**(b) Transaction with non-controlling interests in Vinh Hao Water Corporation**

In July 2020, MSB successfully acquired an additional 213,307 shares of Vinh Hao Water Corporation (“VHW”) for a total consideration of VND11,732 million. As a result of this transaction, the Company’s equity interests in VHW increased from 88.56% to 90.18%.

The transactions with non-controlling interests have the following effects:

	<b>VND</b>
Consideration paid in cash	11,731,885,000
Proportionate carrying amount of net assets acquired	(15,725,646,476)
	(3,993,761,476)
Difference recorded in undistributed profits after tax (Note 25)	(3,993,761,476)

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**7. Cash and cash equivalents**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	1,105,798,725	879,088,937
Cash at banks	145,788,511,227	147,881,950,031
Cash equivalents	3,671,600,000,000	2,042,600,000,000
Cash and cash equivalents in the consolidated statement of cash flows	<u>3,818,494,309,952</u>	<u>2,191,361,038,968</u>

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

**8. Financial investments**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
<b>Short-term financial investments</b>		
Trading securities (a)	-	150,604,109,559
Held-to-maturity investments (b)	212,300,000,000	42,700,000,000
	<u>212,300,000,000</u>	<u>193,304,109,559</u>
<b>Long-term financial investments</b>		
Investment in an associate (c)	249,391,858,906	249,391,858,906



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(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 Group has not determined the fair value of the trading securities 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 value of the trading securities may differ from its carrying amount.

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

	31/12/2020 VND	1/1/2020 VND
Term deposits at banks	212,300,000,000	42,700,000,000

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.



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(c) Investment in an associate

	Number of shares	31/12/2020 % of equity owned and % of voting rights	Carrying value under equity method VND	Number of shares	1/1/2020 % of equity owned and % of voting rights	Carrying value under equity method VND
Cholimex Food Joint Stock Company	2,659,217	32.83%	249,391,858,906	2,659,217	32.83%	249,391,858,906

The Group has not determined the fair value of the equity investment in an associate 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 value of the equity investment may differ from its carrying amount.

During the year, the Group does not have any significant transactions with Cholimex Food Joint Stock Company (“CLX”). Please see Note 1(d) for principal activities of CLX.

Movements of carrying value of investment in an associate of the Group during the year were as follows:

	<b>Cholimex Food Joint Stock Company VND</b>
Carrying value of investment in an associate at the beginning of the year	249,391,858,906
Share of post-acquisition profit in an associate during the year	13,296,085,000
Post-acquisition dividends receivable from an associate	(13,296,085,000)
Carrying value of investment in an associate at the end of the year	249,391,858,906

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**9. Accounts receivable from customers**

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Receivables from third parties	259,334,909,225	223,128,886,576
Receivables from related parties	139,823,005,666	127,324,052,481
	<hr/>	<hr/>
	399,157,914,891	350,452,939,057
	<hr/>	<hr/>

Please see Note 37 for detailed balances with the related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 30 – 180 days from invoice date.

**10. Loans receivable**

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

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Short-term loans receivable from a related party	-	605,000,000,000
Long-term loans receivable within 12 months	-	1,200,000,000,000
	<hr/>	<hr/>
	-	1,805,000,000,000
	<hr/>	<hr/>

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

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

The long-term loans receivable were unsecured and earned annual interest at 6.5% 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.

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**11. Other receivables**

**(a) Other short-term receivables**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Non-trade amounts due from related parties		
▪ Accrued interest receivable (*)	-	215,479,452
▪ Other receivables (**)	2,123,755,382	7,974,881,347
Short-term deposits for other investing activities (***)	2,750,000,000,000	-
Accrued interest receivable from other investing activities (***)	68,347,945,202	-
Accrued interest receivable from deposits at banks	7,869,546,301	4,732,801,372
Short-term deposits	8,281,518,560	23,161,263,440
Others	26,553,395,964	22,317,221,924
	<hr/>	<hr/>
	2,863,176,161,409	58,401,647,535
	<hr/>	<hr/>

**(b) Other long-term receivables**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Accrued interest receivable from a related party (*)	1,825,025,926,859	1,266,117,523,166
Long-term deposits	32,676,500,956	13,179,533,786
	<hr/>	<hr/>
	1,857,702,427,815	1,279,297,056,952
	<hr/>	<hr/>

(\*) This represented interest income receivable from loans provided to a related party. Please see Note 10 and Note 37 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 third parties under business cooperation contracts. According to these contracts, the third parties committed to the Group a minimum rate of return on the deposit amounts of 6.5% per annum (1/1/2020: Nil).

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**12. Inventories**

	31/12/2020		1/1/2020	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	84,844,813,671	-	39,200,952,879	-
Raw materials	850,755,021,672	(6,291,797,300)	514,490,943,045	(9,278,563,393)
Tools and supplies	80,264,113,937	(7,192,136,285)	84,034,742,534	(22,655,998,920)
Work in progress	270,156,261,907	-	89,589,748,640	-
Finished goods	539,114,185,062	(18,129,867,683)	459,594,578,664	(13,105,969,850)
Merchandise inventories	48,106,216,715	-	26,235,853,109	-
	<u>1,873,240,612,964</u>	<u>(31,613,801,268)</u>	<u>1,213,146,818,871</u>	<u>(45,040,532,163)</u>

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

	2020 VND	2019 VND
Opening balance	45,040,532,163	47,778,319,380
Increase in allowance during the year	71,880,679,097	49,020,733,518
Allowance utilised during the year	(66,234,248,195)	(46,751,384,522)
Written back	(19,073,161,797)	(5,007,136,213)
Closing balance	<u>31,613,801,268</u>	<u>45,040,532,163</u>

Included in inventories of the Group as at 31 December 2020 was VND31,614 million (1/1/2020: VND45,041 million) of slow-moving inventories.

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13. Tangible fixed assets

	Buildings VND	Leasehold improvements VND	Office equipment VND	Machinery and equipment VND	Motor vehicles VND	Total VND
<b>Cost</b>						
Opening balance	1,622,742,662,400	59,609,724,541	82,304,143,029	4,373,999,079,308	16,475,523,888	6,155,131,133,166
Increase from business combination (Note 5)	218,191,553,855	-	887,959,633	75,487,907,649	4,256,491,202	298,823,912,339
Additions during the year	398,318,182	-	652,203,183	5,720,986,356	789,054,364	7,560,562,085
Transfer from construction in progress	368,548,686,265	-	9,397,839,052	782,123,096,013	583,238,049	1,160,652,859,379
Transfer to long-term prepaid expenses	-	-	-	(30,000,000)	-	(30,000,000)
Disposals	(21,308,190,981)	-	(3,835,556,049)	(50,674,120,956)	(1,557,284,000)	(77,375,151,986)
Written off	(1,670,815,657)	-	(40,000,000)	(269,835,552)	-	(1,980,651,209)
Closing balance	2,186,902,214,064	59,609,724,541	89,366,588,848	5,186,357,112,818	20,547,023,503	7,542,782,663,774
<b>Accumulated depreciation</b>						
Opening balance	453,203,732,186	47,657,987,297	50,825,146,607	2,285,860,431,023	10,742,600,364	2,848,289,897,477
Charge for the year	94,702,776,024	10,451,709,071	8,853,871,533	429,763,974,861	2,410,290,635	546,182,622,124
Transfer to long-term prepaid expenses	-	-	-	(1,666,666)	-	(1,666,666)
Disposals	(11,428,326,225)	-	(3,647,231,049)	(44,466,308,720)	(1,461,411,835)	(61,003,277,829)
Written off	(1,670,815,657)	-	(40,000,000)	(269,835,552)	-	(1,980,651,209)
Closing balance	534,807,366,328	58,109,696,368	55,991,787,091	2,670,886,594,946	11,691,479,164	3,331,486,923,897
<b>Net book value</b>						
Opening balance	1,169,538,930,214	11,951,737,244	31,478,996,422	2,088,138,648,285	5,732,923,524	3,306,841,235,689
Closing balance	1,652,094,847,736	1,500,028,173	33,374,801,757	2,515,470,517,872	8,855,544,339	4,211,295,739,877

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Included in tangible fixed assets of the Group were assets costing VND1,007,990 million which were fully depreciated as of 31 December 2020 (1/1/2020: VND941,930 million), but which are still in active use.

As at 31 December 2020 and 1 January 2020, certain of the Group's tangible fixed assets were pledged with banks as security for loans granted to the Group (Note 24).

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14. Intangible fixed assets

	Land use rights VND	Software VND	Exploitation rights for mineral water resources VND	Brand name VND	Customer relationships VND	Mineral water resources VND	Total VND
<b>Cost</b>							
Opening balance	119,085,818,402	292,685,995,963	72,124,057,348	758,354,816,571	404,114,911,701	412,697,763,511	2,059,063,363,496
Increase from business combination (Note 5)	-	182,791,671	-	341,271,580,044	19,682,854,149	-	361,137,225,864
Transfer from construction in progress	-	1,167,200,000	-	-	-	-	1,167,200,000
Closing balance	119,085,818,402	294,035,987,634	72,124,057,348	1,099,626,396,615	423,797,765,850	412,697,763,511	2,421,367,789,360
<b>Accumulated amortisation</b>							
Opening balance	37,324,294,661	167,537,498,795	20,685,174,066	519,014,479,437	369,201,626,821	95,332,455,384	1,209,095,529,164
Charge for the year	3,730,881,408	35,199,388,059	3,288,166,326	76,372,634,614	9,232,333,140	21,934,668,276	149,758,071,823
Closing balance	41,055,176,069	202,736,886,854	23,973,340,392	595,387,114,051	378,433,959,961	117,267,123,660	1,358,853,600,987
<b>Net book value</b>							
Opening balance	81,761,523,741	125,148,497,168	51,438,883,282	239,340,337,134	34,913,284,880	317,365,308,127	849,967,834,332
Closing balance	78,030,642,333	91,299,100,780	48,150,716,956	504,239,282,564	45,363,805,889	295,430,639,851	1,062,514,188,373

Included in intangible fixed assets of the Group were assets costing VND14,881 million which were fully amortised as of 31 December 2020 (1/1/2020: VND13,093 million), but which are still in active use.

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**15. Investment property held to earn rental**

	<b>Buildings VND</b>	<b>Infrastructures VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance	-	-	-
Increase from business combination (Note 5)	18,016,283,093	611,690,825	18,627,973,918
Closing balance	18,016,283,093	611,690,825	18,627,973,918
<b>Accumulated depreciation</b>			
Opening balance	-	-	-
Charge for the year	4,049,295,700	60,877,658	4,110,173,358
Closing balance	4,049,295,700	60,877,658	4,110,173,358
<b>Net book value</b>			
Opening balance	-	-	-
Closing balance	13,966,987,393	550,813,167	14,517,800,560

The fair value of investment property held to earn rental has not been determined as there was no recent market transaction for similar property in the same location as the Group's investment property.



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**16. Construction in progress**

	<b>VND</b>
Opening balance	561,015,382,299
Increase from business combination (Note 5)	157,600,000
Additions during the year	1,478,660,067,730
Transfer to tangible fixed assets	(1,160,652,859,379)
Transfer to intangible fixed assets	(1,167,200,000)
Transfer to long-term prepaid expenses	(436,022,311,613)
	441,990,679,037
Closing balance	441,990,679,037

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

	<b>31/12/2020</b> <b>VND</b>	<b>1/1/2020</b> <b>VND</b>
Buildings	146,435,571,443	163,696,599,205
Machinery and equipment	263,801,619,238	393,877,289,405
Others	31,753,488,356	3,441,493,689
	441,990,679,037	561,015,382,299
	441,990,679,037	561,015,382,299

As at 31 December 2020, certain of the Group's construction in progress were pledged with banks as security for loans granted to the Group (1/1/2020: Nil) (Note 24).

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**17. Long-term prepaid expenses**

	Prepaid land costs VND	Goodwill from equitisation VND	Tools and supplies VND	Loan arrangement costs VND	Total VND
Opening balance	81,476,843,768	18,806,226,924	74,943,826,122	-	175,226,896,814
Increase from business combination (Note 5)	123,703,379,518	-	1,600,193,620	-	125,303,573,138
Additions during the year	-	-	12,381,659,238	12,050,000,000	24,431,659,238
Transfer from construction in progress	396,433,885,459	-	39,588,426,154	-	436,022,311,613
Transfer from tangible fixed assets	-	-	28,333,334	-	28,333,334
Transfer to short-term prepaid expenses	-	-	(3,684,665)	-	(3,684,665)
Amortisation for the year	(6,194,949,938)	(3,134,371,153)	(44,603,295,327)	(996,249,997)	(54,928,866,415)
Disposals	-	-	(560,789,329)	-	(560,789,329)
Currency translation differences	-	-	(5,128,588)	-	(5,128,588)
<b>Closing balance</b>	<b>595,419,158,807</b>	<b>15,671,855,771</b>	<b>83,369,540,559</b>	<b>11,053,750,003</b>	<b>705,514,305,140</b>

As at 31 December 2020, certain of the Group's long-term prepaid expenses were pledged with banks as security for loans granted to the Group (1/1/2020: Nil) (Note 24).

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**18. Deferred tax assets and liabilities**

**Recognised deferred tax assets and liabilities**

	31/12/2020		1/1/2020	
	Deferred tax assets VND	Deferred tax liabilities VND	Deferred tax assets VND	Deferred tax liabilities VND
Accrued advertising and promotion expenses	126,810,376,489	-	78,071,356,273	-
Accrued logistic expense	28,611,176,281	-	20,249,218,279	-
Accrued sales discounts	17,789,645,144	-	15,300,614,186	-
Other accruals	38,254,962,506	-	32,633,676,221	-
Unrealised profits	18,932,257,979	-	20,926,189,646	-
Investment property	-	(799,629,611)	-	-
Tangible fixed assets	-	(8,836,148,725)	-	(1,715,720,897)
Intangible fixed assets	-	(189,588,111,080)	-	(121,209,634,955)
	<b>230,398,418,399</b>	<b>(199,223,889,416)</b>	<b>167,181,054,605</b>	<b>(122,925,355,852)</b>

**19. Goodwill**

	2020 VND
<b>Cost</b>	
Opening balance	693,961,414,227
Increase from business combination (Note 5)	188,471,345,221
Closing balance	882,432,759,448
<b>Accumulated amortisation</b>	
Opening balance	475,827,414,131
Charge for the year	84,506,698,388
Closing balance	560,334,112,519
<b>Net book value</b>	
Opening balance	218,134,000,096
Closing balance	322,098,646,929

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**20. Accounts payable to suppliers**

	<b>31/12/2020</b> <b>Cost/Amount</b> <b>within payment</b> <b>capacity</b> <b>VND</b>	<b>1/1/2020</b> <b>Cost/Amount</b> <b>within payment</b> <b>capacity</b> <b>VND</b>
Payables to third parties	1,182,257,290,844	1,129,556,509,153
Payables to related parties	10,249,421,831	257,149,487
	<hr/> 1,192,506,712,675	<hr/> 1,129,813,658,640
In which:		
- Short-term	1,164,838,936,675	1,098,800,884,640
- Long-term	27,667,776,000	31,012,774,000
	<hr/> 1,192,506,712,675	<hr/> 1,129,813,658,640

Please see Note 37 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.

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**21. Taxes payable to State Treasury**

	1/1/2020 VND	Increase from business combination VND	Incurred VND	Paid VND	Reclassified VND	Deducted/ Refunded VND	31/12/2020 VND
Value added tax	128,721,942,644	259,443,804	4,227,166,160,288	(841,671,020,296)	-	(3,368,249,455,571)	146,227,070,869
Import-export tax	-	-	38,969,385,484	(38,969,385,484)	-	-	-
Corporate income tax	261,235,952,132	2,815,564,977	877,546,842,929	(682,614,892,702)	600,592,551	-	459,584,059,887
Personal income tax	5,046,998,080	132,248,232	99,588,921,651	(96,341,254,628)	-	(2,348,509,194)	6,078,404,141
Others	1,608,291,810	-	139,465,520,212	(139,718,691,399)	-	-	1,355,120,623
	396,613,184,666	3,207,257,013	5,382,736,830,564	(1,799,315,244,509)	600,592,551	(3,370,597,964,765)	613,244,655,520

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**22. Accrued expenses**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Advertising and promotion expenses	658,949,341,246	399,744,128,894
Bonus and 13 <sup>th</sup> month salary	321,075,122,257	191,561,147,482
Purchases not yet received invoices	157,372,988,185	106,831,303,129
Logistic expenses	147,682,976,585	102,587,946,588
Sales discounts	91,373,666,721	76,503,070,931
Construction in progress	58,214,183,351	29,390,765,712
Exhibition expense	52,874,347,636	26,709,655,659
Accrued interest expense	17,262,650,926	23,039,377,277
Accrued information and technology expenses	15,006,398,136	19,670,592,138
Market research expense	10,980,889,362	8,829,022,402
Others	101,572,296,445	65,654,757,938
	1,632,364,860,850	1,050,521,768,150

**23. Other payables**

**(a) Other short-term payables**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Trade union fee, social, health and unemployment insurances	11,425,954,483	9,795,063,144
Dividends payable	11,346,805,100	4,953,578,500
Short-term deposits received	1,970,782,500	691,442,500
Others	14,726,349,185	3,466,506,759
	39,469,891,268	18,906,590,903

**(b) Other long-term payables**

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits received	25,234,542,936	23,977,149,720

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## 24. Borrowings

### (a) Short-term borrowings

	1/1/2020 Carrying amount/ Amount within repayment capacity VND	Increase from business combination VND	Movements during the year			31/12/2020 Carrying amount/ Amount within repayment capacity VND
			Addition VND	Decrease VND	Revaluation VND	
Short-term borrowings	5,109,181,099,998	23,649,116,960	21,762,970,757,988	(20,355,931,689,050)	264,591,435	6,540,133,877,331
Current portion of long-term borrowings	3,956,041,498	-	120,314,777,578	(3,956,041,498)	-	120,314,777,578
	5,113,137,141,496	23,649,116,960	21,883,285,535,566	(20,359,887,730,548)	264,591,435	6,660,448,654,909

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

	Currency	Annual interest rate	31/12/2020 VND	1/1/2020 VND
<b>Short-term borrowings</b>				
▪ Secured bank loans	VND	2.30% - 4.55%	157,993,266,380	253,381,310,075
▪ Unsecured bank loans	VND	1.00% - 5.50%	5,809,785,415,271	4,837,845,787,523
▪ Unsecured bank loans	USD	1.70% - 4.77%	572,355,195,680	17,954,002,400
			6,540,133,877,331	5,109,181,099,998

As at 31 December 2020 and 1 January 2020, the secured bank loans – short-term in VND of the Group were guaranteed by the Company.

**(b) Long-term borrowings**

	31/12/2020 VND	1/1/2020 VND
Long-term borrowings	908,004,000,953	130,277,147,042
Repayable within 12 months	(120,314,777,578)	(3,956,041,498)
Repayable after 12 months	787,689,223,375	126,321,105,544

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

	Currency	Annual interest rate	Year of maturity	31/12/2020 VND	1/1/2020 VND
<b>Long-term borrowings</b>					
▪ Secured bank loans	VND	4.80% - 8.00%	2025	908,004,000,953	130,277,147,042

The secured bank loans – long-term of the Group were secured over tangible fixed assets, construction in progress and long-term prepaid expenses of the Group with carrying amounts of VND569,415 million, VND59,288 and VND37,648, respectively (1/1/2020: tangible fixed assets with the carrying amount of VND114,055 million).

As at 31 December 2020 and 1 January 2020, the secured bank loans – long-term of the Group were guaranteed by the Company.

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

As at 31 December 2020 and 1 January 2020, the Group has not had any overdue borrowings including principle and interest.



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25. Changes in owners' equity

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Undistributed profits after tax VND	Non-controlling interests ("NCI") VND	Total VND
<b>Balance as at 1 January 2019</b>	6,279,291,230,000	4,292,501,204,992	(265,775,657,006)	(1,640,252,631,255)	5,398,307,899	22,731,972,844	1,962,584,222,892	224,733,821,437	10,881,212,471,803
Share capital issued (Note 26)	30,493,250,000	182,959,500,000	-	-	-	-	-	-	213,452,750,000
Bonus shares issued (Note 26)	919,461,560,000	(919,461,560,000)	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	4,026,490,967,694	35,187,128,317	4,061,678,096,011
Dividends (Note 27)	-	-	-	-	-	-	(2,744,681,053,500)	-	(2,744,681,053,500)
Dividends declared by subsidiaries	-	-	-	-	-	-	-	(12,894,360,000)	(12,894,360,000)
Currency translation differences	-	-	-	-	8,199,125,377	-	-	18,334	8,199,143,711
<b>Balance as at 31 December 2019</b>	7,229,246,040,000	3,555,999,144,992	(265,775,657,006)	(1,640,252,631,255)	13,597,433,276	22,731,972,844	3,244,394,137,086	247,026,608,088	12,406,967,048,025



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	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Undistributed profits after tax VND	Non-controlling interests ("NCI") VND	Total VND
<b>Balance as at 1 January 2020</b>	7,229,246,040,000	3,555,999,144,992	(265,775,657,006)	(1,640,252,631,255)	13,597,433,276	22,731,972,844	3,244,394,137,085	247,026,608,088	12,406,967,048,025
Share capital issued (Note 26)	38,692,140,000	154,768,560,000	-	-	-	-	-	-	193,460,700,000
Net profit for the year	-	-	-	-	-	-	4,520,298,845,178	77,272,410,164	4,597,571,255,342
Business combination (Note 5)	-	-	-	-	-	-	-	344,140,974,324	344,140,974,324
Dividends (Note 27)	-	-	-	-	-	-	(3,172,160,718,000)	-	(3,172,160,718,000)
Dividends declared by subsidiaries	-	-	-	-	-	-	-	(56,255,650,600)	(56,255,650,600)
Appropriation to bonus and welfare funds	-	-	-	-	-	-	(952,034,012)	(869,965,988)	(1,822,000,000)
Acquisition of NCI (Note 6(a))	-	-	-	-	-	-	(11,716,130,133)	(5,367,157,242)	(17,083,287,375)
Acquisition of NCI (Note 6(b))	-	-	-	-	-	-	3,993,761,475	(15,725,646,476)	(11,731,885,000)
Currency translation differences	-	-	-	-	(101,678,344)	-	-	1,240	(101,677,104)
<b>Balance as at 31 December 2020</b>	<b>7,267,938,180,000</b>	<b>3,710,767,704,992</b>	<b>(265,775,657,006)</b>	<b>(1,640,252,631,255)</b>	<b>13,495,754,932</b>	<b>22,731,972,844</b>	<b>4,583,857,861,595</b>	<b>590,221,573,510</b>	<b>14,282,984,759,612</b>

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**26. 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
<b>Authorised and issued share capital</b>				
Ordinary shares	726,793,818	7,267,938,180,000	722,924,604	7,229,246,040,000
<b>Treasury shares</b>				
Ordinary shares	18,000,000	1,640,252,631,255	18,000,000	1,640,252,631,255
<b>Shares currently in circulation</b>				
Ordinary shares	708,793,818	7,087,938,180,000	704,924,604	7,049,246,040,000
<b>Share premium</b>		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 at par for 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

**27. 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).

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**28. Off balance sheet items**

**(a) Lease commitments**

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

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Within 1 year	143,914,610,131	88,334,758,722
Within 2 to 5 years	141,907,277,809	57,287,781,876
More than 5 years	63,872,463,134	7,213,800,997
	349,694,351,074	152,836,341,595

**(b) Foreign currencies**

	<b>31/12/2020</b>		<b>1/1/2020</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
USD	369,579	8,494,776,723	1,808,028	41,783,522,492
THB	77,731,377	58,298,532,050	64,860,758	48,775,425,240
		66,793,308,773		90,558,947,732

**(c) Capital expenditure commitments**

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

	<b>31/12/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Approved and contracted	597,748,937,755	320,148,956,940
Approved but not contracted	626,786,780,685	512,013,807,783
	1,224,535,718,440	832,162,764,723

**Masan Consumer Corporation and its subsidiaries**  
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**29. Revenue from sale of goods and provision of services**

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

Net revenue comprised of:

	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Sale of goods	23,911,868,769,322	19,081,408,491,238
▪ Other sales	76,189,779,083	30,939,925,704
	<hr/>	<hr/>
	23,988,058,548,405	19,112,348,416,942
	<hr/>	<hr/>
Less revenue deductions		
▪ Sale discounts	581,111,282,281	570,855,433,993
▪ Sale returns	64,212,784,727	53,951,146,441
	<hr/>	<hr/>
	645,324,067,008	624,806,580,434
	<hr/>	<hr/>
Net revenue	23,342,734,481,397	18,487,541,836,508

**30. Cost of sales**

	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales		
▪ Goods sold	13,292,046,150,297	10,429,761,634,451
▪ Other cost of sales	78,666,673,449	56,093,082,189
▪ Allowance for inventories	52,807,517,300	44,013,597,305
	<hr/>	<hr/>
	13,423,520,341,046	10,529,868,313,945

**Masan Consumer Corporation and its subsidiaries**  
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**31. Financial income**

	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Interest income from loans provided to a related party	564,359,499,584	521,997,309,307
Interest income from deposits at banks and other investments	173,790,852,197	90,435,337,512
Foreign exchange gains	16,644,346,561	6,376,361,894
Others	13,725,100	1,038,822,400
	<hr/>	<hr/>
	754,808,423,442	619,847,831,113
	<hr/>	<hr/>

**32. Financial expenses**

	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Interest expense on borrowings from banks	286,495,734,730	235,821,679,467
Foreign exchange losses	18,025,238,148	2,916,653,025
Borrowing costs	457,397,827	-
Others	10,454,876,891	1,402,574,956
	<hr/>	<hr/>
	315,433,247,596	240,140,907,448
	<hr/>	<hr/>

**33. Selling expenses**

	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Advertising and promotion expenses	2,563,900,793,810	1,738,379,742,428
Logistic expenses	711,535,804,567	640,797,826,593
Staff costs	451,482,981,896	341,570,052,006
Exhibition expense	220,334,654,390	165,437,085,533
Leased line system and information technology services	47,545,066,849	43,738,653,957
Marketing research expense	40,271,786,429	48,271,689,310
Others	36,020,911,493	36,985,910,822
	<hr/>	<hr/>
	4,071,091,999,434	3,015,180,960,649
	<hr/>	<hr/>

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**34. General and administration expenses**

	<b>2020</b> <b>VND</b>	<b>2019</b> <b>VND</b>
Staff costs	397,034,844,566	383,656,017,869
Amortisation of fair value uplift of fixed assets and investment property arising in business combination	118,396,239,116	101,683,757,256
Amortisation of goodwill	84,506,698,388	68,800,752,948
Leased line system and information technology services	73,947,994,621	71,254,406,558
Office rental	58,993,434,376	59,450,205,225
Depreciation and amortisation of fixed assets	50,426,153,153	46,440,299,133
Research and development expenses	44,054,977,317	26,873,149,711
Others	66,521,534,367	59,232,985,193
	<hr/> 893,881,875,904	<hr/> 817,391,573,893 <hr/>

**35. 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	885,025,450,747	483,897,502,108
Over provision in prior years	(7,478,607,818)	(73,444,657,183)
	<hr/> 877,546,842,929	<hr/> 410,452,844,925 <hr/>
<b>Deferred tax (benefit)/expense</b>		
Origination and reversal of temporary differences	(84,090,312,176)	19,648,372,146
	<hr/> 793,456,530,753	<hr/> 430,101,217,071 <hr/>

**Masan Consumer Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2020**  
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**(b) Reconciliation of effective tax rate**

	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	5,391,027,786,095	4,491,779,313,082
Tax at the Company's income tax rate	1,078,205,557,219	898,355,862,616
Effect of incentive tax rates in subsidiaries	(299,577,610,070)	(401,087,322,818)
Effect of share of profit in an associate	(2,659,217,000)	(1,595,530,200)
Non-deductible expenses	7,487,273,999	7,450,847,210
Over provision in prior years	(7,478,607,818)	(73,444,657,183)
Effect of amortisation of goodwill	16,901,339,678	13,760,150,590
Change in unrecognised deferred tax assets	577,794,745	(13,338,133,144)
	793,456,530,753	430,101,217,071

Deferred tax assets have not been recognised in certain subsidiaries because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits therefrom.

**(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%.

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

**(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.



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### 36. Earnings per share

#### (a) 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 of the Company after deducting the amounts appropriated to bonus and welfare funds for the year, of VND4,520,299 million (2019: VND4,026,491 million) and a weighted average number of ordinary shares outstanding of 705,981,766 (2019: 703,079,973), calculated as follows:

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

	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Net profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds	4,520,298,845,178	4,026,490,967,694

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

	<b>2020</b>	<b>2019</b>
Issued ordinary shares at the beginning of the year – currently in circulation	704,924,604	609,929,123
Effect of shares issued during the year	1,057,162	1,445,297
Effect of bonus shares issued during the year	-	91,705,553
Weighted average number of ordinary shares at the end of the year – currently in circulation	705,981,766	703,079,973

#### (iii) *Basic earnings per share*

	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Basic earnings per share	6,403	5,727

#### (b) Diluted earnings per share

As at 31 December 2020 and 1 January 2020, the Company did not have potential ordinary shares, therefore the presentation of diluted earnings per share is not applicable.

**Masan Consumer Corporation and its subsidiaries**

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**37. Significant transactions and balances with related parties**

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

Relationship	Nature of transactions	Transaction value		Receivable/(Payables)	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
<b>Parent company</b>					
MasanConsumerHoldings Company Limited	Loans provided	4,085,000,000,000	2,132,000,000,000	6,927,734,374,092	9,460,716,876,592
	Loans repaid by cash	3,615,000,000,000	105,000,000,000	-	-
	Interest income receivable from loans	564,359,499,584	521,997,309,307	1,825,025,926,859	1,266,333,002,618
	Dividends declared	3,021,089,152,500	2,611,289,133,000	-	-
	Dividends netted off with loans receivable	3,002,982,502,500	-	-	-
	Dividends paid by cash	18,106,650,000	2,611,289,133,000	-	-
<b>Associate</b>					
Cholimex Food Joint Stock Company	Post-acquisition dividends received	13,296,085,000	7,977,651,000	-	-
<b>Other related parties</b>					
Masan Brewery Company Limited	Sale of services	-	1,000,000,000	-	1,000,000,000
Masan Master Brewer Company Limited	Sale of goods	2,567,365	1,261,868	-	-
Masan Brewery PY One Member Company Limited	Sale of goods	70,539,287	44,454,161	-	-

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Relationship	Nature of transactions	Transaction value		Receivable/(Payables)	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
Masan Brewery Distribution One Member Company Limited	Sale of goods	1,942,759,878	3,192,744	-	-
	Sale returns	-	1,194,673,977	-	-
	Prepayment for purchase of goods	-	146,127,485	-	146,127,485
	Purchase of goods	14,053,884,692	1,164,332,377	-	-
	Management fee	25,552,551,615	43,899,198,611	25,103,111,299	76,560,997,745
Masan Brewery HG One Member Company Limited	Sale of goods	68,168,660	96,562,265	-	-
	Return of goods	-	56,122,834	-	-
	Purchase of goods and services	96,100,000	41,850,264	(82,995,000)	-
	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	98,618,185	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	12,909,091	-	-	-
	Management fee	1,016,708,669	1,072,868,060	525,670,141	565,193,852
MNS Feed Thai Nguyen Company Limited	Sale of goods	48,218,180	32,096,545	-	-
	Management fee	1,058,214,817	879,568,987	547,134,612	463,338,369
MNS Feed Vinh Long Company Limited	Sale of goods	2,727,273	-	-	-
	Management fee	305,774,592	1,121,192,828	158,544,470	590,657,722
MNS Feed Hau Giang Company Limited	Sale of goods	13,818,182	-	-	-
	Management fee	783,660,463	884,076,132	403,572,318	465,644,364
MNS Feed Nghe An Company Limited	Sale of goods	81,883,635	40,491,636	-	-
	Management fee	1,066,209,157	1,386,854,782	550,479,112	730,275,716

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Relationship	Nature of transactions	Transaction value		Receivable/(Payables)	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
MNS Farm Nghe An Company Limited	Sale of goods	352,358,457	-	-	-
	Management fee	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	246,514,367	77,160,181	5,280,001	-
	Management fee	5,113,037,786	5,709,464,606	2,636,848,112	3,005,475,157
Proconco Can Tho One Member Company Limited	Sale of goods	63,090,908	-	-	-
	Management fee	2,218,852,516	2,411,943,046	1,143,397,827	1,269,531,065
Conco Binh Dinh Co, Ltd	Sale of goods	19,636,363	-	-	-
	Management fee	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	8,043,454	8,100,000	-	5,610,000
	Management fee	264,268,445	124,649,821	137,079,999	66,007,008
Masan MEATLife Corporation	Sale of goods	168,500,010	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	1,946,570,540	471,970,785	22,632,600	116,949,047
	Sale of fixed assets	-	3,654,510,255	-	1,372,172,193
	Purchase of goods	52,469,330,268	783,539,872	(7,296,009,304)	(137,149,487)
	Purchase of fixed assets	7,542,750,000	108,194,443	-	-
	Management fee	13,624,058,876	9,777,468,782	7,564,922,630	5,856,548,984
	Prepayment for purchase of goods	498,592,776	-	498,592,776	-
MEATDeli Saigon Company Limited	Sale of goods	22,816,576	-	25,098,232	-
	Purchase of goods	1,678,297,842	-	(949,631,340)	-

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Relationship	Nature of transactions	Transaction value		Receivable/(Payables)	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
3F Viet Company Limited	Sale of goods	120,288,000	-	209,501,600	-
	Purchase of goods	2,097,500,000	-	(1,799,500,000)	-
Nui Phao Mining Company Limited	Sale of goods	1,364,967,124	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
Jinju Ham Company Limited	Purchase of goods and services	226,085,500	1,681,890,570	(121,286,187)	-
Vincommerce General Commercial Services Joint Stock Company	Sale of goods	721,022,283,588	-	80,215,427,452	17,548,537,996
	Purchase of goods and services	136,191,481,363	-	-	(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	-	-	-
Vineco Agricultural Investment Development and Production Limited Liability Company	Sale of goods	117,056,817	-	-	-
	Purchase of goods	511,661,682	-	-	-
	Office rental support fee	1,054,215,907	-	-	-
	Advance from customer	168,474,203	-	(168,474,203)	-

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Relationship	Nature of transactions	Transaction value		Receivable/(Payables)	
		2020 VND	2019 VND	31/12/2020 VND	1/1/2020 VND
Masan Group Corporation	Sale of goods	4,459,510,376	162,257,134	-	-
	Management fee	3,061,474,525	3,383,713,619	3,367,621,978	3,647,590,054
<b>Key management personnel</b>	Remuneration to key management personnel (*)	52,129,176,094	56,489,181,007	-	-

As at 31 December 2020 and 1 January 2020, the Group 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.

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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
<b>Board of Directors</b>		
Mr Danny Le	Chairman	-
Mr Truong Cong Thang	Member	-
Dr Nguyen Dang Quang	Member	-
Ms Nguyen Hoang Yen	Member	-
Mr Nguyen Thieu Quang	Member	-

Name	Position	VND
<b>Board of Management</b>		
Mr Truong Cong Thang	Chief Executive Officer	-

**38. Post balance sheet events**

In January 2021, VinaCafé Bien Hoa Joint Stock Company, a subsidiary indirectly owned of the Company through MSB, has successfully acquired an additional 17,000,000 new shares issued (equivalent to 12.77% equity interests) in Café De Nam Joint Stock Company (“CDN”). As the results of this transaction, the Company’s equity interests in CDN has increased from 83.97% to 96.59%.

There has been no other significant event occurred after the balance sheet date which would require adjustments or disclosures to be made in these consolidated 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

