



**ANNUAL REPORT
2020**

Point of
Life



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This Annual Report is made for the purpose of Annual General Meeting 2021 and available to shareholders of Masan Group, Masan Consumer, and Masan MEATLife. The annual reports of Masan Consumer and Masan MEATLife are available on their respective websites.

“Our mission is to uplift the material and spiritual lives of 100 million Vietnamese consumers.”



Vietnam's consumer and retail sectors are not only expected to grow significantly, but also to evolve and transform.



We believe that over the next few years, current products and brands will be no longer enough to satisfy the growing demands of our consumers.



Now, more than ever, consumers seek unique, novel and tailored experiences coupled with greater convenience.



We aim to build a Point of Life platform that satisfies consumers' essential needs.



Our Point of Life platform aims to unlock value for shareholders, partners, and most importantly, Vietnamese consumers.



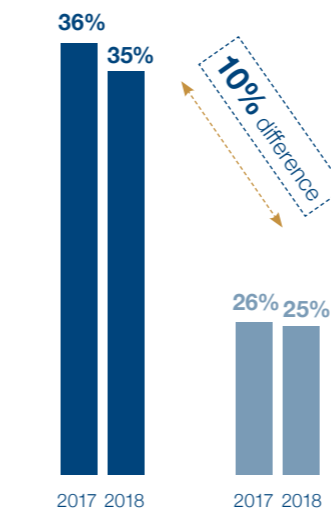
Chairman's Letter



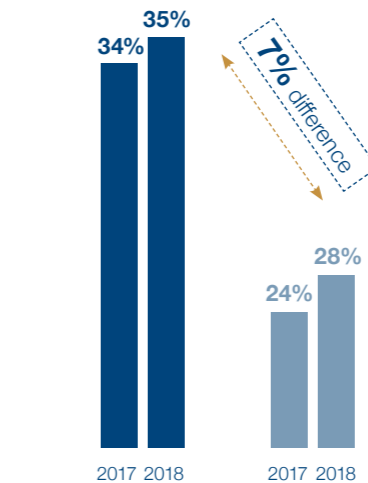
Our "Alpha-Bet"

Dear Masaners,

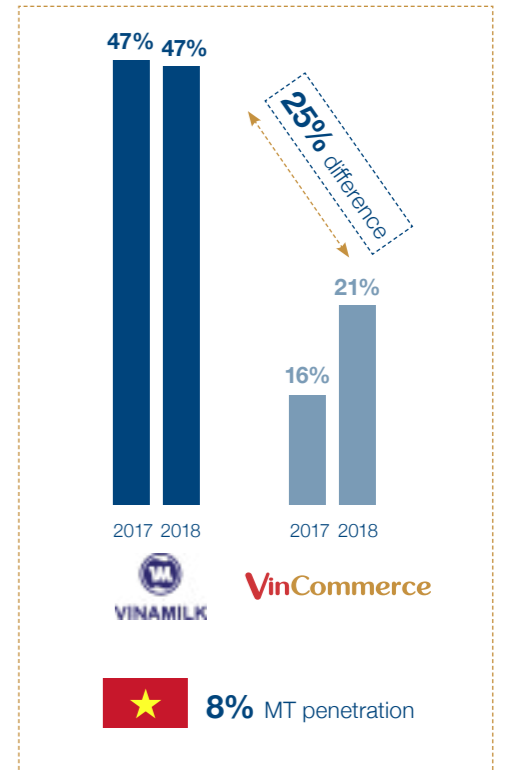
Throughout our journey, every decade Masan has made big, strategic bets to set the course for building Masan's future. On the brink of 2020, we made a chess move to protect our market position and to position Masan for the next decade – the merger with VinCommerce to establish The CrownX, an integrated retail consumer platform. Had we not made our Queen's Gambit, this would have marked the "beginning of the end" for Masan.



 **89%** MT penetration



 **46%** MT penetration



 **8%** MT penetration

Gross margin profile between retailer and FMCG manufacturer as MT penetration evolves

Source: MSN internal research

The previous chart tells it all. Modern retailers will eventually dictate the consumer market. High modern trade penetration narrows the gross margin gap between FMCG players and modern retailers significantly. The gross margin gaps in U.S. and Thailand are now below 10% versus 20%+ previously. The shift of profits and consumer power to modern retailers will accelerate over the next decade as Vietnam modernizes.

When we announced “the decision” to acquire VinCommerce, we were anticipating that our employees, investors and the general public would be on the same wavelength. How naïve.

Our strategic thought process was entirely disconnected from the outside world. The biggest believers in Masan became nonbelievers, and our share price halved in a matter of a month. In hindsight, the chain reaction was justified. Masan was absorbing a US\$100+ million loss-making business where we had no operating or sector experience. In short, the conglomerate became a bigger one and furthered fueled the fire that Masan's deal appetite outweighs its strategic and financial benefits.

The 3-step blueprint for our “Alpha-Bet”

“Step 1”: sometimes it is necessary to take one step back to make a quantum leap.

We sacrificed market share and growth to build a business that can achieve huge scale

and generate outsized profits. Masan operates under a simple principle: when the foundation is not solid, the house will eventually crumble. We outlined a simple objective – to demonstrate the path to breakeven EBITDA in one year.

We rolled up our sleeves and ruthlessly executed, shutting down over 700 minimarkets (“VinMart+”), redesigning supply chain operations to improve logistics and flow of goods, and simplifying our assortment to match the needs and demands of consumers, akin with our consumer-centric approach as opposed to a purchasing-centric one.

These actions seem like “retail 101”, but superior execution is not easy. The results speak for themselves: VCM reached breakeven at the EBITDA level in 4Q2020 and will deliver positive EBITDA in 1Q2021.

The foundation is now set.

“Step 2”:

a nationwide MT platform to serve 30-50 million consumers

The entry into modern retail has increased our addressable market from 1% of the consumer wallet to ~25%. Our 5- year plan is to develop a winning model to serve 30-50 million consumers:

- a network of 10,000 self-owned stores and 20,000 franchisee partnership with existing mom and pop shops, a win-win proposition;

- a supply chain model to eliminate Vietnam's inefficient, multi-layered distribution network by leveraging technology and our nationwide network;
- a private label portfolio in partnership with strategic suppliers to provide consumers quality innovative products at reasonable price points, particularly in the rural; and
- an on-to-offline grocery model to serve consumers' diverse shopping habits.

Delivering on this 5-year roadmap, will unlock significant value for our consumer value chain:

- consumers pay 5-10% less for essential goods;
- manufacturers and agricultural producers generate 5-10% more profit ; and
- our retail franchisees make 5-10% more profit versus their current operations.

By transforming the modern grocery infrastructure, we envision a business that will generate US\$7-10 billion in revenue and double digit increase in profit margins by 2025 for the grocery market only. This is exciting, but just the point of takeoff for The CrownX, our “crown jewel”.

“Step 3”:

Transform The CrownX into what we call a “Point of Life” platform

Modern grocery is where we stitch the entire consumer puzzle together into a holistic on-to-offline platform that offers the best products and consumer services to serve the entire consumer wallet. We aim to build a one-

stop shop that satisfies consumers' essential, financial, educational, social, entertainment, and healthcare needs. With an integrated array of services on one platform, consumers will enjoy “ecosystem” benefits that bring more daily value to their everyday lives.

The strategy and vision may sound familiar; the whole world is selling the “ecosystem” vision. But I believe we already have the key elements in place to make it a reality in the near future. The first proof point of our “Point of Life” platform will be crystallized in 2021. We will evolve at least 50% of our stores into financial service points that combines brick and mortar banking services and a digital payments gateway.

We currently process over 1 million transactions a day and expect this to grow by 5x-10x by 2025. The sheer volume of transactions will give us powerful data to “know our consumer” and personally serve them better. From a business standpoint, combining grocery and financial life, 50% of the consumer wallet, gives us a sticky, scalable and daily use-case to create a loyal consumer base without burning money. We do not believe in a consumer acquisition model that is purely based on discounts and promotions. We instead believe in a disruptive business model where we offer innovative solutions backed by power brands where consumers receive more value for their money.

The natural question is who will be our financial services partner. Personally, I think the answer is as clear as day – Techcombank.

Value creation

All of this means absolutely nothing if it does not create value for our shareholders. Stitching our businesses into a “Point of Life” and de-prioritizing our more commoditized businesses will remove our tag as a conglomerate, a collection of different things or parts grouped together to form a whole but remain distinct entities. Removing the conglomerate tag and demonstrating the “One Masan – One Business Model” in itself will unlock shareholder value.

The Crown X is where our retail network (“VCM”), FMCG (“MCH”), branded meat (“MML”), and financial life (“TCB”) platforms intersect and synergize into one free flowing business. This is the first chapter of our Point of Life journey.

The most important: Business transformation means people transformation

The establishment of The CrownX is a significant milestone and kicked off the “Alpha-Bet” we are taking to deliver on our purpose and vision. However, the business transformation of The CrownX into a “Point of Life” platform will not be possible if we cannot deliver on people transformation. No matter how technology evolves, at the end of the day, people determine where our spaceship will land. Masan's founding leaders and senior executives must continue to evolve themselves while also attracting and

grooming the next generation of spearheads. This is not only about continuity and growth, but also building a world class business.

I strongly believe Masan will be capable of building a “Point of Life” platform that can better serve Vietnamese consumers, but it comes down to how much we really want it.

“It is not even the beginning of the end. But it is, perhaps, the end of the beginning.” – Winston Churchill.

This is the mindset we always need to live by to reach the heights that we envision.

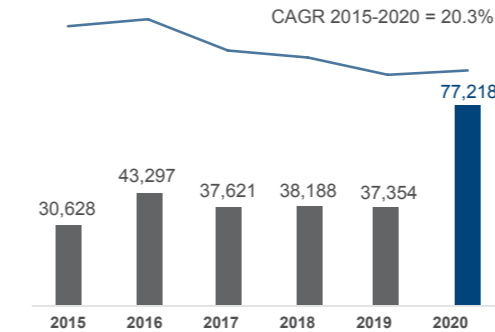
Our journey is the consumers' journey,



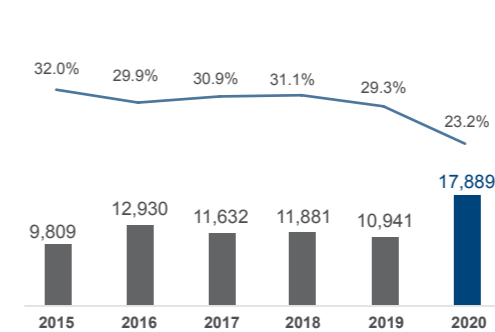
Dr. Nguyen Dang Quang
Chairman of the Board

Financial Scorecard

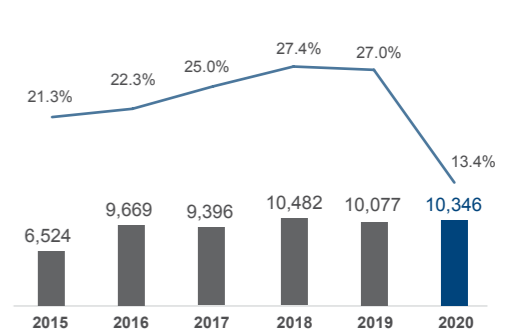
Consolidated Net Revenue
(VND Billion)



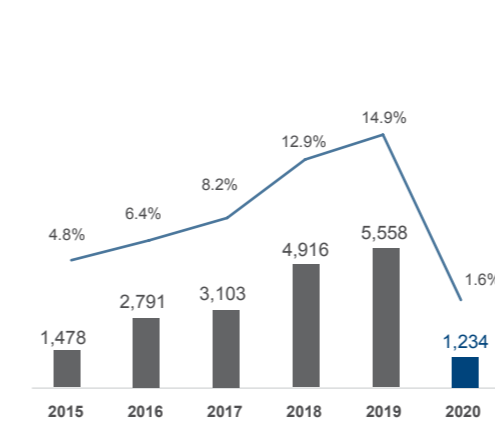
Gross Profit (VND Billion) & Gross Margin (%)



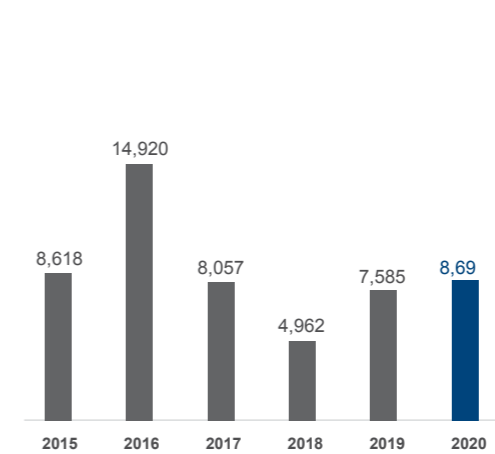
EBITDA¹ (VND Billion) & EBITDA Margin (%)



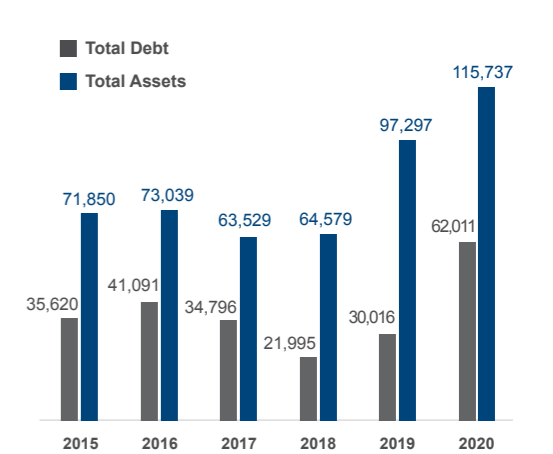
NPAT Post-MI (VND Billion) & NPAT Post-MI Margin (%)



Cash Balance² (VND Billion)



Total Debt & Total Assets (VND Billion)



1. EBITDA is MSN's consolidated net profit after tax, with net financial expense, tax, depreciation and amortization added back. MSN's consolidated EBITDA is lower than the total contributions from its business segments due to holding company level expenses. The earnings contribution of Techcombank ("TCB"), an associate, is included given its materiality to MSN's financial results.

2. Includes short-term investments.

Our Story



Our primary areas of focus, grocery and financial services, represent 50% of the consumer wallet

Who We Are

An Integrated Consumer Platform to Satisfy the Evolving Big Unmet Needs of 100 Million Vietnamese Consumers

Masan Group is one of Vietnam's leading consumer-focused business groups and we believe in "doing well by doing good." Our purpose is to provide quality products and services for Vietnam's population of nearly 100 million people, enabling them to get more value for money on their daily basic needs. However, while our core purpose has not changed, our consumers and their needs have evolved and will continue to evolve, moving beyond basic needs to demanding experiences that address their modern lifestyles and aspirations. As a result, Masan Group has gone beyond manufacturing and selling branded products and has entered grocery retailing, where we can better reach our consumers and deliver tailored experiences, the next battleground to win mindshare and loyalty. Over time, we aim to expand offerings to develop a holistic offline and online ecosystem, what we call our "Point of Life". This is what we mean by "our journey is the consumers' journey".

Today, our subsidiaries and associates operate in sectors that include consumer retail, branded FMCG (including packaged food and beverage, and home and personal care ("HPC")), branded fresh meat, and financial services. We operate in sectors that together represent a majority of

the consumer wallet share in Vietnam, where domestic consumption is the key component of GDP and driver of economic growth. More importantly, our businesses are key pieces of a consumer ecosystem that can better serve the fast-evolving needs of Vietnamese consumers.

Specifically, these businesses include The CrownX, a consumer retail platform that owns both MasanConsumerHoldings ("MCH"), our branded consumer goods segment, and VinCommerce ("VCM"), our grocery retailing segment. We also own Masan MEATLife ("MML"), an integrated branded meat platform focused on driving productivity in animal protein industry to directly serve consumers with traceable, hygienic and branded meat products.

Our other businesses include an associate, Techcombank ("TCB"), a leading joint-stock commercial bank in Vietnam with a technology driven retail strategy to capture the growth of financial inclusion, and Masan High-Tech Materials ("MHT"), a subsidiary that is one of the world's largest producers of tungsten midstream products and other strategic industrial minerals.

We believe in a **"consumer-centric"** approach to building leading businesses and have succeeded by building leading power brands to win the trust and loyalty of Vietnamese consumers, increasing productivity through innovation and

technology as well as economies of scale, and focusing on fewer but bigger opportunities that can impact the most lives. With our retail business, we aim to go further with our consumers, aiming to provide a holistic online and offline shopping experience that addresses their evolving needs.

Our objective is to be Vietnam's pride by uplifting the material and spiritual lives of consumers anytime and anywhere.

Doing Fewer But Bigger – Our Beliefs

Masan is often viewed as a diversified conglomerate with a variety of unrelated businesses. However, we see ourselves as consumer-focused business group with a few

key business pillars that can synergistically provide Vietnamese consumers a more convenient and rewarding experience as they address their daily basic needs and beyond. This level of focus is reflected in how we build our businesses. In a dynamic market with many opportunities, we believe in being disciplined and have recognized several important criteria of a successful and sustainable business in Vietnam. These include:

A passion to imagine and fulfill big unmet needs

Masan believes that value comes from scale and leadership in large opportunities that are underserved. We also believe that imagination and creativity are critical to not only envision such unmet needs, but to

envision ways to fulfill them with innovation or new insights. We do not simply want to do what others do or do what others do slightly better - we want to change the rules of the game.

Throughout our history, we have focused on large consumer categories, and have constantly redefined them to expand our addressable market. Our primary areas of focus, grocery and financial services, represent 50% of the consumer wallet.

An example of “unmet needs” is the inefficient animal protein value chain in Vietnam. We believe it is wrong that Vietnamese consumers, who make on average one tenth the income of American consumers, pay nearly double the price for meat products. In 2018, with the launch of our chilled, fresh meat brand, MEATDeli, we truly began our journey to fulfill consumers’ big unmet need for delicious and safe meat. MML’s acquisition of 3F VIET in 2020, further expands our portfolio by entry in chicken segment, Vietnam’s 2nd biggest meat category after pork, increasing MML’s total addressable meat market to USD15 billion.

Vietnamese consumers also pay more for financial services and products as low financial inclusion means higher usage of informal financing channels. Our associate Techcombank is competing in a financial sector where it is emerging as a leader in retail banking with a healthy balance sheet and a scalable technology platform.

We have the strategic building blocks to disrupt and transform the entire consumer infrastructure

With the recent acquisition of VCM, owner and operator of 123 VinMart (“VMT”) supermarkets and 2,231 VinMart+ (“VMP”) minimarkets as of the end of 2020, we have formally entered into the retail grocery sector. Like many categories or sectors in which Masan has entered, Vietnam’s retail sector is highly fragmented with inefficiencies that result in consumers having fewer options and paying more for less. Specifically, grocery retail is still dominated by the general trade and is the primary reason for the fragmentation of the sector. Even as a market leader in the modern trade, VCM only has ~3% of the total grocery retail market. However, Masan believes that Vietnam is undergoing a modern trade revolution which will accelerate as urbanization reaches 50% and the true middle class emerges (USD5,000 per capita). Modern forms of shopping are expected to compromise 30% of the retail landscape in the near future as opposed to approximately 8% today. Masan aims to be there for Vietnamese consumers as this shift takes place.

Even in our non-consumer related business, we believe we are addressing a big unmet need. Our tungsten mining and chemical processing business is addressing a large market with opportunities for transformation. Globally, the industrial minerals we mine and process represent a total size of approximately USD4-5 billion per annum, excluding copper. The unmet need in our resource business is evidenced by a desire from customers to buy

large volumes of conflict-free minerals from a single supplier and from an alternative source outside of China. The European Union has stated that tungsten and fluorspar are among the four “critical raw materials” for Europe (Critical Raw Materials for the E.U., July 2010) due to concentration of supply sources and importance to European industry. With the announcement of the agreements to acquire H. C. Starck’s global tungsten operations, we are expected to take another major step in becoming an integrated global tungsten player, going further up the value chain and expanding our addressable market by 3.5x from USD1.3 billion to USD4.6 billion.

Building scale and leadership

To win, we need to be big. Being a market leader of size allows us to compete successfully in an economy with a fragmented and small-scale local private sector, and where competition from multinational companies and state-owned enterprises is intense.

As one of Vietnam’s largest private sector companies, Masan has greater access to capital and professional talent, and the scale to invest in operating platforms, which leads to increased productivity, allowing us to make products more affordable for consumers. We build scale through focus and consolidation, growing our existing businesses organically and accelerating growth with acquisitions that fit within our sector focus. This enables

us to harness economies of scale, be cost-competitive and earn higher margins that allows us to reinvest in brands and product innovation.

As a result, today we have leading positions in most of the markets and/or categories where we compete. In 2020, our consumer retail platform, The CrownX, emerged as the largest consumer business in Vietnam by net revenue which reached VND54,277 billion. The CrownX’s two key subsidiaries, MCH and VCM, are leaders in their sectors, branded consumer products and grocery retailing, respectively. MCH is the number one player in seasonings (where we are the leader in fish sauce, soya sauce, chili sauce and a fast-growing granules business) and in convenience foods, we are the number one instant noodle producer in the premium segment which makes up most of the category’s profit pool. VinCommerce, through its supermarkets and minimarts, has Vietnam’s largest modern trade footprint with approximately 30% market share in terms of modern trade retail grocery sales.

Masan MEATLife was established with the aim of transforming the meat market in Vietnam by establishing an integrated branded meat model. Today, we have successfully established a fully integrated value chain with MEATDeli as a consumer brand, pig farming for supply chain optimization, and one of the country’s largest animal feed business to generate robust cash flows to fund the growth of the growing meat business. In 2020, our



2020 EBITDA of VND10,346 Billion

meat business grew 5x to reach net revenue above USD100 million to account for 15% of MML's sales, up from 3% in 2019.

Our associate Techcombank is one of the largest joint-stock commercial banks in Vietnam with leadership position in residential mortgages, bancassurance, Visa and debit card transactions and wealth management products. Techcombank continues to invest to further enhance its technology platform and has been experiencing significant traction with its mobile and digital channels. As a result of its prudent approach to managing the banking sector downturn over the past few years, it is now on a path to market leadership as sector fundamentals improve.

Masan High-Tech Materials is a globally significant player across several key industrial minerals, namely tungsten, fluorspar and bismuth. Our current market share is 36% of global tungsten supply outside of China. Masan High-Tech Materials is positioned as an integrated ex-China tungsten chemical champion and is building capacity to grow its mid-stream tungsten market share by 2x. After acquiring H. C. Starck's global tungsten operations, MHT graduated from being one of the world's largest tungsten mines, to becoming one of the world's largest midstream tungsten companies, supplying critical industries such as mechanical engineering and tool making, mining, automotive and energy, aviation and the

chemical industry. The move into midstream tungsten products is also value enhancing as these products command on average a 30-50% premium to APT products. In addition, we continue to explore strategic opportunities with down-stream tungsten players to deliver on its shareholder value creation plans.

Cash flow generating businesses

Masan believes that sustainable growth in an emerging market like Vietnam requires building cash flow generating businesses. We do not engage in asset trading, such as purchasing land banks or participating in short-term speculation. We compete only in sectors with strong growth fundamentals, a proven private sector regional business model and the potential to build a business of scale. Therefore, we have chosen to focus on the consumption-related sectors.

For the financial year 2020, we reported EBITDA of VND10,346 billion and a consolidated year-end cash balance of VND8,169 billion, which includes short-term investments in the form of term deposits and cash-like items.

Disciplined capital allocation and track record of operationally turning around acquired platforms

Since our listing on the HOSE, we have raised nearly USD3.5 billion in long-term capital to

fund our strategic growth ambitions. We have demonstrated stringent capital allocation by using most of the proceeds to increase our ownership and invest in our existing businesses. Less than 20% of the capital we have raised has been deployed to acquire new businesses – Vinacafé Bien Hoa, Vinh Hao, a brewery, Saigon Nutri Food, Masan MEATLife's feed businesses, Quang Ninh Mineral Water, VISSAN, Net Detergent JSC, 3F VIET, H.C. Starck, and VinCommerce, which was a cash-less, equity-linked deal. Going forward, Masan's capital allocation strategy will focus on The CrownX and transforming it into a "Point of Life" platform to better serve consumers.

From 2008 to 2019, Masan delivered a net revenue CAGR of 31% with approximately half of the growth coming from acquisitions and the balance coming from organic initiatives. In 2020, net revenue grew by 106.7%, primarily due to M&A. On a like-for-like basis, adjusting for the consolidation of VCM into 2019 results, net revenue grew by a respectable 19.7%. However, we do not acquire businesses in order to "buy revenue". We invest in brands, people, technology, and distribution reach to accelerate our entry into new categories. Next, we focus on driving the operational turnaround of the acquired business. We are proud that the brands and products we introduced and launched post acquisition, today represent the majority of the revenue of our acquired businesses. In addition, we have been able to increase margins across the board post

acquisition to deliver shareholder value. After only one year under Masan ownership, our retail business reached breakeven EBITDA for the first time ever in 4Q2020.

The Masan Way - Our Approach to Transformation

Sustainable growth can only be achieved through building best-in-class systems and operating platforms. When we enter a sector, we develop a bespoke strategy and repeatable models to drive market leadership in each business line. This enables us to invest continually in best-in-class operating platforms. Over the past several years, we have invested in power brands, innovation, distribution networks, production facilities and most importantly, talent.

Brands that consumers admire and trust

With strong brand equity, we have transformed our branded food and beverage and meat platforms to become market leaders across the categories they operate in. Our approach to organically develop or acquire power brands which are trusted by consumers is in line with our belief of focusing on the consumers' daily basic needs.

We have grown our food and beverage business to be what we believe is the market leader in almost all of our segments.



We developed power brands by leveraging our deep understanding of the Vietnamese consumers and implementing best practices, resulting in what we believe is an unrivaled portfolio of distinct brands. In a market where consumer behavior is sensitive to price, we are proud to have transformed products that were previously considered commodities into power brands that can command customer loyalty across different price points while meeting the diverse needs of Vietnamese consumers.

Our key brands include: CHIN-SU, Nam Ngu and Tam Thai Tu for seasonings; Omachi, Kokomi, Ponnie and Heo Cao Boi for convenience foods (which includes instant noodles, congee, processed meat); and Vinacafé, Wake-up, Wake-up 247, Compact, Lemona, Vinh Hao, Vivant, Quang Hanh, Su Tu Trang and Red Ruby for beverages.

Masan Consumer has been among Top 3 brand owners in Urban 4 Cities and Rural Vietnam revealed by Kantar Worldpanel's

Brand Footprint 2020 report for 8 consecutive years. Our coffee business, Vinacafé Bien Hoa won another title of National Brand (2020-2022). MEATDeli - Masan's chilled meat product is named among the Top 10 "Vietnam's Most Trusted Brands and Products" for two consecutive years (2019 & 2020) since the very first year of market launch (12/2018).

We have also been able to apply our FMCG brand building model to our meat value chain business. Three years after its launch, Biozeem



Leadership means sustainable margins to invest in brands and product innovation

today comprises approximately 25% of our animal feed sales. Bio-zeem is the brand for our feed products that carry a proprietary enzyme to strengthen a pig's immune system and improve the feed conversion ratio. Our innovation has been supported by television advertising campaigns and direct brand activation activities with farmers.

In 4Q2018, we launched our branded chilled fresh meat, "MEATDeli" which is affordable and safe for consumers. We have applied FMCG brand building model to build this brand and were the first fresh meat product that launched advertising on TV. Despite its early date status, MEATDeli has been well-received by consumers, including capturing 35% market share nationwide of VCM's fresh pork sales. As reported by Nielsen Vietnam, 97% of the consumers surveyed agreed that MEATDeli is fresh and delicious.

Our associate Techcombank is also a strong and nationally recognized brand in the market. Techcombank is recognized as a trusted provider of financial services and products, especially by retail and SME clients. In 2020, Techcombank also ranked first in the Top 10 most effective banks by Forbes Vietnam. The bank was also named the "Best Bank in Vietnam" by the prestigious Asia Risk magazine in 2020. This is the third year in a row Techcombank received this award, in recognition of its efforts in developing derivative products in the Vietnamese market.

With the merger of VinCommerce and the acquisition of Net Detergent JSC, Masan can again leverage its brand-building capability to win in the retail and HPC sectors.

Innovation for the future

Masan's track record of building market leading brands would not have been possible without real innovations that can deliver benefits to our consumers. Innovation not only underpins our efforts to enable consumers to pay less for their daily basic needs, but also drives the development of new solutions and benefits to drive the premiumization of our categories.

The CrownX, Masan's integrated retail and branded goods platform is at the forefront of building innovative products and services, for Vietnam's emerging consumers. VinCommerce, our recently acquired retail subsidiary, constantly applies innovative ideas to provide better value to consumers. VCM, through the VinID loyalty program, which has over 8.7 million members, offers consumers with services such as Scan & Go, real time offers and promotions on products. VinEco, on the other hand is a business comprising 14 high-tech farms which produce high quality fruits and vegetables which are sold through the VCM ecosystem. In 2020, VCM launched new innovative store formats, which provide more options for consumers in terms of fresh portfolio, thereby increasing foot-traffic and delivering improved profitability. VCM transformation its supply chain architecture, by

building an Auto-Replenishment Engine that will eliminate human error, simplify operations, and set up the capabilities to not only expand offline but also online.

In our branded food and beverage business, we have an in-house Research and Development ("R&D") team of approximately 75 employees, who work closely together with our marketing team to develop new innovative products. Our branded consumer business launched 29 new innovations in 2020 across all the categories. Convenience foods category launched new SKU's to serve the latest consumer trends, like CHIN-SU foods brand which comprises a set of 7 breakfast dishes, providing a variety of choices and satisfying needs of the most demanding consumers.

Beverages category plays an important role in catering to the needs of young consumers, office and factory workers and many others. In addition to Wake-up 247, which has already established a firm position in the market, Compact Cherry and Ho Van energy drinks have gradually affirmed their own power, by catering to different taste profiles.

Masan MEATLife has always focused on innovation to bring practical benefits to farmers, like the introduction of Bio-zeem range of products. Our innovative ideas were developed by Masan Institute of Nutri-Science ("MINS"), which is MML's R&D center. All Bio-zeem products contain the Bio-zeem enzyme system that enhances immunity and improves feed

conversion ratio (“FCR”) significantly. This achievement comes from our cooperation with leading partners and suppliers from Europe.

Commitment to innovation and doing things differently is also reflected in the development of our high-tech pig farm in Nghe An, which is also the largest farm in the province. We have applied the most advanced technology to manage feeding, temperature, lighting, energy consumption and waste treatment for the whole farm.

We are committed to improving productivity in the animal protein industry of Vietnam by fully integrating the animal protein value chain in order to bring fresh chilled and processed meat products at affordable prices for Vietnamese meals. We have adopted a unique process by employing the Oxy Fresh 9 technology from Europe, making us the first and only chilled meat manufacturer that meets the British Retail Consortium (“BRC”) standard in Vietnam so far. To be able to deliver chilled meat products to consumers, a completely new concept in Vietnam, MEATDeli products are stored and distributed through a cold storage and transport system. In 4Q2019, MML expanded its meat portfolio with the launch of chilled processed meat innovations which focus on products specifically geared towards Vietnamese consumers’ taste and preferences.

In financial services, we believe that our emphasis on innovation and being ahead of the competition can also be seen at

Techcombank, which is developing a “Consumer-Tech” model to better serve retail clients.

Our resource mining and value-added processing business has established itself as a high-tech, low-cost tungsten chemical producer and has committed up to 1% of its tungsten revenues to R&D annually.

Reaching consumers

We have the largest and deepest distribution network in Vietnam with the ability to reach Vietnamese consumers quickly and effectively. This is critical as up to 70% of Vietnam’s population is still rural and relies on general trade. While modern trade is currently not the dominant channel for retail sales, it is expected to grow rapidly, driving our decision to acquire VinCommerce in 2019 and providing a steppingstone for Masan to develop an omni-channel retail presence in Vietnam, an O2O “Consumer-Tech” platform that will enable us to not only sell products and services, but create consumers experiences to drive loyalty and mindshare.

For our food and beverage products, we have developed a nationwide distribution network with 300 distributors, covering approximately 180,000 points of sale for food and 170,000 points of sale for beverage. This network is one of the largest and deepest in Vietnam’s FMCG sector. We have enhanced our distribution capabilities over the past few years with the

addition of more distributors for beverages and on-premise points of sale. This achievement makes our business one of the very few in Vietnam with a strong on- and off-premise presence for both food and beverage. As a result, 98% of all Vietnamese households have a Masan consumer product in their homes today.

We are also unique as a “one-stop” shop for our distributors because our wide product portfolio caters to the daily basic needs of Vietnamese consumers, allowing us to have loyal and close relationships with our distributors. Further, our strategically located distribution centers provide us with the ability to distribute food and beverage products within a single day to each distributor nationwide. This also gives us the unique capability to test new products efficiently and be cost-effective across Vietnam. Our policy to keep the inventory days at our distributors to less than a month ensures the freshness of our F&B products. As a result of such wide portfolio and reach, we believe the acquisition of NET and our entry into HPC will provide significant synergies.

At Masan MEATLife, we have approximately 600 salesmen to serve over 2,200 dealers nationwide. A large portion of the dealers are exclusive. We believe that we have further strengthened our nationwide distribution network following our investment in VCM, which has significant synergies with both MCH and MML. As of year-end 2020, MEATDeli products were sold via over 1,300

Vietnam’s deepest FMCG distribution network with 180,000 points of sale for food and 170,000 points of sale for beverage

VinCommerce locations, 35 self-operated MEATDeli retail stores, ~110 other modern trade outlets/supermarket chains and 180 authorized agents.

In addition, VinCommerce reaches consumers nationwide through its modern trade points of sale comprising over 123 supermarkets and 2,231 minimarkets. Online shopping has started to take off in Vietnam, but despite the rise of digital channels, physical channels continue to dominate the segment. This underscores the importance of developing omni-channel strategies, and the need for organizations to provide seamless consumer experiences that integrate both online and offline consumer journeys across all their

touchpoints. VinCommerce has started to digitalize its entire retail platform, by building an efficient and flexible supply chain, real-time inventory at store level, automated operations and a technological database for predictive analysis. By building an integrated online grocery platform, VCM aims to find innovative ways to provide a differentiated consumer experience in this new digital retail landscape to 100 million Vietnamese consumers, through an omni-channel shopping solution.

For financial services, Techcombank provides innovative solutions to millions of Vietnamese consumers (retail and corporate) throughout Vietnam, through its network of branches, transaction offices and ATM’s. Altogether, the

bank operates one of the largest networks for a private joint stock commercial bank in Vietnam. Techcombank has also been an early mover in building a digital and mobile platform where transaction volumes have been growing strongly each year.

Our mineral and chemical products are sold to customers spread across different end-user segments and multiple continents to ensure a diverse exposure to enduser demand.

For example, the fluorspar we produce is sold to manufacturers in all major categories of fluoropolymers, fluorochemicals and aluminum fluoride across the major markets of Asia, the Middle East, North America and Europe. Another example is tungsten, which is ultimately used in a diverse range of industries including automotive, aerospace, consumer goods, mining, oil and gas exploration and production. With the acquisition of H.C.Starck’s global tungsten operations, MHT’s customer base has more than quadrupled with addressable market increasing 3.5x to reach USD4.6 billion.

Driving productivity with best-in- class facilities

We have built and operate 30 state-of-the art production and processing facilities in Vietnam that can be recognized as best-in-class not only in Vietnam, but globally. Through economies of scale, we aim to drive productivity that can enable us to meet the daily basic needs of consumers at more affordable price points.





For consumer products, we currently operate production facilities at Binh Duong, Ho Chi Minh City, Hau Giang, Phu Quoc, Hai Duong, Bien Hoa, Long Thanh, Binh Thuan, Phu Yen, Quang Ninh, and Nghe An. We have a network of facilities that allows us to cut distribution costs, satisfy regional taste, increase productivity, and employ worldclass production technologies. As a result, our products meet the highest standards for hygiene, safety, efficiency and quality. Notably, we were the first company in the world to engineer and build a fully automated fish sauce manufacturing line.

In early 2017, we inaugurated our USD3 million Research and Development center in Binh Duong. With this investment, we are proud to have one of the largest R&D centers in Vietnam for food and beverage products. This center occupies a three-story building fully equipped with laboratories, cafeteria, trial rooms, and working areas.

As of December 2020, Masan operates 13 world-class animal feed manufacturing facilities spread all over Vietnam. As a result of our focus on operational efficiencies, scale, and procurement practices, we deliver one of the highest gross profit margin in the animal feed industry, globally.

We operate a large-scale pig farm on 223 hectares of land in Nghe An province, built with total investment of VND1,400 billion. We also spent VND200 billion on environmentally friendly facilities such as a waste water treatment plant and a bio-gas electricity plant. We believe, this is the largest pig farm in the country, conform to Global G.A.P standards and highlight the importance of using scale and technology to improve productivity in the animal husbandry sector.

In December 2018, we commissioned a chilled meat processing complex in Ha Nam with technology and equipment imported from Europe. By applying European technology

which meets BRC standards, we are bringing fresh chilled meat to the market, a common product in developed countries but new and innovative for Vietnam. The complex's capacity is 1.4 million pigs per annum, equivalent to 140,000 tons per annum of meat products. The investment value is over VND1,000 billion and the complex is built on 4 hectares of land. The commissioning allowed us to launch our first chilled meat products under the MEATDeli brand. In October 2020, we commissioned our 2nd chilled meat processing complex in Long An, with similar capacity as in Northern Vietnam, to serve consumers in HCMC and neighboring areas with fresh, healthy and traceable meat products.

In VinCommerce, focus is to build a digital infrastructure by benchmarking ourselves against the best-in-class operators within the retail industry. We are building strategically located distribution centers equipped with state-of-the-art technology systems to reduce warehousing and logistics costs, coupled with

Largest modern trade footprint in Vietnam: 123 supermarkets (VinMart) and 2,231 minimarkets (VinMart+)

investments in IT systems to tech-enable the entire retail platform to deliver consumers' the best O2O experience.

In our resources business, we have built Vietnam's first international standard processing plant of scale, capable of producing four different minerals and metals from a single ore body. We believe the plant has the most modern and advanced tungsten processing line in the world, as it is the first new tungsten project of scale to be commissioned in over a decade. But more importantly, in 2020, we acquired H.C. Starck's tungsten business to deliver on our vision of becoming a fully integrated downstream tungsten chemicals business of global scale and influence.

Beyond products and brands – building a “Point of Life”

While the aforementioned components of the Masan Way are still very relevant to building a winning business in Vietnam where many basic needs are still unmet and inefficiency abounds, Masan has spent many years preparing for the future. In the early stages of Vietnam's modern economic development, consumers were simply interested in basic products due to poverty and scarcity. Whoever could manufacture such products became the winner. As these products were produced in larger quantities, companies that could make their products widely available were able to win. Afterwards, trusted brands and innovations became key differentiators to achieving success.

However, today consumers are going beyond demanding products to meet their basic needs or even brands. They want tailored experiences, convenience, and a greater number of options on what to buy, how to buy (online or offline), how to pay and even how to consume. With a robust portfolio of services and products, the ability to build brands, unparalleled reach, a commitment to investing in innovation and technology, we believe we have the key pieces of the puzzle build a seamless on-to-offline consumer ecosystem to address the entire consumer wallet.

A “consumer-centric” team journeying with our consumers

In a market where experienced talent is scarce, we have invested to build strong professional management teams at all levels in our organization. We believe in hiring professionals who have a mix of international experience and a track record of business execution in emerging markets through brand building, local distribution, and product innovation. Our management team has been instrumental in transforming Masan Group from a closely held private office with a wide portfolio of businesses and investments into one of Vietnam's largest private sector companies focused on fulfilling the big unmet needs of consumers.

The majority of executives at Masan Group have experience working in FMCG companies, and this consumer-centric management approach extends into

businesses that traditionally are not seen as being related to consumers, such as animal feed.

Our team is comprised of young, global, proven and flexible professionals who can execute on diverse projects to create maximum shareholder value. While our people come from various backgrounds and professional experiences, we have fostered common and unique “Masan Way” culture to promote the following traits and attributes: No ego + consumer-centric; Leadership + Passion to be #1; Solution Oriented + Problem Solving; Accountability + results-driven; Integrity + transparency; and Mastery + never stop learning. Our talents are also the Company's shareholders.

36% World's tungsten market share outside of China¹

Our History – A Track Record of Transformation

Masan Group's first predecessor company was established in 1996, selling Asian foodstuff and other consumer goods in Eastern Europe. In our early days, we primarily focused on the Eastern European markets and some of our more popular products were sauces and instant noodles, which we began to manufacture in Vietnam when the export business grew. However, by 2000, we shifted our focus towards the domestic market and launched our premium sauce brand, CHIN-SU in 2002. CHIN-SU's success was followed by more successful brand launches such as Nam Ngu (Vietnam's most popular fish sauce) and Tam Thai Tu (Vietnam's most popular soy sauce).

In 2007, Masan entered the domestic convenience foods category with the launch of Omachi, a premium instant noodles brand. We have expanded our convenience foods portfolio with the introduction of Kokomi (mass market instant noodles) and today we are Vietnam's number two player in the overall category with a leadership position in the premium segment.

In 2008 the company was restructured and formally named Masan Group Corporation, comprising a fast-growing food business and a 20% stake in Techcombank, which provided the company with greater scale and exposure to Vietnam's emerging middle class story. Masan Group was subsequently listed on Ho Chi Minh Stock Exchange on 5 November 2009 under the symbol "MSN," and immediately became the sixth largest

listed company in Vietnam based on market capitalization. During 2009, several prominent global investors such as TPG became shareholders.

In 2010, the Group acquired a controlling stake in the Nui Phao mine, one of the world's largest tungsten mines and established Masan Resources. Masan Group also increased its effective economic interest in Techcombank the same year.

In 2011, Masan Group entered the beverage segment by acquiring control of Vinacafé Bien Hoa, Vietnam's largest instant coffee producer. The company has since grown its beverage business where today it is not only Vietnam's largest instant coffee producer with the Vinacafé and Wake-up brands, but also the largest local mineral water company with brands such as Vinh Hao and Quang Hanh. In April 2011, KKR invested USD159 million into Masan Group's branded food and beverage business. KKR subsequently increased its investment with an additional USD200 million investment 2 years later.

2014 marked the first year of operations for Masan Resources with the commissioning of the Nui Phao mine. In achieving this operational milestone, Masan Group became the first company in the world to commission a new tungsten project in over a decade. Masan Resources was listed on the UPCoM exchange in September 2015.



In September 2014, Masan Group launched Su Tu Trang, a mainstream beer brand which became the fastest growing beer brand in Vietnam during 2015.

In the first half of 2015, Masan Group established Masan Nutri-Science to enter into and transform Vietnam's animal protein value chain and ultimately better serve consumers with branded meat products. Masan Nutri-Science is currently Vietnam's largest local animal nutrition business and owns the Biozeem brand.

In December 2015, Singha, Thailand's first and largest brewer, announced the signing of a partnership agreement with Masan Group to become a major shareholder in Masan Group's branded food and beverage business and also a 33.3% direct shareholder in Masan Group's beer business. The deal was the largest M&A transaction in Vietnam at the time and enabled both partners to better serve 250 million consumers in the In-land ASEAN region (Vietnam, Thailand, Myanmar, Cambodia, and Laos) with their combined branded food and beverage portfolio and distribution reach. Within a year after Singha's first investment, Masan launched CHIN-SU Yod Thong fish sauce in Thailand with their support.

In March 2016, in order to move towards a consumer-oriented business model and consolidate the meat value chain space through brands, distribution and best-in-class

1. Source: USGS

practices, we acquired 14% stake in VISSAN, Vietnam's largest branded fresh and processed meat company. In June 2016, we increased our stake in VISSAN to 24.9%. This was followed by the ground-breaking of our pig farm facility in Nghe An province, which advanced our mission to establish a 3F model and drive the productivity of the meat value chain in Vietnam.

In April 2017, KKR, a leading global private equity firm, invested USD150 million to purchase a 7.5% primary stake in Masan Nutri-Science, and USD100 million to purchase secondary shares of Masan Group. This was KKR's second investment in Masan, the first being Masan Consumer with a USD359 investment. KKR's latest investment validated Masan Nutri-Science' vision of building a leading branded meat business.

In August 2018, Masan Resources acquired H.C.Starck's 49% stake in Nui Phao– H.C.Starck Tungsten Chemicals Manufacturing LLC and renamed it Masan Tungsten LLC. This acquisition marked a critical step in becoming a fully integrated downstream tungsten chemicals business of global scale and influence.

In October 2018, SK Group acquired all of Masan Group's 109,899,932 treasury shares, for a total consideration of approximately USD470 million. As a result, SK currently owns 9.4% of Masan Group's total outstanding shares. Through this partnership, Masan Group and SK aim to pursue transformational business opportunities in Vietnam and to

synergize existing businesses via M&A and strategic alliances.

In September 2019, Masan Tungsten Limited Liability Company ("MTC"), a wholly owned subsidiary of Masan Resources Corporation ("MSR"), signed an agreement to purchase the tungsten business of H. C. Starck Group GmbH ("HCS"), a leading manufacturer of high-tech tungsten metal powders and carbides (midstream tungsten products) with global sales and operations. The acquisition will be a strategic step in executing MSR's vision to become a leading vertically integrated high-tech industrial materials platform in the world. MSR's low cost, stable primary supply of APT, combined with HCS' scrap recycling platform, is expected to provide MSR a

global competitive edge, generate strong and consistent cash flows across price cycles and expand MSR's addressable market by 3.5x from USD1.3 billion to USD4.6 billion.

In July 2019, Masan Nutri-Science ("MNS") changed its name to Masan MEATLife ("MML") to reflect the completion of its transformation from an agricultural and B2B company to a true branded consumer business with retail reach. In acknowledgement of such a strategic milestone, MML announced its intention to list on the Unlisted Public Company Market ("UPCoM"), increasing its strategic flexibility and providing greater transparency for shareholders.



A “consumer-centric” team of local and international talents

In December 2019, Masan and VinGroup (“VIC”) completed the merger of MCH and VCM Services and Trading Development Joint Stock Company (“VinCommerce” or “VCM”), which includes Vineco Agricultural Development and Production Limited Liability Company (“VinEco”) as a wholly owned subsidiary of VCM. The merger is expected to optimize operations of both MCH and VCM by creating a new Consumer Goods & Retail group with superior competitive advantage and size in Vietnam. Post-closing, Masan has started to consolidate and operate the new combined business, with VinGroup as a minority partner, while still continuing the VinID card privileges for millions of customers.

In February 2020, Masan HPC, a newly established home and personal care indirect subsidiary of MCH, acquired 52% of Net Detergent Joint Stock Company (“NET”) via a tender offer. The consolidation of NET aligns with MCH's 5-Year strategic game plan to broaden its product portfolio to better serve 100 million Vietnamese consumers. The home and personal care (“HPC”) market is one of the largest and most attractive consumer sectors in Vietnam with a total market size of ~USD4 billion and fast-growing opportunities to construct a diversified HPC platform by building Vietnamese power brands.

In November 2020, Masan MEATLife Corporation (“MML”) has completed the acquisition of 51% charter capital in 3F VIET Joint Stock Company (“3F VIET”) - a leading

domestic player in poultry meat platform, through a primary injection of VND613 billion, which will be used by 3F VIET to expand its business and building a poultry power brand.

Also in November 2020, Masan High-Tech Materials Corporation (“MHT”) has successfully issued 109,915,542 newly issued ordinary shares via a private placement for a total cash consideration equivalent to USD90 million to Mitsubishi Materials Corporation (“MMC”). MHT and MMC will also form a strategic alliance in the tungsten industry with an objective to develop a leading, high-tech tungsten materials platform.

As summarized in this section, Masan has continuously delivered on transformational growth that reflects the economic development of Vietnam's economy and the Vietnamese consumers' journey. We started as an export and import trading company when Vietnam began opening its doors to the global economy and then eventually entered into manufacturing consumer products with a domestic focus. As Vietnamese people began demanding better products and services, we went ahead with building brands and providing basic financial services to meet their big unmet daily needs in a modern way, including a pan-national distribution approach to reach rural areas where a majority of the population still resides. Today, we have entered into the modern trade retailing space, a sector that is undergoing its own transformation globally.

While the summary in this section covers our key milestones, it does not completely illustrate Masan's disciplined but innovative approach to building businesses for long-term value creation or fully captures the unique entrepreneurial culture (the “Masanship”) that has made our success possible.

We hope that the other sections of the Annual Report give our readers greater insight into Masan and what we may achieve in the future.

For further details on our corporate history, please see the “General Corporate Information” section of this Annual Report.

Sustainability Report



Serving Consumers With a Purpose, Not Just For Business Rewards

Masan Group Corporation (“Masan”, “MSN” or the “Company”) believes in “Doing well by doing good”. Our member companies and associates are industry leaders in consumer retail, branded FMCG (including packaged F&B and HPC), branded integrated meat, financial services, and hi-tech industrial materials.

Our objective is to be Vietnam’s pride by uplifting the material and spiritual lives of consumers anytime and anywhere.

Masan applies a consumer-centric business model across all of our operating platforms and various industries. By doing so, we can enable nearly 100 million Vietnamese people to pay less for their daily basic needs while serving their growing demands for greater convenience, more premium products, and more fulfilling experiences. This is what we mean by “Doing well by doing good.”

However, our efforts would be incomplete without addressing the importance of developing our people, contributing to our communities where we operate, giving back to society at large and reducing our environmental footprint. Improving the lives of others by better serving them only as consumers is not enough to become the “Pride of Vietnam”. That is why, throughout our journey with our consumers, we have believed in Sustainable Development, allowing us to more meaningfully contribute to Vietnam’s socio-economic development.

Sustainable Development

As one of Vietnam’s largest private sector business groups, we know it is our responsibility to set an example for other enterprises to follow and to raise the standards for sustainable development. At Masan, sustainable development is achieved by focusing on the following areas:

- Innovation in Products and Processing;
- Talent Sustainability;
- Environmental Stewardship;
- Corporate Social Responsibility; and
- Corporate Governance.

In the following sections, we will go into greater details on how we have addressed the above priorities that underpin our commitment to sustainable development.

Innovation in Products and Processing

Innovation with our products and services

We believe we are positively contributing to Vietnam by providing innovative products and services to fulfil the daily basic needs of our people. Operating in a developing country with many inefficiencies, we must innovate to better serve consumers. For more information on innovation related to our products and services, please refer to “Innovation for the future” in the section “Our Story”. The following sections will focus on our operations.



Responsible procurement

For our branded food and beverage business, main input materials are the ingredients of our food products and packing materials. The principal raw materials used in production are wheat flour, palm oil, green coffee, sugar, anchovies, raw fish sauce, dehydrated vegetables, soya, chilies, mineral water, meat and various flavoring and spices.

With regards to animal feed production, the principal materials of our finished products include corn, rice bran, wheat bran, soybean oil cake, rapeseed oil cake, meat and fish meal from both domestic and foreign sources. Among these, rice bran and wheat bran are primarily sourced from domestic grinding facilities. Soybean oil cake and corn are imported from various foreign countries based on the quality and price offered by world’s leading suppliers.

In addition, packaging materials such as paper labels, plastic, glass, carton boxes, polypropylene, paper-based cups/bowls, and

plastic bags are significant components in the production cost of our products.

To ensure the traceability of raw materials, we require foreign suppliers to provide us with certificates of origin, analysis, non-genetic modification and plant quarantine, and local suppliers to have certificates of food and hygiene safety, animal quarantine and good agricultural practices. Suppliers with a good track record that have demonstrated reliability over a long period of time are considered “approved suppliers” and can enter into annual contracts. To manage the price volatility of our raw materials, we constantly follow the market closely to identify the optimal time for bid invitations, allowing us to achieve favorable prices. In general, we do not try to “beat the market” but aim to achieve more favorable prices with our scale and stronger negotiating power. Our raw material inputs are strictly monitored in terms of both quantity and quality. Our warehouses are regularly cleaned and inspected while the products undergo strict quality management by our experienced QA and QC teams.

Raw materials required for production at Masan High-Tech Materials (“MHT”) comprise generic raw materials and specialized chemicals used in its processing operations. Generally, Nui Phao Mining sources generic raw materials from domestic suppliers and specialized chemicals from international suppliers. MHT, through its H.C. Starck (“HCS”) subsidiary, has one of the world’s largest and most sophisticated tungsten scrap recycling platforms, allowing us to contribute to the sustainability of the tungsten value chain.

Masan MEATLife Corporation (“MML”), our branded integrated meat business, began implementing a comprehensive program to partner with large-scale pig farms across the country to supplement our internal supply (from our high-tech pig farm in Nghe An) of live hogs. With our scale and experience as an industrial farmer, we are credible partners who can share our own expertise with other farmers, allowing us to secure a more stable supply of high-quality and drug-free hogs for our meat processing complexes in Ha Nam and Long An. Pigs sourced from partner farms undergo strict disease control standards, ensuring bio-security with high quality animal feed that is free of growth hormones and antibiotics. The end goal is to develop the agricultural sector in a sustainable manner, help address challenges faced by farmers and fulfill our mission to introduce fresh, delicious and affordable meat products to Vietnamese consumers.

With regards to raw fish sauce, a key

input material for one of our most famous consumer product categories, we have worked closely with local fishermen to raise awareness of overfishing. Not only is this sound business practice as our fish sauce production must rely on a sustainable source of anchovies, but because we understand that overfishing will impact the ecology of our waters and leave less resources for future generations. Besides, Masan also transfers quality assurance technology to fish sauce makers for proper transportation of fresh anchovies to chilling facilities. As a leading fish sauce producer in Vietnam, Masan has a partnership network to

cover approximately 60% of production zones of the raw materials in Vietnam. Our efforts support jobs for thousands of workers, who are working either directly or indirectly with fish sauce makers and fishermen, thereby ensuring their livelihood stability and social security.

In addition to production activities, we also cooperate with the academia in Vietnam, Seoul University (South Korea), and Bangkok University (Thailand) on enhancing fish utilization rate and sustainable development of anchovy stocks in the Southwestern marine waters.

Quality assurance

Vietnamese consumers are paying more attention to the quality and safety of the products they are consuming. We have approximately 300 quality assurance professionals at MasanConsumerHoldings (“MCH”) alone to ensure that we are procuring the best materials and producing high quality end products.

This quality assurance team has developed a program to ensure the consistency of product quality and conformity of our quality standards. This program includes input materials quality checks, production and packaging monitoring, product inspections at warehouse and quality checks at distributors.

In order to maintain the quality and consistency of materials from suppliers, we review our suppliers every year. Our quality assurance team, along with other related departments such as procurement, logistics (primarily warehousing), finance, and marketing work together to review each supplier’s quality criteria, namely price, production capability, delivery and fulfillment capability.

To address the outbreak of African Swine Fever (“ASF”) and protect our MEATDeli brand, MML has adopted the “three quarantine routes” scheme as guided by the Ministry of Agriculture and Rural Development and the Ministry of Health’s Vietnam Food Administration:



- Quarantine route No. 1: Only healthy pigs are transported from the farm to the factory. Only healthy pigs that have tested negative for ASF and certified by the local Sub Department of Animal Health are procured.
- Quarantine route No. 2: Only healthy pigs are slaughtered at the meat processing complexes in Ha Nam and Long An. The 24-hour laboratories with European-standard equipments at the meat complexes are tasked to undertake a second round of inspections to ensure that only disease-free pigs may be processed.
- Quarantine route No. 3: Only safe pork can be released to the market and a final test will be taken to ensure that MEATDeli chilled meat has not become contaminated with any harmful bacteria.

In 2019, MEAT Ha Nam processing complex was officially certified BRC Global Standard for Food Safety. This is a valid international certificate to help control and minimize the risk of poisoning in the food industry and is considered a passport for food exporters. BRC audit criteria and certification process are strictly controlled and consistent around the world. Over 130 countries worldwide are applying the BRC standard for Food Safety.

Talent Sustainability

At Masan, we believe our people provide us our greatest competitive advantage and they are the key drivers of our long-term value creation strategy. As such, we are committed to



We proactively engage talents who share our values and passion to serving the needs of consumers

ensuring that they have an environment where they can thrive and partake in such value in a sustainable manner. We believe in creating win-win partnerships that can unlock the potential of both the employee and the Company, allowing “Masaners” and Masan to contribute in a meaningful way to Vietnam. We proactively engage talents who share our values and passion to serving the needs of consumers. We offer individuals not just a job but a career, an opportunity to grow together with the business above and beyond their expectations for the greater good of the community.

We believe our business growth, wide range of opportunities, and flexible approach help us to attract strong future leaders from diverse backgrounds and talents.

Diversity and inclusion

We are proud to be the home of a diverse workforce with many talents that also share the same passion for serving our consumers. Our diversity brings together unique perspectives, backgrounds, beliefs, professional and life experiences to unleash novel ideas, solutions, creativity, innovation and strategies to drive our growth.

As a Vietnamese company with the ambition to not only be the best in Vietnam, but also capable of competing with the best MNCs, we hire both Vietnamese and foreign talents. We prioritize locals from the communities where we have operations and foreign expatriates who

are experts in their fields and are seasoned executives with track records of succeeding in emerging markets. Details on how we deliver on these principles are provided below:

- To date, there are 30 Masan facilities (not including our consumer retail business) in 27 provinces in Vietnam, including Vinh Phuc, Thai Nguyen, Hai Phong, Quang Ninh, Hai Duong, Hung Yen, Ha Nam, Bac Giang, Ha Noi, Nghe An, Hue, Binh Dinh, Phu Yen, Binh Thuan, Ninh Thuan, Lam Dong, Kon Tum, Dong Nai, Binh Duong, Ho Chi Minh City, Long An, Tien Giang, Ben

Tre, Vinh Long, Can Tho, Kien Giang, Hau Giang. In order to promote development at the local level, we prioritize recruiting local community members and train our staff to meet ever-changing business demands.

- Our consumer retail business, Vincommerce General Commercial Services Joint Stock Company (“VinCommerce” or “VCM”), had 2,354 modern retail locations across the country as of 31 December 2020, and 14 farms that grow fresh produce for the “VinEco” brand. Together, these locations employ more than 21,000 people as of the end of 2020, also



In 2020, we established Masan’s Spearhead program, which selects young talents with outstanding performance for more targeted training and mentoring

with priority given to employing people from the local community.

- Our Masan Young Entrepreneurs (“MYE”) program offers exceptional range of opportunities and aims to develop the next generation of leaders in all disciplines. We create opportunities for young talents to gain hands-on, real-world business experience working with our senior leaders and industry experts. We empower them to demonstrate their passion and purpose to create their own success stories, so that they can ultimately make a positive impact to the lives of nearly 100 million Vietnamese consumers. Through cross-functional work assignments and learning projects, our MYEs can develop the skills and capabilities needed to launch their careers, while focusing on their personal development through leadership training, mentorship, networking opportunities, and so much more.
- For our more senior leadership, in 2020, we established Masan’s Spearhead program, which selects young talents across different business segments and functions for more targeted training and mentoring. These “Spearheads” are chosen in the hopes of identifying potential young talents with outstanding performance, passion and being pioneer in various areas for coaching

& development as we believe, human is among the most valued assets and it must be resourceful for growth.

- 34% of Masan’s senior leadership team is comprised of women. We support the development of high- performing female leaders to advance their careers and take on more senior roles. The talent pipeline from our female leaders serves as an advantage for the business’s long-term sustainability.
- Masan Group and our subsidiaries had a total of 37,285 employees as of 31 December 2020, of which 55% were women. Our people are well trained with high qualifications, as shown below:

Qualification ¹	Percentage
Post graduate	1%
University graduate	36%
College graduate	16%
Intermediate college graduate	10%
High school graduate	26%
Secondary school graduate	11%
Others	1%
Total	100%

Safety

Our employees are our most valuable assets. We are committed to the well-being of our employees which is reflected in our safety track record. We are responsible for providing our employees with sufficient protective equipment, occupational safety and hygiene policies, and comfortable working conditions at the workplace. We have also carried out extensive workshops in order to train employees about positive safety habits not only for work but also for their daily activities.

Since the beginning of the COVID-19 outbreak, Masan Group implemented a “safety first” policy for all employees across the country while maintaining business continuity by taking the following specific proactive measures:

- Established the Steering Committee for COVID-19 Pandemic Control to strengthen coordination between relevant departments in implementing safety measures for employees while maintaining production and business activities.
- Adopted measures for COVID-19 pandemic control, including regulations on screening, health declaration, body temperature measurement for employees, visitors and contractors; regulations on PPE and

social distancing at work; regulations on disinfection, etc.

- Conducted regular communication on pandemic control regulations and kept employees updated about COVID-19 developments.
- Installed dry handwashing facilities; prevented droplets in the cafeteria; provided masks, and vitamin C supplements to boost employees’ immune systems.
- Performed daily checks of compliance with COVID-19 control measures.
- Strengthened cleaning and disinfection of objects, equipment and areas inside offices, factories, among others.

We also continued improving our equipments with regular maintenance to minimize the risk to our employees. Our factories are certified with HACCP (Hazard Analysis Critical Control Point), ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management System), and SA8000 (Social Accountability Management System) standards. In 2019, Masan Consumer successfully migrated and updated the Health and Safety Management System from OHSAS1800 (Occupational Health and Safety Assessment Series) to the new ISO 45001 while maintaining ISO 14001 environmental standard to improve management efficiency. MEAT Ha Nam Processing Complex adopted and operationalized ISO 14001 on environmental management systems, completed the audit in December 2020, and obtained the certification in March 2021. MEATDeli Sai Gon Processing



Complex went into operation in October 2020 and is expected to achieve ISO14001 certification by late 2021.

Talent development and retention

To develop and retain our talents and maximize their potential, Masan provides our people ongoing opportunities for continuous training and development. We want our people to grow and outperform in a sustainable manner that closely aligns with the Company’s culture and values.

We strive to retain our best people with clear communication, innovative performance management tools, and advanced leadership training. These efforts are supported by deep understanding of our talent requirements and the capabilities we are going to need in the future, particularly for succession planning. Our talent review process across the organization is undertaken twice a year by the senior leadership team to identify factors such as

learning ability, leadership potential and functional/technical expertise. This process allows us to recognize those employees who can move into leadership roles.

We conduct collaborative and transparent annual employee performance reviews at all levels to guide our Company’s decisions related to compensation and rewards. We reward our employees fairly and proportionally with their performance and contribution to our businesses. Our key employees are also shareholders, which promotes an entrepreneurial culture to maximize shareholder value.

Employees’ welfare and training

We promote shared accountability between employees and their line managers to ensure that opportunities for training and development are identified and pursued. Learning opportunities are always available to all employees and are designed to address

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

specific learning and development needs. Our learning results, including the number of courses and hours of training completed, are properly tracked for ongoing employee training and development.

We invest in continuing education and training programs for qualified and/or applicable employees. These programs provide employees with opportunities to enhance their skills and knowledge. In addition, each of our facilities provides specific, localized instruction to employees, depending on their roles.

Employees who directly participate in the production and trade of foodstuffs also participate in training courses on hygiene and safety and obtain a certificate from the Vietnam Food Administration.

At Masan High-Tech Materials, human resource training and development is among the top priorities and delivered in two main forms: internal and external training. In addition, efforts are also made to develop and maintain an occupational health and safety management system (OHSAS) with numerous training courses to ensure a safe working environment for employees amidst COVID-19.

- At H.C. Starck (Germany), vocational training for young people is of paramount importance. In-the-job training and classroom-based theory are combined with the certification being verified and overseen by the Chamber of Commerce

and Industry. In 2020, 17 interns have been recruited for tungsten production units in 4 different vocational training programs in fields such as chemicals and industrial engineering.

- In Canada, H.C. Starck cooperates with the Canadian Management Centre, also one of 20 members of the Industrial Educational Cooperative (IEC), in providing various learning opportunities to employees with premium delivery methods and effective in-the-job training to help improve their competencies.
- Many training methods are used by member companies to ensure safety for workers by minimizing exposure to infections, such as the flipped classroom model, hybrid (online and offline) training, online learning and self-care training classes for employees to protect themselves during the pandemic. In 2020, 326 training topics were covered with a total of 3,010 hours of professional training, equivalent to 30,507 working hours, and 17,634 participants.

Environmental Stewardship

At Masan, we deeply care about our environmental footprint. We aim to ensure green practices across all of our operations, which we believe can be achieved without sacrificing business performance. Thorough waste treatment and sustainable resource usage are critical components of our decision-making process across all of our businesses,

from the manufacturing of consumer products to processing minerals. Whenever a new project is under development, we take into account any potential adverse impact to the environment to develop mitigation and compliance plans before groundbreaking.

Our Legal and Compliance department, together with our Safety, Health, and Environment department are responsible for nation-wide compliance and monitoring of environmental laws and regulations. In addition, the technical department of each of our operating subsidiaries carries out sample testing of waste discharge on a periodic basis to monitor compliance with relevant environmental laws and regulations.

We believe we are the national leaders within our industries with regards to environmental practices.

Raising awareness

Our commitment to preserve the environment starts locally and emphasizes going green at the workplace first. We have planted trees around our factories and neighboring areas to keep the area green and provide fresh air.

At the high-tech pig farm in Nghe An, Masan has applied coordinated solutions to minimize the impacts on the surrounding environment such as cleaning barns, spraying airborne sanitizer, installing a misting system, using bio-products to inhibit odor generation,

planting trees inside and around the farm, etc. To enhance odor prevention solution, the pig farm uses some microbiological products for treatment and deodorization such as EM Pro-1, EM Septic-1, and Biofix SOC-S. In addition, the farm also planted trees which help to prevent and reduce odors from spreading into the environment with over 234,000 acacia trees in the S2 farm and 1,000 camphor trees, 153,000 acacia trees, 222 Nacre trees in the S1 farm, at locations around the barn.

In 2020, Masan High-Tech Materials renovated a 7-hectare area in dump slopes, buffer zones

and other modified areas using a variety of trees and materials to increase the efficiency of environmental rehabilitation and restoration works. In total, 17,710 acacia trees were planted, 338 kg of grass seeds and 18,178 kg of fertilizer were planted and used for previously planted trees. By the end of 2020, Masan High-Tech Materials had renovated a total of 63.85 hectares, significantly contributing to environmental protection in the course of our business operations. In addition, our factories in Binh Duong, Hau Giang, Long An, Nghe An, etc., to name but a few, all comply with the norm of dedicating 20% of the total area

of the facilities for trees to ensure a green and environment friendly workplace.

Masan High-Tech Materials also promoted communication activities on environmental protection for students living in the project area, including communication on the fight against plastic waste and biodiversity protection for over 1,000 students of Ha Thuong, Tan Linh, Phuc Linh middle schools; awareness raising communication on environmental protection for more than 500 pupils of Dong Doan Khue primary school, Hung Son town. The communication programs embedded in quizzes and crosswords about the environment, among others, saw active student participation, contributing to improved awareness and habits for environmental protection right from the primary school level.

Water

At Masan, one of our key priorities in environment protection is the preservation of water sources. We have invested significantly in advanced wastewater treatment systems and apply the most stringent standards to monitor the effects of plant operations on the surrounding environment. We are committed to efficient water usage as per the World Bank's guidelines, which promotes reduction of dependence on water exploitation, higher rate of reused water, and continuous improvements in wastewater treatment capacity.

At MasanConsumerHoldings, we have



Contributed nearly VND5,000 billion to the State budget

invested in Dutch-designed wastewater treatment plants at production facilities in Binh Duong, Hai Duong and Nghe An. All treated water results comply with Vietnam's highest standard of Class "A" and our facilities have achieved ISO 14001 certification (environmental management).

In the spirit of transparency, our main facility Binh Duong province has a monitoring system that reports online and on a real-time basis to the Department of Natural Resources and Environment. In 2020, Masan Consumer used over 2.3 million cubic meters of water for industrial and domestic purposes. All wastewater is treated using high-tech wastewater treatment systems and about 7% of our wastewater is re-circulated for watering plants and cleaning workshops.

Masan's high-tech pig farm in Nghe An is also equipped with a modern wastewater treatment system to ensure sustainable operation of the farm in compliance with national environmental standards. In particular, Masan has invested in two wastewater treatment systems with a capacity of treating up to 4,000 m3 of livestock wastewater per day while generating biogas used for power generation to serve farm production activities.

The company has conducted periodic sampling for environmental monitoring, which shows that the analyzed wastewater achieved column B under technical regulation QCVN 62-MT: 2016/BTNMT. No waste from the farm

is discharged into the environment. 100% of treated wastewater is reused by the farm for barn cleaning, surface soaking and plant watering, thereby minimizing the consumption of increasingly scarce groundwater. At MEAT Ha Nam and MEATDeli Sai Gon processing complexes, domestic and industrial wastewater are processed at their respective wastewater treatment plant into "Class A" treated wastewater, the most demanding wastewater standard in Vietnam, before being discharged into the the respective industrial park's centralized wastewater collection facilities.

At MHT's Nui Phao mine, the environmental monitoring program is carried out in accordance with the adjusted environmental monitoring program approved by the MONRE. The periodic monitoring of environmental components (ambient air, gas emissions, underground water, surface water, wastewater, and hazardous waste identification) is done by the Institute of Sciences, School of Environment and Public Health.

In addition, Masan High-Tech Materials also conducts daily monitoring at wastewater treatment facilities and wastewater outlets. In 2020, Masan High-Tech Materials collected 8,079 environmental samples, including 533 surface water samples, 676 underground water samples, 6,596 wastewater samples, 111 solid waste samples, 35 soil and sediment samples, 26 ambient air samples, 74 gas emission samples and 28 noise level measurements.

In addition to traditional manual monitoring, at the Nui Phao mine, Masan High-Tech Materials also operates automatic and continuous monitoring stations, including 4 automatic vibration monitoring stations, 3 automatic wastewater monitoring stations and wastewater treatment stations, 1 air monitoring station, and automatic water level monitoring at underground water wells under operation. The monitoring stations are now in stable operation with its data automatically transmitted on an ongoing basis to the data receiving center of the Department of Natural Resources and Environment, as per regulations.

At the Goslar, Sarnia and Ganzhou factories of H.C. Starck, a member company of Masan High-Tech Materials, wastewater and/or dust (deposition) monitoring is done on a monthly basis. Wastewater is observed online at centralized wastewater treatment plants. In addition, the competent water management agency also monitored control samples regularly for oversight purpose. In 2020, the authorities took 38 samples to monitor the discharge limit.

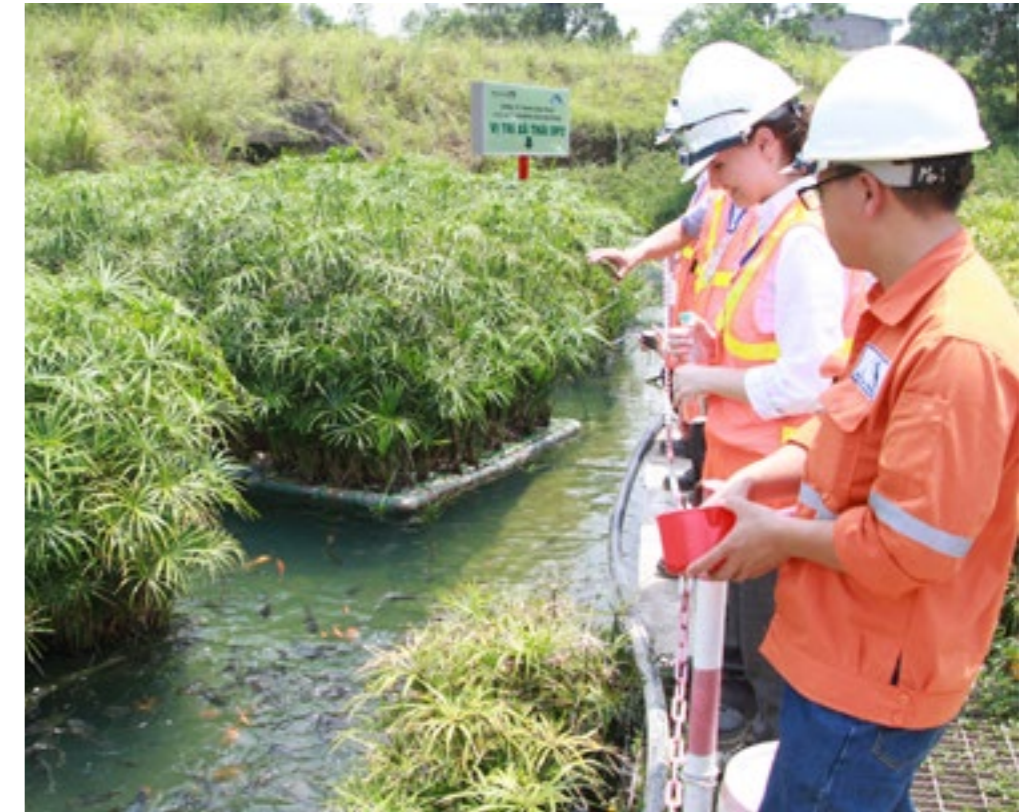
All of our farms which grow fresh produce for VinEco are equipped with modern and advanced irrigation systems from Israel, engineered by leading companies in the field such as Netafim or Rivulis. In particular, the application of drip & splash irrigation reduces water consumption by up to 80% compared to the traditional manual overflow method, not only optimizing our operational efficiency,

but also minimizing environmental impact. Modern drip irrigation systems combined with nutrient mixing and dispensing machines help distribute water and dissolved fertilizer to concentrate nutrients in the roots of plants for better absorption. In addition, this approach reduces fertilizer residues in the soil during the production process.

Maintenance of the model "goldfish and tilapia growth in water discharge"

In 2019, MHT initiated the "Goldfish and Tilapia Growth in Discharged Water" program to demonstrate in real time the high water quality of the water discharged for both aquatic life and vegetation at the Nui Phao mine to local community and stakeholders.

In 2020, Masan High-Tech Materials took samples to analyze metal concentrations in fish growing in 3 areas, namely DP2 outlet, DP3 outlet, and the fresh water reservoir in Cong river (control sample). The analysis results showed that fish growing at the discharge outlets DP2 and DP3 accumulated less metal than fish grown in the Cong River fresh water reservoir that is used by the processing plant. This result demonstrated that the quality of water discharged after being used for processing activities at the Nui Phao mine are well within the standards and applicable environmental regulations.



Renewable energy & resource optimization

Vietnam is a coastal country and we are acutely aware of the importance of minimizing our carbon footprint to combat climate change. As such, energy efficiency or resource optimization should be a priority for any business of scale that wishes to grow sustainably.

At MasanConsumerHoldings, we use biogas created from husk and sawdust to supplement our energy needs at all of our facilities. Biogas is not only an environmentally friendly and cost-effective energy source, but also results in job creation and income for local people. We believe these initiatives help factories improve energy efficiency and environmental protection. In 2020, we used more than 1.2 million kW

of electricity and 1.1 million tons of steam, including steam from biomass (sawdust, rice husk, etc.).

At Masan MEATLife, we improved our boiler and grinder's efficiency, and switched to using LED lamps to save energy. Masan's high-tech pig farm in Nghe An is considered to be Vietnam's most environmentally advanced, able to produce biogas from its operations and generate enough electricity to be self-sufficient. In early 2019, MNS Farm Nghe An was certified to meet GLOBALG.A.P standards for its completion of internationally recognized set of farm standards dedicated to Good Agricultural Practices.

As the world's leading producer in the field of tungsten recycling, the tungsten recycling rate in H.C.Starck plants (under Masan High-Tech

Materials) in Germany, Canada and China are all at high levels. The recycling rate in the tungsten industry is estimated at 25-30% and it varies greatly across factories around the globe, ranging from 15 to 50%. HCS meets most of its raw material needs in Goslar by recycling tungsten residues, which have been recently bought in the market and received from the customer as part of dedicated recycling or conversion programs. As a result, the recycling rate in raw material procurement has steadily increased and exceeded 75% in 2020. In all our HCS plants, byproducts are often rich in valuable raw materials (especially metals) and can be recycled as raw materials for ourselves or other companies. As a result, most of the production waste is recycled, reducing treatment costs and protecting the environment. The waste recycling rate of HCS in 2020 mounted up to 90%. At MHT's operations in Vietnam, in 2020, over 1,400 tons of scrap have been collected and recycled.

As of 31 December 2020, VinEco completed the construction of a waste treatment facility which turns agricultural waste and by-products into compost fertilizer for 11 out of its 14 farms. At the end of December 2020, the total amount of self-composted micro-organic fertilizer at VinEco farms was more than 4,852 tons, meeting up to 65% of VinEco's needs. Composting organic fertilizer has helped reuse all of our agricultural waste and by-products. These waste and by-products are not emitted into the environment, but decomposed into compost, ensuring a closed loop of organic

matters and microorganisms, returning mineral nutrients back to the production process, reducing greenhouse emissions and environmental pollution. In addition, VinEco's composting also includes the treatment of a large amount of livestock waste from livestock farms located near VinEco farms, contributing to reducing the environmental pollution from animal husbandry. The savings from these economic and environmental efficiency programs was estimated to reach VND5.7 billion in 2020.

To minimize its environment impact, VinEco has replaced nylon bags and rubber bands for packaging with biodegradable materials following the standards of the Ministry of Natural Resources and Environment.

In addition, VinEco also uses kraft paper and biodegradable nylon bags to harvest and package products instead of wrap and conventional nylon bags. 2.7 tons of biodegradable nylon bags and 113.5 tons of kraft paper were used in 2020, accounting for 69.7% of materials used for harvesting and packaging.

VinEco has applied advanced technologies to minimize petroleum fuel consumption, reduce emissions, and use electric vehicles to transport harvest in greenhouses and membrane house in Quang Ninh, Ha Nam and other facilities with suitable terrain. Hi-tech irrigation systems are used, with inverters for the water supply and drainage pumps to save

energy. In total, 251,427 liters of fuel were consumed in 2020, down by 6.55% compared to 2019 (269,585 liters).

Corporate Social Responsibility

Masan believes in improving the livelihoods of members of the communities where we have operations and partnering with local residents.

In 2020, we contributed nearly VND5,000 billion to the State budget, fulfilling our legal obligation as a private sector leader. In addition to being one of the largest taxpayers in the provinces where we have operations, we have been working directly with local people to promote job creation and improve their quality of life. Simultaneously, we believe in giving back to the communities where we operate through sustainable initiatives that empower people who are experiencing a variety of challenges.

Healthcare

COVID-19 pandemic prevention

Since the outbreak of the COVID-19 pandemic, Masan has actively implemented many control and relief measures for the benefit of the greater community and nation. Accordingly, tens of thousands of boxes of groceries were presented to the Vietnam Fatherland Front Central Committee, Ministry of Health, Ho Chi Minh Communist Youth Union Central Committee, Moc Bai - Tay Ninh Border Gate,



Border Guards of Dien Bien and Lai Chau, Tan Son Nhat International Border Gate, Nghe An, Ninh Thuan, and Thai Nguyen provinces.

Masan's branded consumer products such as Omachi and Kokomi noodles, CHIN-SU beef noodle soup, Nam Ngu fish sauce, MEATDeli chilled meat, Ponnies sausage, B'fast breakfast cereal, Wake-up 247 coffee- flavored energy drinks, etc. were quickly delivered to support soldiers, doctors, medical staff, other anti-pandemic workers, and the less fortunate in quarantine areas, hospitals, and border areas.

In addition to supporting the national effort to control and manage COVID-19, Masan

continued to implement initiatives that provided direct relief support to the general population, especially the poor and marginalized groups to help them overcome a period of economic hardship and insecurity caused by social distancing or lockdown measures. From 20 to 26 April 2020, Masan Consumer joined hands with the Center for Social Work - Vocational Education in Ho Chi Minh City to deliver 10,000 nutritious meals and 300 gifts to disadvantaged children at 8 locations in district 3, 7, 8, 10, Tan Phu, Go Vap, Binh Chanh and Nha Be in Ho Chi Minh City. With slower business activity due to the pandemic, many workers have either lost their jobs or saw less working hours, all adversely impacting their income. Most of

workers in Ho Chi Minh City are migrants and faced numerous challenges during this period. Together with the Standing Committee of Ho Chi Minh City Youth Union, Masan Consumer donated 10,000 gifts comprising of 5 tons of rice and groceries to provide the affected people some relief. Masan High-Tech Materials also donated VND500 million to Thai Nguyen province and VND70 million to Dai Tu district to purchase medical equipment, materials and fund other activities as part of its COVID-19 pandemic control efforts.

Despite the operational complications due to COVID-19, Masan Group was able to ensure sufficient stock of groceries at our supermarket ("VinMart") and minimarket (VinMart+) locations, preventing any potential shortage of stock and price escalation. Masan also maximized the production capacity of factories to ensure stable supply of groceries for the people's consumption needs. Common grocery products such as rice, meat, instant noodles, processed food, hand sanitizer, face mask, etc. were readily made available at our retail outlets at stable prices for consumers. In addition, the VCM offered flexible shopping methods, including online sales via the VinMart.com website, phone ordering, home delivery service, and cashless payment to limit physical contact. During periods of social distancing and lockdown, our modern retail outlets implemented three lines of defense to reduce the chance of spreading COVID-19 while still servicing our consumer's grocery needs. These measures included:

In 2020, Masan Group contributed nearly VND30 billion for community support activities.

- Line 1: Strict quarantine and screening to make sure only goods that meet quality standards are to be admitted into VinMart and VinMart+ systems. At both VinMart supermarkets and VinMart+ minimarkets, VinCommerce recommends that shoppers keep a safe distance of 2 meters.
- Line 2: All VinMart and VinMart+ employees are to be fully equipped with PPE, including face masks, gloves, hand sanitizers, etc. The internal inspection team also perform regular checks and follow-ups, ensuring that all employees strictly comply with the regulations. VinMart and VinMart+ customers must go through temperature checks upon entry, wear a mask during the entire time, and use hand sanitizers upon entry and exit. VinMart managers of the locations reserve the right to refuse to serve uncooperative or unwell customers to ensure the health and safety for everyone.
- Line 3: VinCommerce also temporarily closes VinMart+ stores located in areas with high risk of infection that can potentially jeopardize safety of customers and employees or in areas locked down by the authorities for decontamination and disinfection. These stores are only reopened when a safe shopping space can be absolutely guaranteed.

To contain the spread of COVID-19, Hai Duong province went into lockdown on 16 February 2021. This resulted in disrupting the distribution of agricultural products from the province and impacting the provincial economy. Our

modern retail business supported Hai Duong's agricultural sector by continuing the safe distribution and marketing of produce from the province. In particular, VCM's VinMart and VinMart+ outlets in northern Vietnam purchased and resold Hai Duong's agricultural products at no price mark-ups, selling products such as tomatoes, kohlrabi, carrots, cabbage, and guava with a total average volume of 70 tons per week.

Water purifier support to people in the Mekong River Delta during historic period of drought and salinity intrusion

In March 2020, many provinces within the Mekong River Delta experienced emergency drought and salinity intrusion due to Level 2 natural disasters. The saline intrusion that occurred during the 2020's dry season was the most severe on record, worst than what was experienced in 2016, which was already considered the worst season in 100 years. To support the people in the Mekong River Delta, Masan Group promptly coordinated with the Central Steering Committee for Natural Disaster Control to donate 700 standard water purifiers to help people access clean water and stay healthy during the pandemic.

Relief for people in Central Vietnam during historic storms and floods

In October 2020, for the first time after many years, the Central region suffered from merged floods and storms, taking its toll on human

lives and properties. Joining hands with other companies and agencies across the country, Masan donated over VND12 billion to support relief efforts.

From the first days of the historic flood, Masan Group cooperated with the Ministry of Agriculture and Rural Development, the Ministry of Health and other agencies/ associations to distributed significant amounts of our grocery products such as instant noodles, meatballs, sausages, braised meats, eggs, fish sauce and drinking water to people in Quang Binh, Quang Tri, Ha Tinh, Thua Thien Hue, Quang Nam, and Quang Ngai provinces.

In addition to in-kind contributions, Masan Group and our staff further contributed more than VND7 billion in cash to support the people of Central Vietnam, including a VND1 billion grant to the "Nha Chong Lu" (Flood Proof House) Program, a project to help build 58 communal safe houses for people in flooded areas.

Education

Education plays an important role in poverty reduction and Masan Group has been a consistent supporter of scholarships and educational programs. In 2020, these efforts included:

- During the drought and saline intrusion in the Mekong River Delta in 2020, Masan Consumer presented 4 water purifiers to 4 primary and middle schools in Hau Giang

(Phu Huu 3 and Phu Huu 4, Chau Thanh District) and Long An provinces (Thanh Hoa, Ben Luc District) in an amount of VND 500 million, helping teachers and students access clean water.

- On 19 October, our subsidiary located in Ha Son commune, MNS FARM Nghe An, established a scholarship fund for 110 pupils worth VND120 million.
- During Government's "Month of Action for Children", Masan High-Tech Materials cooperated with the Department of Industry and Trade of Thai Nguyen province to present 20 bicycles to children and teenagers in extremely disadvantaged circumstances.
- On 28 October, Masan High-Tech Materials donated to the University of Mining and Geology's Scholarship Fund for underprivileged students VND50 million.

Community development and giving back

Masan believes that infrastructure development will empower the less fortunate for the long-term. To that end, over many years, we have invested heavily into social infrastructure, including health facilities, schools, vocational trainings, and mentoring programs.

On 5 September 2020, Masan Consumer handed over two residential works including a bridge and a road in Ben Luc district, Long An province. This is part of a key social security program that the Company has implemented over the years to improve infrastructure facilities

for local communities, contributing to their better living conditions.

On 3 October 2020, at the inauguration of the MEATDeli Saigon chilled meat processing complex in Long An province, Masan Group contributed VND5 billion to the "Program for Supporting Rural Bridges". After 3 months, 6 bridges sponsored by Masan were successfully commissioned before the 2021 Tet holidays. These bridges facilitate the movement of people and the transportation of goods to improve the economic conditions and social security for local people.

Over and above the aforementioned charitable donations in cash and kind to people directly impacted by natural disasters and COVID-19, Masan has given back to the community as part of its general effort to be a good corporate citizen. In October 2020, Masan High-Tech Materials presented gifts to over 5,000 children from 47 hamlets in 4 communes (Ha Thuong, Phuc Linh, Tan Linh, Hung Son - Dai Tu district). This is one among annual activities of the Company to extend our support to children in the project area. As part of Thai Nguyen province's "2021 Week of Tet for the Poor" program, Masan High-Tech Materials





contributed VND100 million to provide 200 gifts for the poor in communes and towns in Dai Tu, Thai Nguyen.

Economic development

To contribute to sustainable socio-economic development for the community, Masan has invested in programs to increase economic efficiency in the long run. In particular, we have focused on people affected by the development of the Nui Phao mine.

MHT’s Economic Recovery Fund used for people affected by the Nui Phao Project has been underway since 2013 and entrusted by Masan High-Tech Materials through the Bank for Social Policies of Dai Tu district.

By the end of 2020, 358 households in Nui Phao project area have received loans with a total revolving fund of nearly VND 16 billion to invest in economic development. 100% of

households who have received loans from the Economic Recovery Fund have paid interest on time and incurred no bad debts, most of them have effectively utilized their loans, and some even created jobs for 3 to 5 local workers with stable income from 3 to 5 million VND/ person/month. The borrowers mainly invest the loan proceeds in production, renovating tea gardens, raising cattle and poultry, and opening small and medium service business.

Since 2007, Masan High-Tech Materials has invited technical consultants to guide the farmers on “Sustainable tea cultivation”. According to statistics of Dai Tu district Department of Agriculture - Rural Development, by the end of 2020, the tea production area under VietGAP standards that Masan High-Tech Materials supports is 96 hectares for about 400 households in 15 cooperative complexes, accounting for 15% of the total tea area across the district. The company also worked hard to connect

the public and private sectors, farmers and scientists to reach a common commitment to the development of an organic tea model. Parties to this commitment include Thai Nguyen University of Agriculture and Forestry, Tan Linh Commune’s People Committee, Dai Tu district Department of Agriculture and Rural Development, Ha Thai Tea Joint Stock Company, NTEA Thai Nguyen Tea Joint Stock Company, Masan High-Tech Materials and 50 households in Village 10, Tan Linh commune. They undertook to contribute their resources, knowledge, and technology to convert 10 hectares of tea farms in Village 10, Tan Linh Commune into organic tea farming areas. The project duration is from 2019 to 2022, aimed to establish the largest organic tea farming area in Thai Nguyen province but also improve the ecological environment, drive positive changes in agricultural farming towards sustainable and safer practices for both farmers and consumers.

Corporate Governance

Masan Group is committed to good governance, best-in-class policies and procedures and corporate transparency. In addition to oversight from our major institutional investors and the governance committees prescribed by Vietnam law, such as our Board of Directors, Supervisory Board and Management Board, we have the following committees to ensure higher governance standards:

- Corporate Governance Committee - This committee is chaired by an independent member of our Board of Directors, and also includes our Legal Counsel and Group CFO. This committee periodically engages third parties to evaluate its governance practices to identify and monitor the company’s compliance with governance regulations and provide recommendations to improve Masan’s governance practices and policies.
- Strategy & Development Committee - This committee is chaired by the Company’s CEO and is comprised of the CEOs and other key executives of our subsidiaries, Group CFO, Group HR head, and Head of Strategy and Development. This committee develops and approves the short and long-term strategy and objectives of the various businesses and the overall Company, including setting key performance indicators and monitoring them. This committee enhances accountability within our company and ensures that the performance of our businesses and people are measured as objectively as possible.
- Masan is currently developing a robust Internal Audit function with the assistance of international advisors to further build out its risk management platform.

Recognitions in 2020

Our commitment to sustainable business practices over the years have resulted in many awards and honors by various third parties,

including government bodies, media and agency, both domestic and international.

Masan Group

- The Company is named among flagship M&A deals in 2019-2020
- Top 50 listed companies in Vietnam rated by Forbes Vietnam
- Top 50 Efficient Businesses in Vietnam rated by Nhip Cau Dau Tu Magazine
- Top 10 Largest Private Companies in

- Vietnam rated by Vietnam Report.
- Masan also leads Top 15 best listed companies with the best business performance for 3 consecutive years as honored by Business Forum Magazine, Institute of Business Research and Development (INBUS), Vietnam Association of Accountants and Auditors (VAA), Vietnam Association of Corporate Directors (VACD)
- We are currently ranked in the 17th place of the Top 100 best workplace in Vietnam.



Masan Consumer

- Top 50 Top Brands honored by Forbes Vietnam
- Ranked No. 1 in the “Top 10 Prestigious Food Companies” in 2020 for Packaged food, spices, cooking oil by Vietnam Report in 3 consecutive years.
- Top 3 brand owners in Urban 4 Cities and Rural Vietnam revealed by Kantar Worldpanel’s Brand Footprint 2020 report for 8 consecutive years.

VinCommerce

- VinCommerce has continuously achieved prestigious domestic and international awards, such as Top 10 most prestigious retailers in Vietnam in 2017, 2018, 2019; Asian Green Retailers 2019; and Asian Responsible Business 2019.
- VinEco has been ranked among the Top 10 reputable companies in Food & Beverage by Vietnam Report for 2 years in a row in 2018 and 2019.
- VinEco was awarded “Vietnam’s Golden brand in Agriculture” by Vietnam Association of Agriculture and Rural Development.

Masan MEATLife

- MEATDeli - Masan’s chilled meat product is named among the Top 10 “Vietnam’s Most Trusted Brands and Products” for two consecutive years (2019 & 2020) since the

- very first year of market launch (12/2018).
- Top 50 Top Brands honored by Forbes Vietnam

Masan High-Tech Materials

- Top 50 Vietnam Sustainable Companies for 3 consecutive years (2018-2020) awarded by Vietnam Business Council for Sustainable Development under Vietnam Chamber of Commerce and Industry (VBCSD- VCCI).
- Top 50 Vietnam Excellent Enterprises 2020 honored by Vietnam Assessment Report Joint Stock Company (VietnamReport) in collaboration with VietNamNet Online - Ministry of Information and Communications.
- Top 100 listed companies in Vietnam honored by Forbes Vietnam.
- Top 500 Vietnamese Largest Enterprises honored by Vietnam Assessment Report Joint Stock Company (VietnamReport).

Vinacafé Bien Hoa

- Vinacafé Bien Hoa won another title of National Brand for the next two years 2020-2022. This is the 7th consecutive time that Vinacafé Bien Hoa has named for this noble award, from 2008 to 2022.
- Top 10 Beverage Companies by Vietnam Report in 2020.

Techcombank

- Best Bank in Vietnam 2020 - Asia Risk Awards
- Most referred banking brand in 2020 - Nielsen
- Top performing brand in 2020 - Forbes
- Top Visa card player in 2020 - Visa
- Best Companies To Work For In Asia Awards 2020 - HR Asia

Looking Forward

At Masan, sustainability means the harmonious co-existence and interaction between our various stakeholders and the environment. Our belief in “Doing well by doing good” exemplifies our commitment to sustainable business practices and has underpinned our remarkable achievements over the course of our corporate history.

For us, success is not only measured by our financial results but also by the positive social impact we create. Our sustainable business practices are a natural extension of our mission to improve the lives of nearly 100 million Vietnamese consumers.

As our journey is the consumers’ journey, our business strategy is to keep going with and for our people, communities and Vietnam’s socio-economic development.



Management Report



Macro Overview

The global outbreak of the coronavirus (“COVID-19”) was the defining and most influential event in 2020, adversely impacting the social and economic activities of practically every country in the world and resulting in a death toll of 2.4 million lives and counting. Vietnam was not an exception and recorded its first cases of COVID-19 on 23 January 2020. However, the country fared markedly better than the rest of the world by successfully taking decisive, unprecedented preventative and containment measures. With popular support from its citizens, these actions included heavy restrictions on entering its borders, contact tracing, mandatory masks usage, social distancing, and strict quarantine protocols. As a result of Vietnam’s swift and uncompromising response to control the COVID-19 pandemic, the country saw very low numbers of cases and casualties relative to rest of the world and was able to reopen much of its economy sooner.

Despite GDP dropping by 0.36% year-on-year (“YoY”) in 2Q2020 as a result of three weeks of mandatory social distancing, Vietnam still managed to deliver full year GDP growth of 2.91% in 2020 according to the General Statistics Office (“GSO”), making it Asia’s top performing economy for the year. Momentum is in the country’s favor with GDP growing YoY by 2.69% and 4.48% in 3Q2020 and 4Q2020, respectively.

Total retail sales of goods and services increased by 2.6% YoY in 2020 in nominal terms to VND5,059 trillion (~USD220 billion) but

declined by 1.2% YoY in real terms. Restrictions on international arrivals, which dropped by 78% YoY to only 3.8 million people, and lower foot traffic due to COVID-19 dampened retail sales. In particular, accommodation/catering services and tourism saw YoY declines of 13% and 59%, respectively. Consumer confidence declined slightly as employment figures were negatively impacted by the pandemic. However, despite these headwinds, Vietnamese consumers were still the second most optimistic globally according to Nielsen. Vietnam’s success in containing the pandemic and the resultant economic recovery is expected to bolster household income and consumer confidence/demand in 2021. Besides the services sector, Vietnam’s Index of Industrial Production (“IIP”) increased by 9.2% YoY in November and 9.5% YoY in December, as per GSO. The global economic recovery on the back of wider vaccinations should support Vietnam’s manufacturing sector which is heavily dependent on exports. Increased industrial production is expected to offset the impact from the decline in tourism-related revenue and support domestic consumption overall.

In 2020, Vietnam continued to attract foreign investments despite international travel restrictions. FDI disbursement reached USD20.0 billion in 2020 representing a slight 2% decline. Vietnam’s successful containment of the pandemic has strengthened investor sentiment in the country’s overall macro environment. COVID-19 did little to impact Vietnam’s structural advantages such

as its low labor costs, favorable geographic position, and participation in a wide range of free trade agreements. The recent EU-Vietnam Free Trade Agreement (“EVFTA”), Regional Comprehensive Economic Partnership (“RCEP”), and Vietnam-U.K. Free Trade Agreement (“UKVFTA”) should further increase foreign investor interest in Vietnam.

On the back of the aforementioned structural advantages and free trade agreements, Vietnam was able to achieve a record trade surplus of USD19.2 billion in 2020, almost double compared to 2019. The country achieved export growth of 6.5% YoY in 2020, reaching USD281 billion in 2020, despite weak global demand overall. Imports also increased, especially towards the end of the year, reaching USD262 billion to grow by 3.6% YoY in 2020.

In 2020, the Vietnamese Dong (“VND”) appreciated against the U.S. Dollar (“USD”) due to strong USD inflows, comprised primarily of remittance inflows of USD15.4 billion, the aforementioned robust level of foreign investments and a record trade surplus. The exchange rate reached VND23,098 per USD in the interbank market at the end of 2020, appreciating by 0.3% compared to the exchange rate at the end of 2019. Vietnam’s relatively stable currency situation supported its Average Consumer Price Index (“CPI”) in 2020, which reached 3.23%, below the Government’s target cap of 4%. The country’s CPI was pressured by higher pork prices, a major staple, which has been

mitigated by a recovering pig population and rising imports of live pigs and pork products. Altogether, Vietnam’s currency and inflationary achievements present a positive picture with regards to consumer confidence and growth in domestic consumption.

While 2020 will be remembered for the disruption to economies and human suffering caused by the COVID-19 pandemic, unprecedented policy support and accelerated development of vaccines made the global bear market one of the shortest in history. Vietnam also witnessed a strong recovery in its equity markets. Despite Vietnam successfully containing the COVID-19 virus, lower global risk appetite led to substantial foreign net selling of shares in Vietnamese companies, which was more than offset by domestic interest from domestic investors.

Looking forward, Vietnam’s macroeconomic outlook remains favorable with GDP expected to increase by more than 6% YoY in 2021 according to Government estimates. Vietnam’s FDI/export-led growth engine is expected to benefit from increased cross-border mobility, overall global economic recovery, and growth in domestic consumption. Vietnam appears to be a beneficiary of the post-COVID-19 environment which prioritizes global supply chain diversification, particularly away from China. Meanwhile, an extended period of lower interest rates (globally and locally) should provide a supportive environment for the economy to develop without a major shock

to macroeconomic stability. Main risks to Vietnam’s positive macroeconomic outlook in 2021 are: delays in the expected containment of COVID-19 (or emergence of new variants) and the associated recovery of the global economy; punitive import tariffs by the United States on Vietnamese goods; and domestic policy shocks that can adversely impact the business environment.

With regards to our company, Masan Group Corporation (“MSN” or “Masan”), we believe we have navigated through the challenges brought upon by the COVID-19 pandemic fairly well in 2020. We managed to deliver growth across all business segments that are domestically focused. However, Masan High-Tech Materials Corporation (“MHT”), an exporter that is highly sensitive to global industrial activity and GDP growth, suffered the most. In 2020, MHT was unable to sell its budgeted volumes and saw its profitability evaporated due to lower commodity prices. In contrast, our other businesses saw an uplift in sales and the acceleration of changes in consumer behavior that support Masan’s longer-term strategy. MasanConsumerHoldings Company Limited (“MCH”) achieved record net revenues as more consumers purchased our branded consumer staples for in-home consumption. While VinCommerce, our modern retail business, was unable to expand its footprint as initially planned, it did benefit from the growing preference for modern trade shopping, which is perceived as being more hygienic during a global pandemic. More importantly, social

distancing encouraged more online purchasing, further validating Masan’s entry into the modern retail sector which is a start in our longer-term journey to create an on-to-offline (“O2O”) platform, what we have called our “Point-of-Life” ecosystem.

Looking forward, Masan believes we will be able to continue to build on the momentum experienced in 2020. Our domestically focused businesses, which encompass branded consumer products, modern retail, integrated meat products, and financial services, are all expected to benefit from Vietnam’s economic growth and high consumer confidence. Even our business that was most adversely impacted by the COVID-19 pandemic, MHT, is expected to benefit from both higher global commodity prices (tungsten prices have rallied in 1Q2021) and synergies as it integrates the global tungsten division of H.C. Starck (“HCS”), its newly acquired downstream business.



Performance Overview and Outlook

Consolidated Summary

In 2020, Masan achieved the topline financial targets approved by our shareholders at the 2020 Annual General Meeting (“AGM”), delivering net revenue of VND77 trillion against the AGM target range of VND75-85 trillion. Our net revenue grew by 106.7% in 2020 compared to 2019, driven primarily by strong double-digit organic growth in our branded consumer products and integrated meat businesses and the consolidation of newly acquired businesses, mainly VCM. On a like-for-like basis, which takes into account the full year financial results of VCM’s modern retail operations in 2019 and provides a more meaningful comparison, MSN’s consolidated net revenue grew by 19.7% YoY in 2020.

With regards to MSN’s consolidated 2020 EBITDA, we delivered YoY growth of 2.7% to reach VND10,346 billion compared to VND10,077 billion in 2019, much lower than net revenue growth mainly due to the consolidation of VCM, which did not yet achieve positive EBITDA on a full year basis. MSN’s consolidated EBITDA margin in 2020 was 13.4% compared to 27% in 2019 as VCM significantly increased MSN’s consolidated net revenue while not yet contributing to MSN’s consolidated EBITDA. MSN’s 2020 EBITDA margin was also adversely impacted by MHT’s results which saw margin compression from a weaker commodity price environment.

However, on a like-for-like basis, MSN’s consolidated EBITDA margin actually increased by 110 basis points (“bps”) to 13.4% in 2020 compared to 12.3% in 2019. This improvement was driven by VCM’s prioritizing profitability over topline growth in 2020. The momentum in VCM’s turnaround in profitability and its significance to MSN’s consolidated results were demonstrated in 4Q2020 when MSN’s consolidated EBITDA margin reached 17.8%, up 400 bps compared to 4Q2019, driven by VCM achieving positive EBITDA in 4Q2020, its first quarterly positive EBITDA ever.

Reported net profit after tax post minority interest (“NPAT Post-MI”) in 2020 was VND1,234 billion, within the 2020 AGM target range of VND1,000-3,000 billion. The decrease of 77.8% in NPAT Post-MI in 2020 compared to VND5,558 billion in 2019 was primarily due to the consolidation of VCM and increased minority interest leakage due to the dilution of our effective ownership in MCH. Reported 2020 NPAT Post-MI was further lowered by higher net financial expense from increased borrowings to free up cash to acquire more shares in The CrownX Corporation (“The Crown X”) and VCM. The merger with VCM also resulted in an increase in goodwill amortization as required by Vietnamese Accounting Standards (“VAS”). Goodwill amortization related to the VCM merger alone lowers MSN’s reported NPAT Post-MI by VND618 billion each year. Lower profits at MHT from lower commodity prices and lower sales volumes also impacted

In 2020, The CrownX became the 2nd largest consumer business in Vietnam in terms of net revenue

MSN’s consolidated reported earnings in 2020. However, in 2020, MSN benefitted from a VND1,342 billion one-time gain from the deemed “bargain purchase” from the HCS acquisition. This one-time gain is lower than the arbitration award against Jacobs Engineering Group in favor of MHT amounting to a one-time gain of VND1,651 billion in 2019.

On a more normalized basis which excludes the amortization of fair value adjustments and goodwill as a result of acquisitions and the aforementioned one-time gains, 2020 “Cash” NPAT Post-MI was VND1,235 billion compared to VND4,378 billion in 2019.

With regards to MSN’s consolidated balance sheet, gross financial debt increased to VND62,011 billion as at 31 December 2020, compared to VND30,016 billion as at 31 December 2019, primarily due to the consolidation of VCM’s debts and increased borrowings to free up cash in order to increase MSN’s ownership in our subsidiaries. Over the next 12 to 18 months, we will focus on strengthening our consolidated balance sheet and improving our leverage ratios with a long-term target range for Net Debt/EBITDA ratio between 2.5 - 3.0x. We aim to achieve this balance sheet target through improving consolidated profitability and raising equity capital, primarily from strategic partners.

In 2021, MSN anticipates growth in net revenue and profitability across all of our businesses, driven by the ramp up of our more

recent investments, more favorable market conditions, and synergies as we build up our integrated consumer platform and “Point-of-Life ecosystem. In 2021, MSN aims to deliver consolidated net revenue and NPAT Post-MI within the ranges of VND92,000-102,000 billion and VND2,500-4,000 billion, respectively. Additional details shall be provided in subsequent sections of this Annual Report.

Looking much further ahead, we believe our efforts in 2020 laid the foundation for Masan’s next 5-year phase of transformational growth. Over this upcoming period, we believe products and brands will no longer be enough to service the growing demands of our consumers who are now, more and more, wanting unique, novel and tailored experiences coupled with greater convenience. With our entry into modern retailing and an initial focus on grocery, we believe we have made the right first steps and have most of the key pieces to build a tech-enabled “Point of Life” platform. However, it all begins with having physical locations and quality products that serve the daily needs of consumers. In 2021, like 2020, we will be primarily focused on enhancing VCM’s retail operations to continue improving profitability.

The CrownX

The CrownX was established to be leading consumer retail platform and build out Masan’s “Point of Life” platform, starting with two key businesses, VCM and MCH. In 2020, The

CrownX became the 2nd largest consumer business in Vietnam in terms of net revenue which reached VND54,277 billion (~USD2.5 billion), growing, on a like-for-like basis, by 18.1% YoY with EBITDA margin expanding by 270 bps YoY to 8.2%. The CrownX’s modern retail subsidiary, VCM, delivered net revenue of VND30,978 billion in 2020, up by 14.2% compared to VND27,130 billion in 2019, due to strong growth in the minimarket segment. VCM’s profitability also saw a marked improvement, achieving quarterly positive EBITDA for the first time in 4Q2020, a major milestone that validated its ongoing turnaround efforts and the completion of its first phase of transformation under Masan’s stewardship. The CrownX’s branded consumer products subsidiary, MCH, also achieved a major milestone in 2020 – surpassing USD1 billion (VND23,971 billion) in net revenue for the first time ever with a YoY topline growth of 27.2%. MCH’s 2020 EBITDA grew by 21.5% YoY. MCH’s growth in sales and profitability were driven by premiumization of its product portfolio and launches of new innovations.

In 2021, The CrownX expects to achieve both net revenue and NPAT Post-MI growth on a consolidated basis driven by stronger performances at VCM and MCH.

VinCommerce

In 2020, VCM’s modern retail operations and strategy were overhauled with a focus on achieving profitability in order to build a

sustainable foundation for long-term growth and transformation. A large part of the improvement in profitability came from the closing of underperforming locations which helped VCM achieve positive EBITDA in 4Q2020. While closures of locations adversely impacted net revenues, the impact was offset by strong like-for-like (“LFL”) sales growth at locations that have been in operations for more than 24 months.

Overall, VCM’s net revenue grew by 14.2% YoY from VND27,130 billion in 2019 to VND30,978 billion in 2020. VCM’s locations under its minimart format (“VinMart+” or “VMP”) grew net revenue by 42% YoY in 2020, despite a net reduction of 660 stores, driven by strong LFL revenue/m2 growth of 10.7% YoY during the period. VCM’s locations under its supermarket format (“VinMart” or “VMT”) experienced a 6.7% YoY decline in net revenue in 2020, mainly due to lower net revenue from supermarkets located inside Vincom Retail (“VRE”) shopping mall locations, which saw reduced foot traffic as a result of COVID-19 concerns, especially during periods of mandatory social distancing. More than 95% of the decline in net sales of VMT supermarkets was attributable to supermarkets located within VRE shopping mall locations. However, LFL revenue/m2 growth for VMT supermarkets located outside of VRE locations was up 4.8% in 2020 compared to 2019.

In terms of EBITDA, which excludes one-time losses such as the costs of store closures and

including back margin which were recorded in financial and other income, VCM delivered positive EBITDA margin of 0.2% in 4Q2020 and is on track to contribute positive EBITDA in 2021 on a full year basis. EBITDA margin improved throughout 2020: (4.8)% in 1Q2020; (8.4)% in 2Q2020 (due to COVID-19 lockdown); (3.0)% in 3Q2020; and 0.2% in 4Q2020.

Improvement in VCM’s profitability was driven by network optimization, as 744 VMP minimarkets and 12 VMT supermarkets were closed in 2020 due to underperformance. The closures of these locations in 2020 are expected to improve VCM’s 2021 EBITDA by approximately VND400 billion, which was the operating loss contributed by these stores, while operational in 2020. Assortment optimization, launch of core range SKU’s, and new pricing policy in 3Q2020 helped to deliver double-digit LFL growth in revenue/ m2 at VMP. VCM’s overall total commercial margin (“TCM”), gross profit plus suppliers’ incentives/ support, increased to 21.1% of net revenue in 4Q2020 compared to 19.0% in 4Q2019, as initiatives to improve procurement practices and secure more favorable terms with suppliers started to yield results.

Most importantly, in 2020, recruitment of executive talents with proven track records in the modern retail grocery industry helped to strengthen the management team of VCM. With a stronger organization, VCM expects to be better prepared to tackle the following key priorities in 2021: expand minimart footprint;

revamp supermarket model; continue to improve TCM by working with suppliers; optimize logistics to reduce costs and improve product availability; and, successfully pilot online model to build an on-to-offline champion. Subject to the successful outcomes of these priorities, VCM expects to deliver consolidated net revenue between VND36,000 billion and VND40,000 billion with positive full year EBITDA in 2021.

MasanConsumerHoldings

MCH’s net revenue increased by 27.2% to VND23,971 billion in 2020, compared to VND18,845 billion in 2019, as innovations and investments in power brands supported sales growth, particularly within the convenience foods and processed meat categories. New product launches contributed to 43% of 2020’s net revenue growth, setting the foundation for sustainable double-digit growth in the medium term. MCH’s premium and value-added portfolio continued to perform well, underpinned by strong growth in the modern trade (“MT”) channel. Seasonings grew net revenue YoY by 12.4% in 2020, driven by premiumization of the core portfolio, coupled with strong growth in the granules segment. Convenience foods category grew net revenue by 38% YoY in 2020, as home meal replacement continued to be a standout growth driver, up 140% YoY compared to 2019. Processed meat delivered VND256 billion in net revenue, up 2x in 2020 driven by new brands and an expanded portfolio.

The beverage market suffered in 2020, as reduction in on-premise traffic due to COVID-19 negatively impacting consumption. Despite such headwinds, MCH’s beverage portfolio still managed to grow by 5% YoY in 2020 due to a 9% growth in its energy drinks segment. Entry into the home and personal care (“HPC”) segment through the acquisition of NET contributed VND1,265 billion in net revenue during 2020. Beer sales grew 55% YoY in 2020 due to launch of new “Red Ruby” brand, while coffee powder sales declined by 4% YoY.

In 2020, MCH’s gross margin was nearly flat at 41.4%, as higher gross margins for seasonings and processed meats were offset by the consolidation of NET which has lower gross margin. HPC gross margin is expected to improve in the medium term by building power brands within the segment. MCH’s EBITDA margin was 23.8% in 2020, in line with management’s expectations.

In 2021, MCH will continue building more premium brands in its portfolio to drive sustainable top and bottom line growth. MCH will also focus on building a winning product portfolio in its HPC segment through increased focus on R&D and improving distribution coverage nationwide. MCH targets to achieve net revenue and NPAT Post-MI within the range of VND28,000 and 32,000 billion and VND4,000 and 4,500 billion, respectively. For its primary subsidiary, which excludes MCH’s beer segment, Masan Consumer Corporation (“MSC”), a public company listed on the

UPCoM, we expect net revenue and NPAT Post-MI of VND27,000 - VND30,500 billion and VND5,000 - VND5,500 billion, respectively, in 2021. For further details, please refer to MSC’s official annual report and other investor relations materials available on its website.

Masan MEATLife

Masan MEATLife Corporation (“MML”), MSN’s integrated branded meat subsidiary, accelerated its vision to become a branded FMCG platform with sales of integrated meat segment surpassing USD100 million (VND2,275 billion) in 2020, a YoY growth of 440%, and entry into the poultry segment, a USD5 billion market in Vietnam, with the acquisition of 51% of 3F VIET, a leading and integrated poultry platform with branded products. Overall, MML’s consolidated net revenue grew 16.8% in 2020 to VND16,119 billion.

As a result of the meat segment’s growth in 2020, its contribution to MML’s consolidated revenue increased from 3% in 2019 to 15% in 2020. As at the end of 2020, MEATDeli branded meat products were sold through 1,627 points-of-sale (“POS”), with presence in 1,200+ VMP locations in Hanoi and HCMC, compared to 664 POS as at the end of 2019.

In addition, MML grew its processed meat portfolio with the introduction of marinated and chilled meat products in 2020. A robust innovation pipeline of processed meat

products, encompassing ambient, ready-to-eat and chilled offerings, is expected to further support the growth of MML’s overall meat sales in 2021, with processed meat expecting to make up 10% of total meat sales.

MML’s animal feed segment continued to generate strong cash flows despite a challenging environment as the animal feed market was still recovering from the outbreak of African Swine Fever (“ASF”). However, the turnaround has begun, evidenced by MML’s 4Q2020 pig feed volume growing by 22% YoY. Farmers have started repopulating their herds due to higher live hog prices, which have stayed above VND70,000 per kilogram for most of 2020. As a result of the uplift in 4Q2020, pig feed volume sold was nearly flat vs 2019. Poultry feed volume was up 29% in 2020 due to higher demand for egg/chicken products as consumers shifted away from increasingly more expensive pork. Aqua feed volumes were down 2.5%, but is expected to pick up in 2021 as demand for exports slowly recovers post COVID-19.

In 2020, MML’s consolidated gross margin was 16.9%, a 50 bps improvement compared to 2019, due to higher profitability in both the pig and poultry feed segments, and improved gross margin of the integrated meat segment (which includes farm operations). MML’s consolidated EBITDA margin was 11.7% in 2020, increasing by 40 bps compared to 2019, as MML’s integrated meat segment achieved better capacity and porker utilization, while the

animal feed segment continued to streamline operating expenses. Given the current high prices for porkers (MML also source from 3rd party partners), management has been working on multiple initiatives to lower input costs for the production of its meat products to protect 2021 earnings. On the back of the meat segment's momentum and a growing pig population, MML expects to deliver consolidated net revenue and NPAT Post- MI within the ranges of VND21,000 - VND23,000 billion and VND300 - VND700 billion, respectively, in 2021. For further details, please refer to MML's official annual report and other investor relations materials available on its website.

Other Businesses

Masan's other businesses also achieved noteworthy milestones in 2020. MHT, formerly known as Masan Resources Corporation ("MSR"), took a major step towards achieving its strategic objective of becoming a global high-tech industrial materials platform by acquiring the tungsten business of H.C. Starck ("HCS"). Combining MHT's primary resources and HCS's mid-stream and recycling platform is expected to enable MHT to better navigate commodity price cycles by having greater supply chain flexibility and access to a larger market to sell value-added products. MHT's progress in becoming more of a downstream industrial business was validated by Mitsubishi Materials Corporation's USD90 million equity investment in MHT for a 10.0% ownership stake in 2020.

Financially, MHT was adversely impacted by the COVID-19 pandemic which halted global industrial production and lowered commodity prices. MHT delivered a 54.9% YoY growth in net revenue to reach VND7,291 billion, primarily driven by the consolidation of HCS starting from June 2020. MHT's management successfully delivered VND530 billion savings in operating costs by during 2020. These cost cutting measures, combined with the one-time gain from the "bargain purchase" of HCS, allowed MHT to deliver positive NPAT Post-MI in 2020 despite a challenging year for tungsten producers.

In 2020, our associate company, Techcombank achieved profit before tax of VND15,800 billion, growing by 23.1% YoY, underpinned by the bank's consumer-centric and fee-driven financial services strategy. We believe TCB will continue to grow at a similar annual rate that it has been achieving in the recent years. For further details, please refer to TCB's annual report and other investor relations materials available on its website.

Business Environment

Masan Group's existing business operations are focused primarily on Vietnam and its performance and quality of assets depend substantially on the Vietnamese economy. Hence, going forward, economic environment in Vietnam may significantly impact Masan's operations, in addition to a variety of external factors, including economic developments throughout Asia and the rest of the world. In addition, various macroeconomic factors including but not limited to personal expenditure and consumption patterns, inflation levels, interest rates, commodity price levels, debt service burden of consumers or businesses and general availability of credit, as well as factors such as the spread of disease, large-scale acts of war, terrorism or any other adverse social, geographic or political incidents may affect Masan's business operations adversely.

In 2021, Vietnam's economy is expected to continue expanding (though the re-emergence of COVID-19 would negatively affect economic activity), supported by growing domestic consumption on the back of higher disposable incomes, expanding middle class, higher rate of urbanization and a banking system with stronger asset metrics. For more information on Vietnam's economy and its impact on our existing business operations, please refer to the "Macro Overview" section of the Management Report.

The following sections will provide a general overview and update of industrial sectors in which Masan has business operations.

Vietnam's Meat Sector

As the world's 15th most populated country, Vietnam and its 100 million consumers are increasing their livestock consumption as they experience higher incomes and population growth. Despite growth in domestic livestock production during the same period, meat output has not managed to keep up with the current consumption demand. The sector is beset with problems ranging from lack of hygiene, sub-scale production, lower productivity and lack of innovations. Diseases such as African Swine Fever ("ASF"), avian flu and others continue to wreak havoc on the sector, resulting in sub- standard quality and price volatility.

According to the Department of Livestock Production, the total number of pigs in 2020 was 26.2 million, up 5% YoY and the total number of cows was 5.8 million, up 4.2%. The industry produced about 14.5 billion eggs, up 9.5%. Vietnam successfully controlled ASF during 2020, helping the pig production industry recover to about 3 million sows and 26 million pigs, reaching 85 percent of total volume before the ASF outbreak.

Meat sector was negatively affected in 2020, due to a significant decline in demand from the institutional sector and particularly the foodservice channel, as the number of international visitors to the country declined and local consumers ate out less often due to COVID-19. Poultry and particularly pork account for the bulk of total volume sales of meat in Vietnam, and the pandemic led some consumers, particularly less affluent ones, to substitute poultry for pork due to the economic impact of the pandemic, as the former is cheaper. This price gap was exacerbated by ASF, which pushed up the unit price of pork during 2020 due to a reduction in supply.

Since August 2019, Vietnam has witnessed a severe pork price crisis, as the impact of ASF resulted in a decline in pork supply. Serious imbalance between supply and demand led to an increase in hog prices, from VND42,000 per kg of live weight in August 2019, to VND 90,000 per kg by the end of 2019, to a record high level of VND105,000 in late May 2020. Live hog prices in Vietnam have been trending down since July 2020 but still remain high, hovering between VND70,000-80,000. Retail pork prices have also decreased but remain high as the decrease is not in proportion to that of live hog prices. As many livestock companies have effectively restocked and expanded their herds during 2020, supply gradually caught with demand in the last few months of 2020.

In order to combat some of the inherent inefficiencies within the pork segment (market

size USD10 billion), Masan focused on building an integrated 3F model - feed (producing livestock feed), farm (breeding and farming), and food (meat processing) – in combination with building a retail brand “MEATDeli”. In late 2018, Masan commissioned its first pig farm in Nghe An province and started building the state-of-the-art Ha Nam meat processing complex. In December 2018, Masan delivered on its targeted milestone of launching the “MEATDeli” brand in Hanoi, and established self-owned stores, in addition to selling through modern trade channel. During 2019, MEATDeli Saigon meat processing complex was put into operation in Long An Province. The complex has a designed capacity of 1.4 million pigs per year to produce 155,000 tons of chilled and processed meat products. In particular, Masan’s acquisition of VinCommerce has significantly increased distribution footprint, with MEATDeli brand now available in over 1,200 VinMart+ locations nationwide. During 3Q2020, MML acquired a 51% stake in 3F VIET, a leading domestic player in the poultry meat segment. With 3F VIET, MML entered the poultry meat category, a USD5 billion market in Vietnam. 3F VIET branded, chilled products are already available in the majority of modern trade retailers in HCMC and neighboring provinces and will look to expand in the northern region in 2021 to become a nationwide platform.

Launch of the “MEATDeli” brand and acquisition of 3F VIET has transformed MML into a FMCG business with an addressable market of USD15 billion and has the potential

to deliver long term sustainable growth with significantly higher margins. More importantly, Masan aims to deliver safe, traceable, healthy and delicious meat products to Vietnamese consumers at affordable prices.

Vietnam’s Consumer Sector

With the fastest-growing middle class in Southeast Asia, Vietnam has been experiencing phenomenal growth rates in its consumer and retail sectors. This trend looks set to continue into the future, given its relatively young population demographics and robust consumer spending behavior. Rise of e-commerce and digital retail channels in Vietnam is one of the top trends to watch out for in the future. Vietnam’s demographics present an excellent opportunity for the rise in domestic consumer demand and is expected to persist through the next several decades. There are other trends allied to these demographic realities, which will influence consumer behavior, including: (i) higher numbers of women in the workforce, (ii) increasing urbanization, (iii) busier lifestyles and (iv) greater exposure to marketing. These could result in structural changes in the consumer market, including: (i) greater demand for convenience foods, (ii) greater focus on quality and health aspects of products, (iii) consolidation and greater preference for branded products and (iv) demand for new products and variants.

The two COVID-19 outbreaks (one started in Q1 and the other in late July) certainly hurt Vietnamese consumer income and sentiment with the impact being felt more profoundly among the mass/lower-income segment. Nevertheless, partly thanks to the Government’s effective containment of COVID-19, Vietnam’s consumer spending still showed admirable resiliency, which was demonstrated by positive FMCG growth, a quick recovery to pre-pandemic levels in some categories that underscored the strength of middle-affluent consumers. In addition, owing to consumers’ strong awareness of hygiene and limiting physical interactions, COVID-19 accelerated the adoption of modern retail formats, e-commerce and digital consumption.

According to global market research company Kantar Worldpanel, Vietnam’s FMCG sector delivered widespread growth in 2020, which was led by packaged foods and personal care products that benefited from consumers stocking up and increased at-home consumption. Meanwhile, COVID-19’s disruptions to the on-premise channel negatively affected the beverages segment growth in 2020. Overall, FMCG industry delivered 12% growth in 2020, with packaged foods growing 25%, while dairy and personal care grew 12%.

During 2021, firmer consumer incomes across sectors with potential upside tied to a recovery in tourism and related industries could support consumer sentiment. Continued rapid rise

in modern trade channels, e-commerce and digital consumption will help sales volume rebound from a low 2020 base.

Seasonings

According to Euromonitor, sauces, dressings and condiments market reached VND33.5 trillion in market size during 2020, with 64% contribution from table sauces and rest from cooking ingredients like powdered seasonings, herbs and spices etc. Within the table sauces segment, fish sauce continues to be the largest segment with total market size estimated at VND15 trillion, followed by soy sauce at VND2.8 trillion and chili sauce at VND2.6 trillion. Over the last 5 years, the entire seasonings segment grew 4.8% CAGR in value terms. Over the past few years, a clear trend towards premiumization based on better quality and healthier ingredients has started to emerge, where consumers, especially in urban areas, are willing to pay higher prices for premium branded products.

Masan continues to be a trend-setter and market leader within the seasonings segment, with its unrivalled focus on R&D, innovation pipeline, healthier and premium product offerings, backed by scale, technology and a nation-wide distribution reach. Masan’s brand building capabilities backed by strong product innovation has led to the launch of several premium brands in the last 2 years, with the most notable ones being Nam Ngu Phu Quoc, CHIN-SU Man Ma, CHIN-SU Ca Com Mua

Xuan and CHIN-SU Ca Com Bien Dong. In 2020, premium fish sauce brands accounted for 11% of total fish sauce portfolio. A new emerging growth driver is the granules segment (powdered seasonings), which continues to scale up rapidly, accounting for 9% of entire seasonings category revenue in 4Q2020.

Convenience foods

Vietnam retained its 5th place in instant noodles consumption in 2020. Ahead of Vietnam were China, followed by Indonesia, Japan and India, according to data released by the World Instant Noodles Association. A new instant noodles product is launched every two days in Vietnam, according to a report released by market research firm Kantar Worldpanel. There are over 50 instant noodles producers in Vietnam, with 70 percent of market share belonging to Acecook Vietnam, Masan and Asia Food. Instant noodles category including cups and pouches, reached VND28 trillion in 2020, with 85% revenue originating from pouch noodles and the rest from cup noodles, full-meal solutions, etc. Though the entire category has been growing 2-3% every year, new segments like cup noodles / full-meal solutions are growing much faster at 8% for the overall market.

Instant noodles and ready-to-eat meals consumption in Vietnam surged strongly amid the coronavirus epidemic as consumers stocked up and preferred to eat at home. Masan launched multiple new innovations

spanning a range of full-meal solutions to capture increasing at home eating trend during 2020. As a result, Masan continues to gain market share within the category and is already the number one player in the premium segment. During the last three years, Masan focused on premiumizing the category by introducing value-added ready-to-eat (“RTE”) meals under the “Omachi” brand. By combining its seasonings market leader brand “CHIN-SU”, innovations in premium noodles and a strong nutritional platform (Ponnie, Heo Cao Boi), Masan has introduced multiple RTE products with varied taste profiles. As a result, Masan’s convenience foods portfolio continues to grow at a much faster rate than that of traditional pouch noodles in Vietnam.

Beverages

The COVID-19 pandemic had a muted impact on sales of beverages in Vietnam during 2020. Although dramatic declines were seen in the on-trade channel over the course of the year, off-trade growth remained positive in most categories. This is an indication of the strong shift towards retail sales of soft drinks for at-home consumption that emerged from the initial nationwide quarantine lockdown.

Within the overall beverages segment, RTD tea, carbonates, bottled water, coffee and energy drinks are the biggest segments by value. Masan competes in three of the biggest beverage categories in Vietnam, energy drinks, bottled water and coffee, and

continues to evaluate opportunities to build market leading innovative brands in other large scale categories within the overall beverages segment.

Energy drinks

Busier and stressful lifestyles are one of the key growth drivers contributing to the strong growth of energy drinks in Vietnam, with market size of VND18 trillion in 2019. Advertising often focuses on how energy drinks can help consumers cope with a busy work schedule by providing an energy boost. Another growth driver is demand for energy drinks from people working in blue-collar sectors such as manufacturing, agriculture and transportation.

Red Bull Vietnam is the market leader followed by Suntory Pepsico and Tan Hiep Phat. Masan, entered the category in 2015 with its coffee flavored energy drink “Wake- up 247” and quickly built a strong presence as the 4th largest player. With the launch of “Compact” and “Ho Van” brands, Masan is focused on building out a complete portfolio within this category, backed by strategic marketing campaigns and supported by the one of the largest distribution networks in the country.

Bottled water

Vietnam’s bottled water market size of VND16 trillion in 2019, is projected to grow in double-digits in the near to medium term, on account

of deteriorating water quality in many areas of the country, which is resulting in increasing demand for safe and clean drinking water. Moreover, majority of the population remains short of getting access to clean water, owing to rapidly growing population and increasing urbanization rate. Though this demand is partially fulfilled by municipal water supply, it is expected to result in huge demand for bottled water in Vietnam.

Masan started its journey within this segment by acquisition of two of Vietnam’s most trusted bottled water brands, Vinh Hao and Quang Hanh. Over the last 2 years though, Masan built the “Vivant” brand – premium mineral water innovation, which has received strong consumer response since launch.

Coffee

Vietnam is the world’s second-largest producer and exporter of coffee, after Brazil. An increasingly busy lifestyle and longer working hours is expected to drive long term growth for this category. Moreover, the category should also benefit as manufacturers continue to introduce stronger-tasting products that suit the traditional preferences of Vietnamese consumers. Masan continues to be one of the market leaders in the instant coffee segment, through its brands “Vinacafé” and “Wake-up”. Going forward, Masan aims to expand into new formats like roast and ground coffee, ready-to-drink coffee to deliver long-term sustainable growth.

Processed meat

Consumers’ demand for better-quality food in terms of taste, affordability and nutrition is also reflected in their evolving consumption of meat and seafood products, staples in Vietnamese cuisine. During 2020, total sales of processed meats and seafood reached nearly VND10 trillion, with processed meat contribution 39%, processed seafood 49% and meat substitutes 12%.

Processed meat and seafood is expected to continue experiencing strong growth in the long-term. The wider availability of these products throughout the country and uptake of products new to Vietnam and untried by local consumers prior to lockdown are likely to develop further. Moreover, brands and products enjoyed for the first time during the pandemic are likely to become increasingly popular with such products becoming entrenched in consumer habits.

Masan has built some of the best known brands like Heo Cao Boi, Ponnie among others, available in the market through its partnership with Jin-Ju Ham from South Korea. As a result, sales from Masan’s processed meat portfolio nearly doubled in 2020, with further growth expected in the future backed by an evolving innovation pipeline suited to Vietnamese consumers’ tastes and preferences.

Beer

2020 was a very challenging year for the beer industry, being hit by the COVID-19 pandemic and strict enforcement of drunk driving law (Decree 100). In 2019, the on- premise channel accounted for approx. 70% of total beer consumption in Vietnam, according to Euromonitor. In 2020, this channel was hurt severely by social distancing as beer sales in restaurants, cafes and shopping centers were severely affected. The lack of international visitors has also contributed to less beer consumption. Nevertheless, the category is still expected to record a good performance in the medium term due to strong on-premise consumption culture, rapid urbanization, a young population and rising disposable incomes. Masan launched a new beer brand “Red Ruby”, backed by strategic marketing campaigns, which helped the category deliver 55% growth in net revenue during 2020.

Home and personal care

COVID-19 had a significant impact on the HPC category during 2020, as consumers stockpiled cleaning products like hand wash, sanitizers and soaps. Vietnamese consumers prioritized personal hygiene products to protect themselves from the virus, driving double digit growth in the HPC segment.

The home and personal care market is one of the largest and most attractive consumer

sectors in Vietnam with a total market size in excess of USD4 billion, which is currently dominated by foreign players and products. Consumers in Vietnam end up over paying for these products, as is evident from the fact that Vietnam has the highest spending per capita for this category among Southeast Asian markets.

Masan believes that the HPC market is still at the early stages of growth when compared to other developed markets, and provides significant opportunities to build Vietnamese power brands. Hence, Masan Consumer acquired a majority stake in NET during 1Q2020, as it is a strategic entry point for Masan to build a diversified HPC platform. Masan will work alongside NET to drive significant growth by building an innovative portfolio, and utilize Masan’s current distribution network which has a high existing overlap to unlock potential synergies.

Vietnam’s Retail Sector

While traditional mom-and-pop retailers remain the dominant distribution channel in Vietnam, it is set to lose further value share to both modern grocery retailers such as minimarkets and supermarkets (popular in affluent urban areas), and e-commerce, with tech-savvy consumers moving online to place grocery orders during the pandemic. While all essential retailers were permitted to remain open during the lockdown, social distancing measures and

concerns relating to the virus reduced many consumers' shopping frequency, but increased average basket size.

As a result, modern trade and e-commerce gained more market share from traditional trade in 2020. Due to fear of virus infection during outbreaks, consumers tried to avoid traditional trade formats — especially wet markets that are typically more crowded and less sanitary than modern trade formats. As such, COVID-19 sped up consumer adoption of modern retail formats in addition to online shopping — a trend that had already been underway before the pandemic.

Minimarts continue to spearhead growth thanks to their superior scalability and reach. In addition, these store formats' closer proximity to consumers is another advantage vs big-box stores given the increasingly busier lifestyles of Vietnamese people. On the other hand, e-commerce adoption is surging on the back of Vietnam's tech savviness (i.e. high internet and smartphone penetration) as well as aggressive promotional efforts and product range expansion of e-commerce companies. Going forward, apart from pure e-commerce players, sector's growth will also be fueled by more investments from brick- and-mortar retailers, which aim to deliver omni-channel experiences to customers.

During December 2019, Masan Group set the foundation for an integrated consumer platform by completing the merger of MCH and VCM

to create Vietnam's largest consumer group, The CrownX. VCM is the largest modern trade grocery retailer footprint with an unparalleled fresh portfolio which is key to drive traffic and modern retail penetration in the future. VCM's fresh and quality proposition also has significant synergies with Masan's existing branded consumer and meat businesses. VCM delivered on its 2020 target by delivering positive EBITDA in 4Q2020, due to network optimization, improvement in total commercial margins and rationalization of operating costs. VCM's priority in 2021 would be to scale up the minimarket model, revamp the supermarket format, and digitalize the entire platform by building a seamless offline-to-online ("O2O") strategy. In addition, expansion of distribution footprint by selective point of sale opening, traffic improvement through product localization and a push towards building a private label portfolio would further contribute to building an unparalleled modern retail business in Vietnam.

Vietnam's Banking Sector

Despite the negative socio-economic 74 consequences of COVID-19, Vietnam is one of the few countries that recorded positive economic growth in 2020. As per the GSO, Vietnam's GDP increased by 2.9% in 2020, with a manageable inflation of 3.8%. Credit growth in 2020 was ~10%, lower than the 13% growth clocked in 2019. Since the beginning of 2020, the State Bank of Vietnam ("SBV") cut interest rate caps four times, which encouraged commercial banks to provide loans at lower

interest rates to consumers affected by the pandemic. Banking sector has been affected by COVID-19, but the impact varies because banks have different loan portfolios and asset structure. Some banks focus on providing loans to businesses, while others focus on retail banking and services, as a result the recovery of banks would also be different.

Techcombank is one of a few banks in the region that can make money on both sides of the balance sheet, which brings profits in long term. For many years, Techcombank has been following its own path, by providing funding in accordance with ecosystems (both businesses and individuals of the same chain, such as buying houses for accommodation) in six business fields (which make up 48 percent of GDP and have the growth rate of nearly 16 percent, nearly twice as much as GDP). Thanks to this, Techcombank can satisfy long-term needs such as houses and cars, to daily needs such as shopping and tourism.

In general, Vietnam's banks are highly appreciated by foreign investors as profit margins remain high compared to ASEAN countries. Potential for credit growth and the possibility of the foreign ownership ratio ceiling increase are further positive catalysts for the sector in the medium-term.

Global Tungsten Sector

Total global supply of tungsten units was estimated at 104,000 tons in 2019, with 75,000

tons supplied from primary production and 29,000 tons supplied from recycled tungsten, according to Roskill's tungsten market report. Of the 75,000 tons supplied from primary production, 81% was accounted for by Chinese mines with rest originating from rest of world. 2020 was a difficult year for the global tungsten sector due to COVID-19 and in particular its impacts on the global economy slowdown, which as per IMF, was estimated to be down 3.5%.

The global economy is likely to recover from the 2020 slowdown if the COVID-19 pandemic is brought under control following the worldwide vaccine rollout. This will support the tungsten market because consumption is closely linked to the global economy's development, as tungsten carbide, alloy and chemicals are widely used in the construction, electronics, mining, automotive and petrochemical industries. Globally the majority of tungsten is consumed in the form of cemented carbide at around 55%, followed by steels and alloys at 23%, milled products at 14%, and chemicals/ others making up the balance 8%, according to Roskill. These tungsten product groups can be further subdivided into areas of application; transport 18%, industrials 13%, mining 14%, defense 6%, other/medical 11%, construction 8%, energy 8% and consumer durables 9%.

During 2020, MHT established a strategic alliance in the tungsten industry with Mitsubishi Materials Corporation ("MMC") with an objective to develop a leading, high-tech

tungsten materials platform. The ability to offer cutting edge solutions to customers and the strategic flexibility of being integrated across the value chain is key to delivering sustainable growth across commodity price cycles and will continue to be a critical factor in the tungsten space. After the H.C Starck (HCS) acquisition (a leading global mid-stream tungsten business) in Jun 2020, MMC's participation as a strategic partner is a validation of MHT's transformation into a global vertically integrated high-tech tungsten platform.

Factors Affecting Our Business and Results of Operations

We are a holding company whose material assets are the shares of the companies that we hold, primarily i) MasanConsumerHoldings Company Limited (“MasanConsumerHoldings” and “MCH”), which currently holds our interests in branded food and beverage and home and personal care businesses such as Masan Consumer Corporation (“MSC”), Masan Brewery Company Limited (“MB”) and Net Detergent Joint Stock Company (“NET”); ii) VinCommerce General Commercial Services Joint Stock Company (“VCM”) which holds our interest in modern retail businesses like minimarts and supermarkets; iii) The CrownX Corporation, the consumer-retail platform that in turn holds our interest in MCH and VCM; iv) Masan MEATLife Corporation (“MML”), an integrated branded meat producer which holds interests in animal feed companies and an associate stake in Vissan Joint Stock Company (“Vissan”); v) Masan High-Tech Materials Corporation (“MHT”) which holds interests in Nui Phao Mining Company Ltd (“NPM”) and H.C. Starck (“HCS”); and vi) our associate company Techcombank (“TCB”). Thus, risks that affect the businesses of these companies could also affect our business, financial condition, results of operations and prospects.

We owned 72.7% economic interest in MCH as of 31 December 2020, with the balance being directly owned by Singha Corporation and some indirect economic interest owned by other minority investors of MCH’s direct parent company, The CrownX Corporation. Events that affect MCH’s business, financial condition,

results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We owned 80.1% economic interest in VCM as of 31 December 2020, with the balance being owned by third-party investors as of 31 December 2020. Events that affect VCM’s business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We owned 84.8% economic interest in The CrownX Corporation as of 31 December 2020. The CrownX Corporation, formed to be our consumer-retail platform, consolidates VCM and MCH, our two largest companies by revenue. Events that affect The CrownX Corporation’s business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We owned 86.4% stake in MHT as of 31 December 2020, with the balance being owned by Mitsubishi Materials Corporation, management and other investors. Events that affect MHT’s business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We owned 87.9% economic interest in MML as of 31 December 2020, with the balance being owned by funds managed by Kohlberg Kravis

Roberts & Co. L.P. (“KKR”), management and other third-party investors. Events that affect MML and its subsidiaries’ business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

Masan Group’s subsidiaries and associates operate in industries that face significant competition and our market-leading positions may be challenged if our competitors make significant strides to capture market share.

MasanConsumerHoldings competes mainly on the basis of brand image, pricing, distribution network and product mix. The entrance of established foreign brands and companies has heightened the competitiveness of the consumer staple market in Vietnam. Competition may cause competitors to significantly increase their advertising expenditures and promotional activities or to engage in irrational or predatory pricing behavior. MCH may be required to make substantially greater investments in research and development, as well as promotions and marketing. Such expenditures may lower our profit margins and thereby adversely affect our results of operations.

Masan MEATLife Corporation has built a fully integrated 3F (Feed – Farm – Food) platform and experience various levels of competition across its integrated meat value chain.

While the animal protein market is relatively fragmented, growth of existing competitors and entrance of large companies, both domestic and foreign, may lead to irrational or predatory pricing behavior in order to gain market share at our expense. In addition, we also compete against imported meat products. While MML was a first mover in the building of power brands for both its meat and feed segments, and has already invested in farming and meat processing operations of scale and best-in-class standards, there can be no assurance that we will be able to compete effectively against current or potential competitors. In market that is still relatively commoditized, MML may have to compete on price to protect its market share, lowering our profit margins and thereby adversely affect our results of operations.

VCM operates one of the largest modern trade retail businesses in Vietnam and competes mainly on the basis of brand image, pricing, distribution network and product mix. Modern trade penetration in Vietnam is still low compared to regional peers and therefore we are competing with not only other modern trade retailers but also general trade outlets who tend to have the advantage of lower overhead costs. However, as modern trade penetration increases, we expect increase competition from current and potential competitors, both local foreign. Competition may cause competitors to significantly increase their advertising expenditures and promotional activities or to engage in irrational or predatory pricing

behavior. VCM may be required to make substantially greater investments in technology, distribution and network expansion, branding, as well as promotions and marketing. Such expenditures may lower our profit margins and thereby adversely affect our results of operations.

Masan High-Tech Materials, as operator of the largest tungsten mine in the world, is a significant global player in its market. Both our customers and competitors are foreign as we export all our tungsten products processed in Vietnam. China, as one of the largest producers and consumers of tungsten products, is home to many of our competitors, many of scale and some degree of government ownership/support. In its concentrate and chemical forms, tungsten is a highly commoditized product with price sensitive customers. MHT has a slight edge as a reliable and consistent chemical producer who is also an alternative to Chinese supply. With the acquisition of H.C. Starck, MHT is going further down the tungsten value chain by producing more tailored and sophisticated tungsten products that command a premium and competes less on price. However, there can be no assurance that MHT’s competitors will not be able to produce similar higher value-add tungsten products and undercut on pricing to gain market share, lowering our profit margins and thereby adversely affect our results of operations.

Techcombank may face tougher competition from both local and foreign financial

institutions. The State Bank of Vietnam also allows foreign banks to operate in Vietnam through local branches. As the State Bank of Vietnam continues liberalizing the banking sector, Techcombank may also face greater competition from other local banks, which may result in a material adverse effect on our business, financial condition, results of operations and prospects.

Masan Group is dependent on a continued ability to recruit or retain appropriately skilled personnel for its key management positions.

Although Masan Group is not dependent on any one member of our respective Boards of Directors, Supervisory Boards, Management Boards or senior management teams, our success depends to a significant extent on their skills, capabilities and efforts, as well as our ability to recruit and retain them and other appropriately skilled personnel. Due to intense competition in Vietnam, we face a continuing challenge in recruiting and retaining a sufficient number of skilled professionals. A loss of key personnel may have a material adverse effect on our business, financial condition, results of operations and prospects.

Masan Group's business outlook is directly tied to the economic prospects of Vietnam and the global economy.

Our business outlook is directly tied to the economic prospects of Vietnam which, given

the country's reliance on FDI and export manufacturing, is also in turn tied to the larger global economy. With our material businesses operating in the consumer and retail space, an economic recession in Vietnam can result in lower consumer confidence and purchasing power which may have a material adverse effect on our business, financial condition, results of operations and prospects.

The financial results of Masan High-Tech Materials will be influenced by commodity price movements.

The Nui Phao project sells value-added products of tungsten, as well as fluorspar, bismuth and copper. The price at which the output is sold will be dependent on global demand-supply and pricing for these products. Any volatility in global prices for the minerals we sell would impact our resources business.

The impact of the COVID-19 pandemic is still not well understood.

COVID-19 has severely affected the global economy in 2020. While the increasing availability of vaccines has improved sentiments, the pace of the anticipated global economic recovery is not certain. The cessation of business operations across many sectors may have knock-on effects on many of our businesses, and there is always a risk of an outbreak of a new variant of the virus.



Financial Statements

Consolidated Income Statement

Figures in VND million	2020 Audited	2019 Audited
Total Revenue	78,868,319	38,818,747
Less Sales Deductions	(1,650,511)	(1,464,660)
Net sales	77,217,808	37,354,087
Cost of Goods Sold	(59,329,111)	(26,412,939)
Gross profit	17,888,697	10,941,148
Selling Expenses	(13,166,087)	(3,994,895)
General & Administrative Expenses	(3,040,896)	(2,103,408)
Financial Income	1,430,663	1,188,183
Financial Expenses	(4,556,671)	(2,200,562)
Share of Profit in an Associate	2,640,068	2,182,410
Net Operating Profit	1,195,774	6,012,876
Results of Other Activities	1,129,065	1,092,214
Profit Before Tax	2,324,839	7,105,090
Tax	(929,826)	(740,475)
Net Profit	1,395,013	6,364,615
Attributable to		
Minority Interests	161,031	807,044
Equity Holders of the Company	1,233,982	5,557,571

Consolidated Balance Sheet

Figures in VND million	2020 Audited	2019 Audited
CURRENT ASSETS	29,760,685	24,261,892
Cash and Cash Equivalents	7,721,442	6,800,528
Short-term Investments	447,250	784,454
Net Operating Receivables	1,954,059	1,134,787
Other Receivables	5,097,383	4,282,989
Inventories	12,497,917	9,621,821
Other Current Assets	2,042,634	1,637,313
LONG TERM ASSETS	85,975,877	73,035,359
Long-term Receivables	1,592,008	1,599,646
Fixed Assets	49,582,187	40,791,699
Tangible Fixed Assets	34,321,764	29,170,881
Finance Lease Tangible Fixed Assets	22,278	-
Intangible Assets	15,238,145	11,620,818
Investment Property Assets	14,518	-
Construction in Progress	2,274,759	3,278,972
Long-term Investments	20,353,099	17,505,857
Other Long-term Assets	12,159,306	9,859,185
TOTAL ASSETS	115,736,562	97,297,251

Figures in VND million	31/12/2020 Audited	31/12/2019 Audited
CURRENT LIABILITIES	38,874,663	30,492,191
Short-term Debt	22,545,046	18,340,185
Current Account Payable	6,832,649	5,635,395
Advance from Customers	1,074,932	1,178,905
Tax Payable	941,302	770,004
Payroll Payable	239,074	291,683
Accrued Expense	4,705,417	4,110,502
Other Payable	2,536,243	165,517
LONG TERM LIABILITIES	51,831,620	14,916,653
Long-term Debt	39,466,043	11,675,842
Other Long-term Liabilities	12,365,577	3,240,811
TOTAL LIABILITIES	90,706,283	45,408,844
EQUITY	25,030,279	51,888,407
Chartered Capital	11,746,832	11,689,464
Capital Surplus	11,084,297	11,084,357
Other Capital	(8,563,690)	(8,563,690)
Other Equity Funds	(284,952)	-
Treasury Shares	-	-
Differences in Forex Revaluation	(226,972)	11,033
Retained Earnings	2,182,124	28,558,952
Minority Interest	9,092,640	9,108,291
TOTAL RESOURCES	115.736.562	97.297.291

Performance Highlights

	31/12/2020	31/12/2019
Current Ratio	0.8x	0.8x
Quick Ratio	0.4x	0.6x
Total Debt/EBITDA*	6.0x	2.5x
Total Debt/Total Assets	0.5x	0.3x
Inventory Turnover	4.7x	4.5x
Inventory Days	68	82
ROAE*	4.0%	18.0%
ROAA*	1.0%	9.0%
Net Sales/Total Assets*	66.7%	45.7%
EBIT Margin	5.6%	18.8%
EBITDA Margin	13.4%	27.0%
Reported Net Margin (Post-MI)	1.6%	14.9%
Core Net Margin (Post-MI)	1.6%	11.7%

* Excludes effects of VCM acquisition in 2019, but includes in 2020

Management Discussion and Analysis of Financial Results

In this section, we discuss and analyze the consolidated 2020 financial results of Masan Group. While key line items are based on audited numbers, certain segmental and category numbers are based on management accounts. For more detailed discussion and analysis of our other publicly listed subsidiaries and associate such as Masan Consumer Corporation (HNX-UPCoM: “MCH”), Masan MEATLife Corporation (HNX-UPCoM: “MML”), Masan High-Tech Materials Corporation (HNX-UPCoM: “MSR”), and Vietnam Technological and Commercial Joint Stock Bank (“Techcombank” or “TCB”; HSX: “TCB”), please refer to their respective official annual reports which are publicly available on their respective website.

Revenue

Figures in VND million	2020 Audited	2019 Audited
Revenue by business segments		
The CrownX ¹	54,276,970	-
<i>MasanConsumerHoldings (“MCH”)</i>	23,971,015	18,845,240
<i>VinCommerce (“VCM”)</i>	30,977,796	-
Masan MEATLife (“MML”)	16,119,005	13,798,751
Masan High-Tech Materials (“MHT”)	7,291,181	4,706,130
Total	77,217,808	37,354,087

Masan Group’s consolidated net revenue increased by 106.7% to VND77,217 billion in 2020 from VND37,354 billion in 2019. This increase was primarily driven by strong double-digit organic growth in our branded consumer and meat businesses, and consolidation of VCM, a newly acquired modern retail business. On a like-for-like (“LFL”) basis, which assumes the consolidation of VCM’s 2019 financial results, Masan’s net revenue would have grown by 19.7% year-on-year (“YoY”).

Our newly established consumer-retail platform that controls both VCM and MCH, The CrownX, became Vietnam’s 2nd largest consumer business in terms of sales with VND54,277 billion in net revenue in 2020. On a LFL basis, which assumes The CrownX consolidating both the 2019 financial results of both VCM and MCH, The CrownX’s net revenue grew by 18.1%.

In particular, The CrownX’s branded consumer products business, MCH, grew net revenue

by 27.2% to VND23,971 billion in 2020 from VND18,845 billion in 2019, driven by growth across MCH’s categories and consolidation of Net Detergent Joint Stock Company (“NET”), a newly acquired home and personal care business. Processed meats and convenience foods were MCH’s fastest growing categories, as home meal replacements were popular among consumers during the pandemic. Premium and value-added portfolio continued to perform well, supported by strong growth in modern trade channel sales in 2020. At The CrownX’s retail arm, VCM achieved

VND30,978 billion in net revenue in 2020, up by 14.2% compared to VND27,130 billion in 2019, despite significant closures of non-performing stores as part of our network optimization project to improve profitability. VCM’s minimarket segment’s net revenue grew by 42.1% YoY in 2020, but supermarket segment saw net revenues declining by 6.7% during the same period, mainly due to temporary closures of locations inside shopping malls that also closed when Vietnam enforced three weeks of mandatory social distancing in the 2nd quarter of 2020 to contain COVID-19.

MML’s net revenue in 2020 was VND16,119 billion, up 16.8% compared to VND13,799 billion in 2019. Its integrated branded meat business, which includes pig farming operations as part of its supply chain, delivered net revenue of VND2,378 billion, accounting for 15% of MML’s consolidated net revenue in 2020. MML’s feed business saw net revenue grow by a moderate 2.8% YoY to VND13,746 billion in 2020. MML’s acquisition of 51% of 3F Viet Joint Stock Company (“3F VIET”), a the leading integrated domestic poultry platform with branded products, occurred too near the end of the year to impact reported net revenue in 2020, but is expected to help MML’s continue on its journey to becoming more of a branded consumer company.

MHT achieved VND7,291 billion in net revenue during 2020, up 54.9% compared to VND4,706 billion in 2019, primarily driven

by the consolidation of HCS in June 2020. MHT’s sales were significantly impacted by the COVID-19 pandemic which halted industrial production and led to lower sales volume and tungsten prices.



1. This is management number.

Gross Profit

Figures in VND million	2020 Audited	2019 Audited
Segment Gross Profit		
The CrownX	15,014,765	-
<i>MasanConsumerHoldings</i>	9,929,054	7,890,154
<i>VinCommerce</i>	5,231,585	-
Masan MEATLife	2,724,627	2,266,603
Masan High-Tech Materials	177,959	734,985
Total	17,888,697	10,941,148

Consolidated gross profit increased by 63.5% to VND17,889 billion in 2020 from VND10,941 billion in 2019. Masan Group's gross profit margin ("GPM") decreased to 23.2% in 2020 from 29.3% in 2019, due to the consolidation of VCM's which dragged down overall GPM due to its retailing margins and lower gross profit at MHT due to an unfavorable commodity price environment. Overall, MCH contributed 55.5% of consolidated gross profits in 2020, followed by 29.2% from VCM, 15.2% from MML, and 1.0% from MHT.

On a LFL basis, The CrownX saw gross profit increasing from VND11,482 billion to VND15,015 billion, a YoY growth of 30.8% with GPM improving by 270 bps. MCH's gross profit increased to VND9,929 billion in 2020 compared to VND7,890 billion in 2019, mainly due to 27.2% growth in net revenue. However, GPM declined marginally from 41.9% in 2019

to 41.4% in 2020. Higher gross margins in the seasonings and processed meats categories were offset by lower gross margins in the HPC business. VCM achieved gross profit of VND5,232 billion and 16.9% GPM in 2020, as total commercial margin improved by 30 bps compared to 2019.

MML's gross profit increased from VND2,266 billion in 2019 to VND2,725 billion in 2020. As a result, GPM increased from 16.4% in 2019 to 16.9% in 2020. Integrated meat business' GPM increased due to better capacity utilization, porker utilization, and integrated margins from farm to meat. GPM slightly declined in the feed segment, due to higher contribution from poultry feed which has lower margins than pig feed.

MHT's gross profit declined by 75.8% to VND178 billion in 2020 from VND735 billion in 2019, mainly due to lower commodity prices, as

a result MHT's GPM margin declined to 2.4% in 2020 from 15.6% in 2019.

Selling Expenses

Selling expenses increased by 230% to VND13,116 billion from VND3,995 billion in 2019, mainly due to consolidating VCM, where selling expenses in retail are higher as a percentage of sales. As a result, selling expenses as a percentage of net revenue increased from 10.7% in 2019 to 17.1% in 2020.

As a percentage of net revenue, selling expenses at MCH increased slightly to 17.9% in 2020 from 17.0% in 2019, due to many new products launched in 2020 and consolidation impacts of NET. For VCM, selling expenses as percentage of net revenue were 24.5% in 2020. For MML, selling expenses as a percentage of net revenue increased slightly to 5.8% in

2020 from 5.4% in 2019, mainly to scale up the branded meat business. For MHT, selling expenses as percentage of net revenue were 3.1% in 2020 compared to 2.2% in 2019, due to consolidation effects of HCS.

General and Administration Expenses

General and administration expenses increased by 44.6% to VND3,041 billion in 2020 from VND2,103 billion in 2019. General and administration expenses as a percentage of net revenue decreased from 5.6% in 2019 to 3.9% in 2020. Majority of this increase is attributable to the consolidation of VCM as retail operations typically have higher general and administration expenses as a percentage of sales.

Financial Income

Financial income increased by 20.4% to VND1,431 billion in 2020 from VND1,188 billion in 2019, mainly due to increase of interest income from treasury activities.

Financial Expenses

Financial expenses increased by 107.1% to VND4,557 billion in 2020 from VND2,201 billion in 2019, driven mainly by a significant increase in borrowings. During 2020, Masan took on additional debt to free up cash in order to increase our stakes in subsidiaries, particularly in The CrownX and VCM. Masan's gross debt also increased as a result of consolidating

newly acquired businesses that had existing debt, such as VCM.

Share Of Profit In Associates

Share of profit in associates largely comprises of Masan Group's share of the profits of Techcombank, proportionate to our equity interest. Share of profit in associates increased by 21.0% to VND2,640 billion in 2020 from VND2,182 billion in 2019, due to higher earnings reported by Techcombank in 2020.

Net Profit After Tax

Reported 2020 net profit after tax post minority interest ("NPAT Post-MI") decreased by 77.8% to VND1,234 billion, compared to VND5,558 billion in 2019 due to consolidating VCM, increased minority interest leakage due to dilution of MSN's effective ownership in MCH, higher financial expenses from increased borrowings, additional amortization of goodwill from acquisitions as per VAS, and MHT's underperformance. These drags on earnings were offset by bottom-line growth at MCH, TCB, and MML. In 2020, Masan Group also benefitted from a one-time gain of VND1,342 billion from the deemed "bargain purchase" of HCS, which was still lower than the one-time gain experienced in 2019 from the Jacobs arbitration award of VND1,651 billion.

When excluding the amortization of fair value adjustments and goodwill as a result of acquisitions and the aforementioned one-time

gains, "Cash" NPAT Post-MI was VND1,235 billion compared to VND4,378 billion in 2019.

Cash and Cash Equivalents

Masan Group's cash and cash equivalents, including short-term investments, increased to VND8,169 billion as of 31 December 2020 compared to VND7,585 billion as of 31 December 2019.

Cash outflows were mainly due to the VND28.8 trillion to pay for acquisitions of new subsidiaries and increase stakes in subsidiaries, VND4.2 trillion of interest paid, VND3.7 trillion of payments for capital expenditures, cash leakage equaling VND1.4 trillion from dividends by our subsidiaries that were paid out to minority investors of our subsidiaries. Cash inflows primarily stemmed from VND6.6 trillion generated by operating activities and VND32.4 trillion from net borrowings.

Inventories

Inventories increased to VND12,498 billion as of 31 December 2020, compared to VND9,622 billion as of 31 December 2019, mainly due to consolidation effects of newly acquired businesses during 2020.

Fixed Assets

As of 31 December 2020, fixed assets amounted to VND49,582 billion compared to

2021 Financial Outlook

VND40,792 billion as on 31 December 2019. Increase was mainly due to consolidation of new businesses and capital expenditure in 2020. Capital expenditures in 2020 were mainly related to the construction of our meat value chain in MML, capacity expansion at MCH, and capex at MHT for maintenance and tailings dam expansion in addition to other capital upgrades.

Investments in Associates

Investments in associates represent our effective economic interest in Techcombank, Vissan and Cholimex Food Joint Stock Company as of 31 December 2020. Investments in associates also include various associate investments by Proconco, a subsidiary.

Total Assets

Total assets increased by 19.0% to VND115,736 billion as of 31 December 2020, compared to VND97,297 billion as of 31 December 2019. This was primarily due the consolidation of acquired businesses funded by debt, which led to increase in inventories, fixed assets and deferred tax assets.

Borrowings

As of 31 December 2020, short-term and long-term borrowings increased by 107% to reach VND62,011 billion compared to VND30,016 billion as of 31 December 2019. In 2020,

MSN's consolidated debt balance increased by nearly VND32 trillion to free up cash in order to increase our stakes in subsidiaries, particularly in The CrownX and VCM.

Owners' Equity

Owners' equity as of 31 December 2020 was VND25,030 billion compared to VND51,888 billion as of 31 December 2019. The significant decline in owner's equity in 2020 is primarily due acquisition of shares in our own subsidiaries. Under VAS, when the purchase price is higher than the proportionate book value of the subsidiary being acquired, the difference in value goes towards a reduction in equity. Therefore, the reduction in Masan Group's owner's equity in 2020 was due primarily to the purchase of additional shares in The CrownX and VCM, entities with low book value based on financial accounting, but high strategic value given Masan's belief in Vietnam's modern retail potential.



The following forward-looking statements reflect Masan Group's expectations as of the date of the publication of this Annual Report and are subject to substantial uncertainty and changes. Our future financial results are inherently unpredictable and may be materially affected by factors beyond our control and ability to forecast. The final budgets and business plans to be submitted by MSN and our subsidiaries for approval at each company's respective AGMs may be different from the indicative financial outlook to follow.

In 2021, MSN's consolidated net revenue is expected to grow by 19% and 32% YoY to potentially surpass the VND100 trillion milestone at the higher end of the growth range. This topline budget is broadly supported by double-digit organic sales growth across all of our business segments, each of which are also expecting to see growth in profitability YoY. Combined with higher anticipated earnings contribution from Techcombank, our associate, we believe consolidated NPAT Post-MI in 2021 for MSN will more than double YoY to reach between VND2,500 and VND4,000 billion.

We have good reasons to believe in our ability to deliver on indicative 2021 business plan. The CrownX, which represents nearly 70% of our net revenue in 2020, looks on track to achieve net revenue growth between 15% and 30% YoY in 2021 on the back of both MCH and VCM growing at a similar rate. MCH's topline growth is expected to be led by new innovations, premiumization of our branded food portfolio,

and the scaling up of beverage and HPC categories. At VCM, continued overall LFL growth, expansion of the minimarket network, and repositioning of the supermarket model are drivers of net revenue growth in 2021. In terms of profitability, The CrownX's EBITDA margin in 2021 is expected improve YoY with MCH maintaining EBITDA margin and VCM improving to deliver full year positive EBITDA.

MML aims to deliver net revenue growth between 30% and 43%, primarily driven by the growth in its integrated branded meat segment, which should benefit from increasing availability, expansion of the processed meat product portfolio, and full year consolidation of our nearly acquired branded poultry platform, 3F VIET. The outlook for our animal feed segment is positive with both the recovery of Vietnam's pig population and recovery of Vietnam's export-driven aquaculture sector. Despite the pressure from rising soft commodity prices and the investments to build brands for our meat products, MML's profitability in 2021 is expected to improve due to overall sales growth, higher capacity utilization, and higher margin processed meat products comprising a larger share overall meat sales. The animal feed segment expects to continue being a strong cash generator, looking to maintain EBITDA margin between of 10% and 12% in 2021.

MHT, which had a very challenging year in 2020, aims to deliver net revenue growth above 50% in 2021, driven by the full year

consolidation of HCS, higher sales volumes, and rising of commodity prices. Many of our industrial end customers have low inventory of input materials and need to stock up as the global economy recovers. Higher prices and higher volumes should result in MHT achieving EBITDA growth of over 100% YoY, supported by carrying over the cost discipline implemented during leaner times. As such, MHT's NPAT Post-MI in 2021 is expected to be within the range of VND200 billion to VND400 billion.

In summary, MSN has strong reasons to believe in better consolidated financial results in 2021 as compared to 2020 given the performance outlook across all of its business segments as just described. While the forecasted consolidated NPAT Post-MI in 2021 is significantly higher than the previous year's, it is still lower than what MSN achieved in 2019. However, as our newly acquired businesses begin turning around and ramping up, combined with our balance sheet deleveraging over time, MSN expects to begin delivering outsized profits and, more importantly, outsized value creation for our shareholders.

2021 Balance Sheet Outlook

As of 31 December 2020, MSN's consolidated gross debt reached VND62,011 billion, with cash and cash equivalent balance of VND8,169 billion. Masan's consolidated Net Debt/EBITDA reached 4.6x as of end-December 2020, when excluding the consolidation of VCM given its

Financial Report

ramp-up phase. Over the next 12 to 18 months, Masan will focus on strengthening its balance sheet and improving its leverage ratios through the following initiatives with target Net Debt/EBITDA level between 2.5x and 3.0x:

- Reducing debt at MHT after raising primary equity capital, using free cash flow from operations and improved working capital cash conversion cycles to pay down more expensive debt;
- Improving financial ratios with higher EBITDA in the near future through double-digit growth of MCH, the ramp-up of MML's meat business, MHT's integration of HCS and, most importantly, positive EBITDA contribution from VCM in 2021; and
- Raising equity with a strong preference for strategic investors who can provide operational value-add.



Masan Group Corporation

Corporate Information

This Financial Report is consolidated audited financial statement. For separated audited financial statements, please find in the link below:
<https://masangroup-cms-production.s3-ap-southeast-1.amazonaws.com/iblock/c99c99c810b4c39d31b81e56d0f00eb7684/46e4a49b20aa2163f715892500c1eb1f.pdf>

Enterprise Registration Certificate No.

0303576603

18 November 2004

The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 7 September 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

Dr Nguyen Dang Quang

Chairman

Ms Nguyen Hoang Yen

Member

Mr Nguyen Thieu Nam

Member

Mr Woncheol Park

Member

Mr Nguyen Doan Hung

Member

Mr David Tan Wei Ming

Member

Board of Management

Dr Nguyen Dang Quang

Chief Executive Officer
(until 18 June 2020)

Mr Danny Le

Chief Executive Officer
(from 19 June 2020)

Mr Nguyen Thieu Nam

Deputy Chief Executive Officer

Mr Michael Hung Nguyen

Deputy Chief Executive Officer

Mr Nguyen Anh Nguyen

Deputy Chief Executive Officer
(until 29 April 2020)

Legal representative

Dr Nguyen Dang Quang

Chairman

Mr Danny Le

Chief Executive Officer
(from 19 June 2020)

Registered Office

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

Auditor

KPMG Limited Vietnam

Statement of the Board of Management's responsibility in respect of the consolidated financial statements

The Board of Management of Masan Group 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 Board of Management is responsible for the preparation and fair presentation of the consolidated financial statements as at and for the year ended 31 December 2020 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In preparing those consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is also responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and to ensure that the accounting records comply with the requirements of Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approval of the consolidated financial statements

We do hereby approve the accompanying consolidated financial statements of the Group as at and for the year ended 31 December 2020, which were prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

On behalf of the Board of Management



Danny Le
Chief Executive Officer
Ho Chi Minh City, Vietnam
5 March 2021

Independent auditor's report

TO THE SHAREHOLDERS

Masan Group Corporation

We have audited the accompanying consolidated financial statements of Masan Group 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 5 March 2021, as set out on pages 5 to 92.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Masan Group 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.: 20-01-00213-21-2



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



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

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 million	1/1/2020 VND million
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		29,760,685	24,261,892
Cash and cash equivalents	110	6	7,721,442	6,800,528
Cash	111		1,930,142	1,928,070
Cash equivalents	112		5,791,300	4,872,458
Short-term financial investments	120	7	447,250	784,454
Trading securities	121		-	472,134
Held-to-maturity investments	123		447,250	312,320
Accounts receivable – short-term	130	8	7,051,442	5,417,776
Accounts receivable from customers	131		2,061,915	1,240,531
Prepayments to suppliers	132		606,656	1,528,648
Receivable on short-term lending loans	135		1,140,000	-
Other short-term receivables	136		3,350,727	2,754,341
Allowance for doubtful debts	137		(107,856)	(105,744)
Inventories	140	9	12,497,917	9,621,821
Inventories	141		12,730,397	9,690,631
Allowance for inventories	149		(232,480)	(68,810)
Other current assets	150		2,042,634	1,637,313
Short-term prepaid expenses	151		303,201	261,425
Deductible value added tax	152		1,663,346	1,352,367
Taxes receivable from State Treasury	153	17(a)	76,087	23,521

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

	Code	Note	31/12/2020 VND million	1/1/2020 VND million
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		85,975,877	73,035,359
Accounts receivable – long-term	210	8	1,592,008	1,599,646
Other long-term receivables	216		1,592,008	1,599,646
Fixed assets	220		49,582,187	40,791,699
Tangible fixed assets	221	10	34,321,764	29,170,881
Cost	222		50,777,648	39,248,028
Accumulated depreciation	223		(16,455,884)	(10,077,147)
Finance lease tangible fixed assets	224		22,278	-
Cost	225		90,061	67,300
Accumulated depreciation	226		(67,783)	(67,300)
Intangible fixed assets	227	11	15,238,145	11,620,818
Cost	228		19,594,216	14,777,843
Accumulated amortisation	229		(4,356,071)	(3,157,025)
Investment property	230	12	14,518	-
Cost	231		18,628	-
Accumulated depreciation	232		(4,110)	-
Long-term work in progress	240		2,274,759	3,278,972
Construction in progress	242	13	2,274,759	3,278,972
Long-term financial investments	250	7	20,353,099	17,505,857
Investments in associates	252		20,320,738	17,492,653
Equity investments in other entities	253		30,589	21,646
Allowance for diminution in the value of long-term financial investments	254		(5,628)	(8,442)
Held-to-maturity investments	255		7,400	-
Other long-term assets	260		12,159,306	9,859,185
Long-term prepaid expenses	261	14	6,533,670	5,633,114
Deferred tax assets	262	15	1,794,136	240,643
Goodwill	269	16	3,831,500	3,985,428
TOTAL ASSETS (270 = 100 + 200)	270		115,736,562	97,297,251

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

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 million	1/1/2020 VND million
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		90,706,283	45,408,844
Current liabilities	310		38,874,663	30,492,191
Accounts payable to suppliers – short-term	311		6,832,649	5,635,395
Advances from customers	312		1,074,932	1,178,905
Taxes payable to State Treasury	313	17(b)	941,302	770,004
Payables to employees	314		239,074	291,683
Accrued expenses	315	18	4,705,417	4,110,502
Unearned revenue – short-term	318		20,706	12,050
Other short-term payables	319	19	2,472,126	122,557
Short-term borrowings, bonds and finance lease liabilities	320	20(a)	22,545,046	18,340,185
Provisions – short-term	321		6,517	-
Bonus and welfare funds	322		36,894	30,910
Long-term liabilities	330		51,831,620	14,916,653
Accounts payable to suppliers – long-term	331		27,668	31,013
Other long-term payables	337	19	180,397	180,939
Long-term borrowings, bonds and finance lease liabilities	338	20(b)	39,466,043	11,675,842
Deferred tax liabilities	341	15	4,651,174	2,455,415
Provisions – long-term	342	21	7,506,338	573,444

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

	Code	Note	31/12/2020 VND million	1/1/2020 VND million
EQUITY (400 = 410)	400		25,030,279	51,888,407
Owners' equity	410	22	25,030,279	51,888,407
Share capital	411	23	11,746,832	11,689,464
Capital surplus	412	23	11,084,297	11,084,357
Other capital	414		(8,563,690)	(8,563,690)
Foreign exchange differences	417		(226,972)	11,033
Other equity funds	420		(284,952)	-
Undistributed profits after tax	421		2,182,124	28,558,952
Undistributed profits after tax brought forward	421a		27,383,610	15,330,120
(Loss for the current year)/ Undistributed profit after tax for the prior year	421b		(25,201,486)	13,228,832
Non-controlling interests	429		9,092,640	9,108,291
TOTAL RESOURCES (440 = 300 + 400)	440		115,736,562	97,297,251

5 March 2021

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Danny Le
Chief Executive Officer

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

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 million	2019 VND million
Revenue from sale of goods and provision of services	01	26	78,868,319	38,818,747
Revenue deductions	02	26	1,650,511	1,464,660
Net revenue (10 = 01 - 02)	10	26	77,217,808	37,354,087
Cost of sales	11	27	59,329,111	26,412,939
Gross profit (20 = 10 - 11)	20		17,888,697	10,941,148
Financial income	21	28	1,430,663	1,188,183
Financial expenses	22	29	4,556,671	2,200,562
<i>In which: Interest expense</i>	23		3,770,283	1,866,015
Share of profit in associates	24	7	2,640,068	2,182,410
Selling expenses	25	30	13,166,087	3,994,895
General and administration expenses	26	31	3,040,896	2,103,408
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		1,195,774	6,012,876
Other income	31	32	1,613,262	1,325,350
Other expenses	32		484,197	233,136
Results of other activities (40 = 31 - 32)	40		1,129,065	1,092,214
Accounting profit before tax (50 = 30 + 40)	50		2,324,839	7,105,090
Income tax expense – current	51	33	1,086,193	790,583
Income tax benefit – deferred	52	33	(156,367)	(50,108)
Net profit after tax (60 = 50 - 51 - 52) (carried forward)	60		1,395,013	6,364,615

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

	Code	Note	2020 VND million	2019 VND million
Net profit after tax (60 = 50 - 51 - 52) (brought forward)	60		1,395,013	6,364,615
Attributable to:				
Equity holders of the Company	61		1,233,982	5,557,571
Non-controlling interests	62		161,031	807,044
Earnings per share				
Basic earnings per share (VND)	70	35	1,054	4,766

5 March 2021

Prepared by:

Approved by:



Doan Thi My Duyen
Chief Accountant



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Danny Le
Chief Executive Officer

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

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	Note	2020 VND million	2019 VND million
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		2,324,839	7,105,090
Adjustments for				
Depreciation and amortisation	02		4,583,989	2,748,584
Negative goodwill on acquisition of a subsidiary	02		(1,341,663)	-
Allowances and provisions	03		252,266	109,550
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04		10,910	(6,566)
Profits from investing activities	05		(3,235,762)	(2,404,958)
Interest expense and other financial expenses	06		4,008,435	2,010,975
Operating profit before changes in working capital	08		6,603,014	9,562,675
Change in receivables and other assets	09		175,576	(74,463)
Change in inventories	10		(1,116,607)	(1,629,376)
Change in payables and other liabilities	11		12,219	195,972
Change in prepaid expenses	12		449,482	15,002
Change in trading securities	13		472,134	(472,134)
			6,595,818	7,597,676
Interest paid	14		(4,213,385)	(1,887,876)
Corporate income tax paid	15		(1,029,120)	(600,760)
Other payments for operating activities	17		(2,014)	(4,915)
Net cash flows from operating activities	20		1,351,299	5,104,125
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(3,678,162)	(4,162,595)
Proceeds from arbitration settlement	21		-	984,162
Proceeds from disposals of fixed assets and other long-term assets	22		56,309	38,533
Payments for granting loans and term deposits	23		(13,414,750)	(1,164,820)
Receipts from collecting loans and term deposits	24		11,438,600	1,234,248
Payments for investments	25		(27,213,440)	(4,109,212)
Business combination, net of cash acquired	25	5	(1,607,289)	644,123
Proceeds from disposals of investments	26		-	212,130
Receipts of interest, dividends and others	27		661,442	311,989
Net cash flows from investing activities	30		(33,757,290)	(6,011,442)

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

	Code	Note	2020 VND million	2019 VND million
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of new shares and equity issued to non-controlling interests	31		2,386,092	271,362
Proceeds from borrowings and bonds	33		87,379,259	30,211,372
Payments to settle borrowings and bonds	34		(55,031,426)	(26,975,387)
Payments to settle finance lease liabilities	35		(894)	-
Payments of dividends to the Company's shareholders and to non-controlling interests of subsidiaries	36		(1,402,069)	(390,445)
Net cash flows from financing activities	40		33,330,962	3,116,902
Net cash flows during the year (50 = 20 + 30 + 40)	50		924,971	2,209,585
Cash and cash equivalents at beginning of the year	60		6,800,528	4,585,889
Effect of exchange rate fluctuations	61		(4,057)	5,054
Cash and cash equivalents at end of the year (70 = 50 + 60 + 61)	70	6	7,721,442	6,800,528

5 March 2021

Prepared by:

Approved by:



Doan Thi My Duyen
Chief Accountant



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Danny Le
Chief Executive Officer

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

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

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

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

(b) Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associates are as follows:

No.	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2020	1/1/2020
Direct subsidiaries					
1	Masan Horizon Company Limited (“MH”)	Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%
2	Masan MEATLife Corporation (“MML”)	Investment holding, animal protein trading	10th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	87.9%	87.3%
3	The SHERPA Company Limited (“SHERPA”)	(a) Investment holding	10th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	-
4	MasanConsumerHoldings Company Limited (“MCH”)	(b) Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	-	60.0%
5	VCM Services and Trading Development Joint Stock Company (“VCM”)	(b) Investment holding	7 Bang Lang 1 Street, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Ha Noi City, Vietnam	-	58.6%

No.	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2020	1/1/2020
Indirect subsidiaries					
1	The CrownX Corporation (“CrownX”)	(c) Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	84.8%	-
2	MasanConsumerHoldings Company Limited (“MCH”)	(b) Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	72.7%	-
3	Masan Brewery Company Limited (“MB”)	(i) Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	48.5%	40.0%
4	Masan Master Brewer Company Limited (“MMBr”)	(i) Beer and beverage trading	10th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	48.5%	40.0%
5	Masan Brewery PY One Member Company Limited (“MBPY”)	(i) Beer and beverage manufacturing	Hoa Hiep Industrial Park, Hoa Hiep Bac Ward, Dong Hoa District, Phu Yen Province, Vietnam	48.5%	40.0%
6	Masan Brewery HG One Member Company Limited (“MBHG”)	(i) Beer and beverage manufacturing	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam	48.5%	40.0%
7	Masan Brewery Distribution One Member Company Limited (“MBD”)	(i) Beer and beverage trading	10th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	48.5%	40.0%
8	Masan Brewery MB Company Limited (“MBMB”)	(i) Beer and beverage manufacturing	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Long Commune, Nghi Loc District, Nghe An Province, Vietnam	48.5%	40.0%

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

No.	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2020	1/1/2020
Indirect subsidiaries					
9	Masan Consumer Corporation ("MSC")	(i) Trading and distribution	12th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	56.8%
10	Masan Consumer (Thailand) Limited ("MTH")	(i) Trading and distribution	No. 83, 4th Floor, Amnuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand	68.9%	56.8%
11	Masan Food Company Limited ("MSF")	(i) Trading and distribution	12th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	56.8%
12	Masan Industrial One Member Company Limited ("MSI")	(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	68.9%	56.8%
13	Viet Tien Food Technology One Member Company Limited ("VTF")	(i) Seasonings manufacturing	Lot III-10-Industrial Group III, Tan Binh Industrial Park, Tan Phu District, Ho Chi Minh City, Vietnam	68.9%	56.8%
14	Masan HD One Member Company Limited ("MHD")	(i) Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Vietnam	68.9%	56.8%
15	Masan PQ Corporation ("MPQ")	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam	68.9%	56.8%
16	Nam Ngu Phu Quoc One Member Company Limited ("NPQ")	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc District, Kien Giang Province, Vietnam	68.9%	56.8%

No.	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2020	1/1/2020
Indirect subsidiaries					
17	Masan HN Company Limited ("HNF")	(i)/(d) Convenience food manufacturing	Lot CN-08 and CN-14, Dong Van IV Industrial Zone, Dai Cuong Commue, Kim Bang District, Ha Nam Province, Vietnam	68.9%	-
18	Masan Long An Company Limited ("MLA")	(i) Seasonings, convenience food manufacturing and packaging	Hamlet 2, Thanh Hoa Commune, Ben Luc District, Long An Province, VietnamBien Hoa I Industrial Zone, Bien Hoa City,	68.9%	56.8%
19	VinaCafé Bien Hoa Joint Stock Company ("VCF")	(i) Beverage manufacturing and trading	Dong Nai Province, VietnamLot C I.III-3+5+7, Long Thanh Industrial Park, Tam An Commune, Long Thanh District,	68.0%	55.9%
20	Café De Nam Joint Stock Company ("CDN")	(i) Beverage trading and manufacturing	Dong Nai Province, VietnamVinh Son Hamlet, Vinh Hao Commune,	57.8%	47.5%
21	Vinh Hao Mineral Water Corporation ("VHC")	(i) Beverage manufacturing and trading and packaging	Tuy Phong District, Binh Thuan Province, Vietnam	62.1%	50.3%
22	Kronfa., JSC ("KRP")	(i) Beverage manufacturing	Km 37, National Road 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam	62.1%	50.3%
23	Masan Beverage Company Limited ("MSB")	(i) Beverage trading and distribution	12th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	56.8%

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(continued)

Notes to the consolidated financial statements

No.	Name	Principal activity	Address	Percentage of economic interests at		
				31/12/2020	1/1/2020	
Indirect subsidiaries						
24	Masan MB One Member Company Limited (“MMB”)	(i)/(d)	Seasonings, convenience food manufacturing and packaging	Area B, Nam Cam Industrial Park, Dong Nam Nghe An Economic Zone, Nghi Long Commune, Nghi Loc District, Nghe An Province, Vietnam	68.9%	56.8%
25	Masan HG One Member Company Limited (“MHG”)	(i)	Convenience food manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam	68.9%	56.8%
26	Masan Jinju Joint Stock Company (“MSJ”)	(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	51.6%	42.6%
27	Quang Ninh Mineral Water Corporation (“QNW”)	(i)	Beverage manufacturing and trading	Group 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam	45.3%	37.4%
28	Masan HPC Company Limited (“HPC”)	(i)	Trading and distribution	12th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	56.8%
29	Công ty Cổ phần Bột giặt Net (“NET”)	(i)/ Note 5(a)	Homecare products manufacturing and trading	D4 Street, Loc An-Binh Son Industrial Park, Binh Son Ward, Long Thanh District, Dong Nai Province, Vietnam	36.0%	-

No.	Name	Principal activity	Address	Percentage of economic interests at		
				31/12/2020	1/1/2020	
Indirect subsidiaries						
30	Masan Innovation Company Limited (“INV”)	(i)/(e)	Trading and distribution	12th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	-
31	Hi-Fresh Company Limited (“HIF”)	(i)/(e)	Trading and distribution	8th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.9%	-
32	VCM Services and Trading Development Joint Stock Company (“VCM”)	(b)	Investment holding	7 Bang Lang 1 Street, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Ha Noi City, Vietnam	80.1%	58.6%
33	Vincommerce General Commercial Services Joint Stock Company (“VinCommerce”)	(ii)	Consumer retail	5th Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	80.1%	58.6%
34	Vineco Agricultural Investment Development and Production Limited Liability Company (“VinEco”)	(ii)	Agriculture	7 Bang Lang 1 Street, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Ha Noi City, Vietnam	80.1%	58.6%
35	VinEco – Tam Dao Agricultural Investment Development and Production Limited Liability Company (“VinEco Tam Dao”)	(ii)	Agriculture	Co Quan Hamlet, Gia Khanh Commune, Binh Xuyen District, Vinh Phuc Province, Vietnam	71.3%	52.2%
36	Dong Nai – VinEco Agricultural Company Limited (“VinEco Dong Nai”)	(ii)	Agriculture	Km 13, National Road 51, Long Khanh Hamlet, Tam Phuoc Commune, Bien Hoa City, Dong Nai, Province, Vietnam	62.1%	45.4%

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(continued)

Notes to the consolidated financial statements

No.	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2020	1/1/2020
Indirect subsidiaries					
37	Masan High-Tech Materials Corporation (formerly known as Masan Resources Corporation) ("MHT")	(v) Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	86.4%	96.0%
38	Masan Thai Nguyen Resources Company Limited ("MRTN")	(iii) Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	86.4%	96.0%
39	Thai Nguyen Trading and Investment Company Limited ("TNTI")	(iii) Investment holding	8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	86.4%	96.0%
40	Nui Phao Mining Company Ltd ("NPM")	(iii) Exploring and processing mineral	Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam	86.4%	96.0%
41	Masan Tungsten Limited Liability Company ("MTC")	(iii) Deep processing of nonferrous metals and precious metals (tungsten)	Hamlet 11, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam	86.4%	96.0%
42	H.C. Starck Holding (Germany) GmbH ("HCS")	(iii)/Note 5(b) Investment holding	Im Schleeke 78-91, 38642, Goslar, Germany	86.4%	-
43	ChemiLytics Beteiligungs GmbH	(iii)/(f) Investment holding	Im Schleeke 78-91, 38642, Goslar, Germany	86.4%	-
44	H.C. Starck GmbH	Investment holding	Im Schleeke 78-91, 38642, Goslar, Germany	86.4%	-

No.	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2020	1/1/2020
Indirect subsidiaries					
45	Chemische Fabriken Oker und Braunschweig AG	(iii)/(f) Producing chemicals for manufacturing of paper and additives for the absorptive materials industry	Im Schleeke 78-91, 38642 Goslar, Germany	86.4%	-
46	H.C. Starck Infrastructure GmbH & Co. KG	(iii)/(f) Deep processing of nonferrous metals and precious metals (tungsten)	Landsberger Str. 98, 80339 Munich, Germany	86.4%	-
47	ChemiLytics GmbH & Co. KG	(iii)/(f) Chemical analysis and physical measurement data	Im Schleeke 78-91, 38642 Goslar, Germany	86.4%	-
48	H.C. Starck Tungsten GmbH	(iii)/(f) Deep processing of nonferrous metals and precious metals (tungsten)	Landsberger Str. 98, 80339 Munich, Germany	86.4%	-
49	H.C. Starck Nonferrous Metals Trading (Shanghai) Co. Ltd.	(iii)/(f) Tungsten trading and distribution	Room 301, 69 Yonghong Road, Minhang District, Shanghai, China	86.4%	-
50	H.C. Starck Canada Inc.	(iii)/(f) Deep processing of nonferrous metals and precious metals (tungsten)	933 Vidal Street South, P.O. Box 3098, Samia, Ontario, N7T 8H8, Canada	86.4%	-
51	H.C. Starck Tungsten GK	(iii)/(f) Tungsten trading and distribution	2-20, Kaigan 1-chome, Minato-ku, Tokyo, Japan	86.4%	-

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

No.	Name	Principal activity	Address	Percentage of economic interests at		
				31/12/2020	1/1/2020	
Indirect subsidiaries						
52	H.C. Starck Tungsten LLC	(iii)/(f)	Tungsten trading and distribution	45 Industrial Place, Newton, MA 02461-1951, the United States of America	86.4%	-
53	H.C. Starck Jiangwu Tungsten Specialities (Ganzhou) Co. Ltd.	(iii)/(f)	Deep processing of nonferrous metals and precious metals (tungsten)	Shuixi Nonferrous and Metallurgical Industrial Base, Zhanggong District, Ganzhou, Jiangxi Province, People's Republic of China	51.8%	-
54	Mapleleaf Company Limited ("MPL")	(v)	Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%
55	Masan Blue Corporation ("MBL")	(v)	Trading and distribution	8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.8%	99.8%
56	Blue Tek Vietnam Joint Stock Company ("Blue Tek")	(v)/(g)	Software publishing	8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	50.9%	-
57	MNS Feed Company Limited ("MNS Feed")	(iv)	Investment holding	Lot A4, Street No. 4, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	87.9%	87.3%

No.	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2020	1/1/2020
Indirect subsidiaries					
58	MNS Feed Tien Giang Company Limited ("MNS Feed Tien Giang")	Animal protein	Lot 22-23B, Long Giang Industrial Park, Tan Lap 1 Ward, Tan Phuoc District, Tien Giang Province, Vietnam	87.9%	87.3%
59	MNS Feed Nghe An Company Limited ("MNS Feed Nghe An")	Animal protein	C Area, Nam Cam Industrial Park, Dong Nam Nghe An Industrial Zone, Nghi Xa Ward, Nghi Loc District, Nghe An Province, Vietnam	87.9%	87.3%
60	MNS Feed Hau Giang Company Limited ("MNS Feed Hau Giang")	(iv) Animal protein	Street No. 4, Tan Phu Thanh Industrial Park – Phase 1, Tan Phu Thanh Commune, Chau Thanh A District, Hau Giang Province, Vietnam	87.9%	87.3%
61	MNS Feed Thai Nguyen Company Limited ("MNS Feed Thai Nguyen")	(iv) Animal protein	Lot B5-B6, Trung Thanh Industrial Park, Trung Thanh District, Pho Yen Town, Thai Nguyen Province, Vietnam	87.9%	87.3%
62	MNS Feed Vinh Long Company Limited ("MNS Feed Vinh Long")	(iv) Animal protein	Area 4, Co Chien Industrial Park, Long Ho District, Vinh Long Province, Vietnam	87.9%	87.3%
63	Agro Nutrition International Joint Stock Company ("ANCO")	(iv) Animal protein	Lot A4, Street No. 4, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	87.8%	87.3%
64	Agro Nutrition International Binh Dinh One Member Limited Company ("ANCO Binh Dinh")	(iv) Animal protein	Lot B4.06, Nhon Hoi Industrial Park (Area A), Nhon Hoi District, Quy Nhon Town, Binh Dinh Province, Vietnam	87.8%	87.3%
65	Vietnamese – French Cattle Feed Joint Stock Company ("Proconco")	(iv) Animal protein	Bien Hoa I Industrial Zone, Bien Hoa City, Dong Nai Province, Vietnam	66.0%	65.6%

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

No.	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2020	1/1/2020
Indirect subsidiaries					
66	Proconco Can Tho One Member Company Limited ("Proconco Can Tho")	(iv) Animal protein	Lot 13 and Lot 14, Tra Noc 1 Industrial Park, Tra Noc Ward, Binh Thuy District, Can Tho City, Vietnam	66.0%	65.6%
67	ConCo Binh Dinh Co., Ltd. ("Proconco Binh Dinh")	(iv) Animal protein	Lot A-2-5 and Lot A-2-6, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province, Vietnam	66.0%	65.6%
68	Proconco Hung Yen Trading and Production Co., Ltd. ("Proconco Hung Yen")	(iv) Animal protein	Yen Phu Hamlet, Giai Pham Commune, Yen My District, Hung Yen Province, Vietnam	66.0%	65.6%
69	MNS Meat Company Limited ("MNS Meat")	(iv) Investment holding	Lot A4, Street No. 4, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	87.9%	87.3%
70	MNS Farm Company Limited ("MNS Farm")	(iv) Investment holding	10th Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam	87.9%	87.3%
71	MNS Farm Nghe An Company Limited ("MNF Nghe An")	(iv) Swine breeding and trading	Con Son Village, Ha Son Commune, Quy Hop District, Nghe An Province, Vietnam	87.9%	87.3%
72	MNS Meat Processing Company Limited ("MNS Meat Processing")	(iv) Investment holding	10th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	87.9%	87.3%

No.	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2020	1/1/2020
Indirect subsidiaries					
73	MNS Meat Ha Nam Company Limited ("MNS Meat Ha Nam")	(iv) Meat processing and trading	Lot CN-02, Dong Van IV Industrial Park, Dai Cuong Village, Kim Bang District, Ha Nam Province, Vietnam	87.9%	87.3%
74	MEATDeli Sai Gon Company Limited (formerly known as MNS Meat Sai Gon Company Limited) ("MEATDeli Sai Gon")	(iv) Meat processing and trading	Lot 2 Street No. 15, Lot 3-5-7 Street No. 17, Lot 2 Street No. 17, Lot 9 Street No. 19, Tan Duc Industrial Park, Huu Thanh Ward, Duc Hoa District, Long An Province, Vietnam	87.9%	87.3%
75	3F Viet Joint Stock Company ("3F Viet")	(iv)/Note 5(c) Chicken breeding and trading	68 Nguyen Hue Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	44.8%	-
76	3F Viet Food Company Limited ("3F Viet Food")	(iv)/(h) Meat processing and trading	Kien An Hamlet, An Lap Ward, Dau Tieng District, Binh Duong Province, Vietnam	44.8%	-

- (a) The SHERPA Company Limited ("SHERPA") was established under the Enterprise Registration Certificate No. 0316328421 dated 12 June 2020 issued by the Department of Planning and Investment of Ho Chi Minh City.
- (b) On 25 June 2020, the Company transferred all of its equity interests in MCH to The CrownX Corporation ("CrownX"), an indirect subsidiary and its equity interests in VCM to SHERPA. Thereafter, SHERPA transferred all of its equity interest in VCM to its subsidiary, CrownX.
- (c) The CrownX Corporation ("CrownX") was established under the Enterprise Registration Certificate No. 0316333118 dated 16 June 2020 issued by the Department of Planning and Investment of Ho Chi Minh City. After the completion of the option exercised by the sellers of VCM, the Company owned 70.0% economic interests in CrownX.
- (d) Masan HN Company Limited ("HNF") was established under the Enterprise Registration Certificate No. 0700841110 dated 5 August 2020 issued by the Department of Planning and Investment of Ha Nam Province.
- (e) Masan Innovation Company Limited and Hi-Fresh Company Limited were established under the Enterprise Registration Certificate No. 0316630008 dated 9 December 2020 and No. 0316638991 dated 14 December 2020, respectively, issued by the Department of Planning and Investment of Ho Chi Minh City.
- (f) These entities are acquired from the acquisition of HCS, see Note 5(b).
- (g) Blue Tek Vietnam Joint Stock Company ("Blue Tek") was established under the Enterprise Registration Certificate No. 0316225810 dated 30 March 2020 issued by the Department of Planning and Investment of Ho Chi Minh City.
- (h) 3F Viet Food Company Limited is acquired from the acquisition of 3F Viet, see Note 5(c).

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

No.	Name	Principal activity	Address	Percentage of economic interests at	
				31/12/2020	1/1/2020
Direct associate					
1	Vietnam Technological and Commercial Joint Stock Bank ("Techcombank")	Banking	Techcombank Tower, 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam	Note 7(c)	
Indirect associates					
1	Cholimex Food Joint Stock Company ("Cholimex")	(vi) Seasonings manufacturing and trading	Lot C40 – 43/I, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.	32.8%	32.8%
2	Thuan Phat Packing Joint Stock Company ("Thuan Phat")	(vii) Packaging manufacturing	Tan Bien Ward, Bien Hoa City, Dong Nai Province, Vietnam	25.0%	25.0%
3	Abattoir Long Binh Joint Stock Company ("Abattoir")	(vii) Animal processing	Long Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam	25.0%	25.0%
4	Dong Nai Producing Trading Service Joint Stock Company ("Donatraco")	(vii)/(g) Agriculture	75A Ha Huy Giap Street, Quyet Thang Ward, Bien Hoa City, Dong Nai Province, Vietnam	-	21.3%
5	Vissan Joint Stock Company ("Vissan")	(vii) Food manufacturing and retailing	420 No Trang Long Street, Ward 13, Binh Thanh District, Ho Chi Minh City, Vietnam	24.9%	24.9%
6	Jiangwu H.C. Starck Tungsten Products Co., Ltd.	(viii)/(f) Deep processing of nonferrous metals and precious metals (tungsten)	Shuixi Nonferrous and Metallurgical Industrial Base, Zhanggong District, Ganzhou, Jiangxi Province, People's Republic of China	30.0%	-

(f) These entities are acquired from the acquisition of HCS, see Note 5(b).

(g) During the year, this associate issued additional shares to other investors at par which was not subscribed by the Group, as such the Group's voting right and economic interest was reduced from 21.3% to 10.6%. The investment in this entity was transferred to equity investments in other entities.

The percentage of economic interests for subsidiaries represents the effective percentage of economic interests of the Company both directly and indirectly in the subsidiaries, which is determined based on percentage of equity owned (directly and indirectly) in the subsidiaries, except for other arrangements (if any). The percentage of economic interests for associates represents the direct percentage of economic interests of the Company and its subsidiaries in the associates.

(i) These entities are direct and indirect subsidiaries of MCH.

(ii) These entities are direct and indirect subsidiaries of VCM.

(iii) These entities are direct and indirect subsidiaries of MHT.

(iv) These entities are direct and indirect subsidiaries of MML.

(v) These entities are direct and indirect subsidiaries of MH.

(vi) This entity is an indirect associate of MCH.

(vii) These entities are indirect associates of MML.

(viii) This entity is an indirect associate of MHT.

As at 31 December 2020, the Group had 37,285 employees (1/1/2020: 40,610 employees).

(c) Normal operating cycle

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

Notes to the consolidated financial statements

2. BASIS OF PREPARATION

(a) Statement of compliance

The 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

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"). The consolidated financial statements are prepared and presented in millions of Vietnam Dong ("VND million").

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) Common-control business combination

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 policy 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. Any difference between the cost of acquisition and net assets acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in undistributed profits after tax under equity.

The consolidated statements of income and cash flows include the results of operations of the combining companies from the acquisition date.

(ii)

Non-common control business combination
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 is 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 (see Note 3(l)). 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.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations include any costs directly attributable to the combination, such as professional fees paid to accountants, legal advisers, valuers and other consultants to affect the combination. Transaction costs are capitalised into the cost of business combination. General administrative costs and other costs that cannot be directly attributed to the particular combination being accounted for are not included in the cost of the combination; they are recognised as an expense when incurred.

(iii)

Subsidiaries
Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(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. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for in the consolidated financial statements 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 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 income

statement (such as 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.

Gain or loss on disposal of interest in an associate without losing significant influence, including through dilution of interest (deemed disposal) in the associate, is recognised in the consolidated statement of income.

(v)

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

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in undistributed profits after tax under equity, except where such difference arises from a transaction that is contractually linked to an issuance of shares or capital contribution at a premium or surplus in which case the difference is recorded in other capital.

(vi)

Transactions eliminated on consolidation
Intra-group transactions, balances, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. However, foreign currency difference arising on intra-group monetary items, whether short-term or long-term are recorded in the consolidated statement of income. Unrealised gains and losses arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associate.

(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.

Notes to the consolidated financial statements

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

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

(ii) Foreign operations

For the purpose of presenting the consolidated financial statements, the financial information of foreign operations are translated to VND as follows:

- Assets and liabilities including goodwill and fair value adjustments arising on acquisition, are translated to VND at the account transfer buying rate (for assets) and the account transfer selling rate (for liabilities) at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions;
- Revenue, income, expenses and cash flows of foreign operations are translated to VND at exchange rates at which approximate actual exchange rates ruling on the dates of transactions; and
- Capital is translated to VND at historical exchange rate. Accumulated losses/retained profits, funds and reserves are derived from the translated net profit/loss and movements from which they were appropriated.

Foreign currency differences arising from the translation of foreign operations' financial statements to VND are recognised in the consolidated balance sheet under the caption "Foreign exchange differences" in equity. When the foreign currency differences relate to a foreign operation that is consolidated but not wholly owned, accumulated foreign exchange differences arising from translation are allocated to, and recognised as part of, non-controlling interests in the consolidated balance sheet.

(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 its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(ii) Held-to-maturity investments

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

(iii) Equity investment in other entities

Equity investments in other entities of which the Company or its subsidiaries have no control or significant influence are initially recognised at cost, which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the management of the Company or its subsidiaries before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed

only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(e) Accounts receivable

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

Factoring

Depending on market conditions and liquidity requirements, the Group enters into factoring agreements to transfer accounts receivable from customers. For factoring transactions, the Group assesses whether accounts receivable from customers can be derecognised in their entirety or not, basing on the extent to which it retains the risks and rewards of ownership of the accounts receivable from customers.

If the Group:

- transfers substantially all the risks and rewards of ownership of the receivables, the Group derecognises the receivables and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer;
- retains substantially all the risks and rewards of ownership of the receivables, the Group continues to recognise the receivables;
- neither transfers nor retains substantially all the risks and rewards of ownership of the receivables, the Group determines whether it has retained control. If the Group does not retain control, it derecognises the receivables and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Group retains control, it continues to recognise the receivables to the extent of its continuing involvement in the receivables.

The extent of continuing involvement in the transferred assets is the extent to which it is exposed to changes in the value of the transferred assets, which is the lower of the carrying amount of assets and the maximum amount of the consideration that the Group could be required to pay ("the guarantee amount").

When the Group continues to recognise an asset to the extent of its continuing involvement, the Group also recognises an associated liability. The associated liability is initially measured at the guarantee amount plus the fair value of the guarantee. Subsequently the initial fair value of the guarantee is recognised in the consolidated statement of income on a time proportion basis.

(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 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.

(g) Tangible fixed assets

- (i) Cost
- Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets. In situations where the self-constructed tangible assets have been completed and are put into used but their cost is not finalised, their historical cost will

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be recorded to provisional cost using temporarily estimated value and they shall be adjusted with the difference after the finalised cost are approved.

Mining properties comprise mine rehabilitation assets and fair value of mineral reserves from business combination. Tangible fixed assets also comprise fair value of other assets from business combination.

- (ii) Depreciation
Machinery and equipment and fair value of mineral reserves from business combination directly related to mining activities
Machinery and equipment and fair value of mineral reserves from business combination which are directly related to mining activities are depreciated over the estimated mineral reserve on a unit-of-production basis. Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Group's mining properties. The estimated total production quantity output which tangible fixed assets are depreciated on a unit-of-production basis are as follows:

	As at 31/12/2020	As at 1/1/2020
ST plant	171,865 tonnes of tungsten	171,865 tonnes of tungsten
APT plant	166,990 tonnes of tungsten	166,990 tonnes of tungsten

Others

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

- mining properties 19 years
- buildings and structures 4 – 50 years
- leasehold improvements 3 – 5 years
- machinery and equipment 2 – 25 years
- aoffice equipment and others 3 – 15 years
- motor vehicles 3 – 25 years

Construction assets which are completed and put into use before finalising construction costs are stated at provisional cost. On the date the construction costs are finalised and approved, provisional cost shall be adjusted to finalised cost and accumulated

depreciation shall not be adjusted. The subsequent depreciation charge is determined as the approved value minus the accumulated depreciation made for the period up to the approval of finalisation of fixed assets divided by the remaining depreciation period of the fixed assets according to relevant regulations.

(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;
 - 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; and
 - those acquired by the Group in business combination.

Land use rights with indefinite term are stated at cost and are not amortised. Land use rights with definite term are stated at cost less accumulated amortisation. The initial cost of 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 10 to 50 years. Fair value of land use right acquired in a business combination is determined using direct comparison method by comparing recent asking/ transacted price of similar properties in a similar area.

- (ii) Software
Costs of software comprise:
- cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over a period ranging from 3 to 10 years; and
 - cost incurred during actual software development phase when the following conditions are met:
 - respective costs are attributable directly to the software development stage;
 - there is well-founded expectation – verifiable by program

designs, models, or the like that the development activities to be capitalised will be finalised successfully and thus the intention to complete the development project should be given;

- the Group will be able to implement and use the software after its development;
- adequate technical, financial and personnel resources should be available to complete the software development successfully; and
- the Group is able to measure expenditure attributable to the software development project reliably.

Self-developed software are amortised on a straight-line basis over period of up to 4 years starting from the date on which the respective modules are completed.

- (iii) Brand name
Brand names that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible fixed asset. The fair value of brand names is amortised on a straight-line basis over the estimated useful lives ranging from 10 to 31 years.

The fair value of brand name acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned.

- (iv) Customer relationships
Customer relationships that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible fixed asset. The fair value of customer relationships is amortised on a straight-line basis over the estimated useful lives ranging from 5 to 36 years.

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

- (v) Mineral water resources
Mineral water resources that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an

intangible fixed asset. The fair value of mineral water resources is amortised on a straight-line basis over the estimated useful lives ranging from 10 to 37 years.

Fair values of mineral water resources acquired in a business combination are determined using either the direct comparison method or the multi-period excess earnings method. The direct comparison approach estimates the value of mineral resources by comparing recent asking/transacted price of similar interests located in a similar area. In the multi-period excess earnings method, subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

- (vi) Mining rights
The mining rights is calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with the Decree No. 203/2013/ND/CP dated 28 November 2013 which became effective from 20 January 2014. Cost of mining rights is stated at an amount equal to the present value of mining rights fee and was capitalised and treated as an intangible fixed asset. Amortisation of mining rights fees is computed on a straight-line basis over the period of 15 years which is the economic life of the mine reserves.

- (vii) Technology
Technology that is acquired by the Group in the acquisition of subsidiary is capitalised and presented as an intangible fixed asset. The fair value of technology is amortised on a straight-line basis over the estimated useful lives ranging from 5 to 31 years.

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

- (viii) Mineral water resources exploitation rights
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 the estimated useful lives ranging from 9 to 30 years.

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- (ix) **Development costs**
Development costs comprise:
- Expenditure on the Group's development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised include the costs of materials, direct labour and an appropriate portion of overheads. Other development expenditure, including expenditure on internally generated goodwill and brands, is recognised in the consolidated statement of income as an expense as incurred. Capitalised development costs are stated at cost less accumulated amortisation, which is provided on a straight-line basis over the estimated useful lives ranging from 3 to 16 years; and
 - Development activities that are acquired by the Group in the acquisition of subsidiary is capitalised and presented as an intangible fixed asset. The fair value of development activities 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 development activities is amortised on a straight-line basis over the estimated useful live of 16 years.
- (i) **Investment property**
- (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 purchase prices and any directly attributable expenditure 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 or its subsidiaries. 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 cost 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 swine breeders, construction and machinery which have not been fully completed or installed and mineral assets under development. No depreciation is provided for construction in progress during the period of breeding the swines, construction, installation and commissioning stages.
- Mineral assets under development comprise mineral reserve and related development costs acquired in a business combination and subsequent development expenditure. These assets are qualified for capitalisation when the mineral reserve to which they relate is proven to be commercially and technically viable. They are initially recognised at their fair value as part of business combination accounting and subsequent development expenditure are capitalised net of proceeds from the sale of ore extracted during the development phase. On completion of development, defined as the time when saleable materials begin to be extracted from the mine, all assets are reclassified to either "machinery or equipment" or "mining properties" in tangible fixed assets or in long-term prepaid expenses.
- (k) **Long-term prepaid expenses**
- (i) **Other mining costs**
In accordance with the Official Letter No. 12727/BTC-TCDN dated 14 September 2015 from the Ministry of Finance which provides guidance that mining related costs could be recognised as long-term prepaid expenses under non-current assets.
- Other mining costs comprise of:
- Exploration, evaluation and development expenditure (including development stripping); and
 - Production stripping (as described below in "Deferred stripping costs").
- Deferred stripping costs*
In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore body. Stripping costs incurred in the development phase of a mine (development stripping costs) are recorded as part of the cost of construction of the mine. All development stripping expenditure incurred during construction phase are transferred to other mining costs.
- The costs of removal of the waste material during a mine's production phase (production stripping costs) are deferred where they give rise to future benefits:
- (a) It is probable that the future economic benefits will flow to the Group;
 - (b) The component of the ore body for which access has been improved can be identified; and
 - (c) The costs incurred can be measured reliably.
- Production stripping costs are allocated between inventories and long-term prepaid expenses in accordance with the life of mine strip ratio.
- The life of mine strip ratio represents the estimated total volume of waste, to the estimated total quantity of economically recoverable ore, over the life of the mine. These costs are recognised as long-term prepaid expenses where the current period actual stripping ratio is higher than the average life of mine strip ratio.
- The development and production stripping costs are amortised over the life of the proven and probable reserves of the relevant components on a systematic basis.
- (ii) **Prepaid land costs**
Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the terms of the leases ranging from 35 to 50 years.
- (iii) **Land compensation costs**
Land compensation costs comprise 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.
- (iv) **Printing axles, tools and supplies**
Printing axles, tools and supplies are initially stated at cost and amortised on a straight-line basis over their useful lives ranging from over 1 to 3 years.
- Tools and supplies 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.
- (v) **Goodwill from equitisation**
Goodwill generated from state-owned enterprise's equitisation is recognised as long-term prepaid expenses. Goodwill generated from state-owned enterprise's equitisation 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). 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 generated from the state-owned

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enterprise equitisation is amortised on a straight-line basis over ten years starting from the date of conversion from a state-owned enterprise into a joint stock company (date of first business registration certificate for a joint stock company).

(vi) Swine breeders
Cost of swine breeders is recognised as long-term prepaid expenses and amortised on a straight-line basis over their expected useful lives period ranging from 2 to 3 years. The amortisation of swine breeders that directly relates to farming of swine in work in progress is capitalised as part of the cost of work in progress.

(vii) Other long-term prepaid expenses
Other long-term prepaid expenses include pre-operating expenses and other prepaid expenses which are stated at costs and amortised on a straight-line basis over their expected useful lives.

(l) Goodwill

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

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

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

(m) Trade and other payables

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

(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.

- (i) Mining rights fee
In accordance with the Law on Minerals 2010, a subsidiary of the Company has an obligation to pay the government fees for mining rights grant. The mining rights fee is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights in accordance with:
- Decree No. 203/2013/ND-CP dated 28 November 2013 ("Decree 203"), Decree No. 158/2016/ND-CP dated 29 November 2016 ("Decree 158") and Circular No. 38/2017/TT-BTNMT dated 16 October 2017 ("Circular 38") until 15 September 2019; and
 - Decree No. 67/2019/ND-CP dated 31 July 2019 ("Decree 67") from 15 September 2019.

The prices to calculate the resource royalty is announced by the provincial People's Committee. The conversion method is based on various parameters of the conversion coefficient under guidelines of Circular 38 and/or Decree 67.

- (ii) Mine rehabilitation
The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; site and land rehabilitation. The extent of work require and the associated costs are dependent on the requirements of Ministry of Natural Resources and Environment ("MONRE") and the Group's environmental policies based on the Environment Impact Report.

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an

operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation proportional to the degree of influence on the environment existing at the end of the annual accounting period.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting dates and the cost is charged to the consolidated statement of income. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

The timing of the actual closure and rehabilitation expenditure is dependent on the life of the mine. Closure and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements which give rise to a constructive obligation.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset if the related obligations for closure and rehabilitation are unavoidable to the construction of the asset. The capitalised cost of closure and rehabilitation activities is recognised in other mining assets and depreciated accordingly. The value of the provision is progressively increased over time as the effect of the discounting unwinds, creating an expense recognised in financial expenses.

Closure and rehabilitation provisions will also be adjusted for changes in estimates. These adjustments will be accounted for

as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the under-depreciated capitalised cost of the related assets, in which the capitalised cost is reduced to nil and the remaining adjustment is recognised in the consolidated income statement. Changes to the capitalised cost result in an adjustment to future depreciation. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved.

- (iii) 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.

- (iv) Pensions
Pensions are retirement benefits and are classified as either defined contribution plans or defined benefit plans.

Under a defined contribution plan, the Group pays fixed contributions into a separate fund. The amount of an employee's future retirement benefit is only based on the contributions paid and the income earned from the investment. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees' services in the current and prior years. The Group's contributions are to be recognised as expenses in the year in which they are incurred.

Under a defined benefit plan, employees will receive a defined amount of pension benefit on retirement, usually dependent

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on one or more factors such as age, years of service and compensation. The provision to be recognised for a defined benefit plan is calculated as the present value of the defined benefit obligations at the end of the annual accounting period. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting estimated future cashflow using interest rates of high-quality AA-corporation bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximation to the terms of the related pension liability. The measurement of defined benefit obligation involves estimation of future cashflows, employee turnover, mortality and future increase in salaries.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses and the relevant deferred tax are recognised in equity under the caption "Other equity funds" in accordance with a ruling from the Ministry of Finance.

(o) Bonds issued

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

(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 adjustments 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) Equity

(i) Share capital and capital surplus
Ordinary shares are stated at par. Excess of issuance price over par value of shares issued is recognised as capital surplus. Incremental costs directly attributable to the issuance of shares, net of tax effects, are recognised as a deduction from capital surplus.

(ii) Other capital
Agreements to issue a fixed number of shares in the future are recognised based on their fair values at the dates of the agreements under other capital if there are no other settlement alternatives.

(r) Revenue

(i) Goods sold
Revenue from sale of goods is recognised in the consolidated statement of income when significant risks and rewards of ownership have been transferred to the buyer.

For sales of minerals, the sales price is usually determined on a provisional basis at the date of revenue recognition. Adjustments to the sales price subsequently occurs based on movements in quoted market or contractual prices up to the date of final pricing. The period between provisional invoicing and final pricing is typically between 30 and 60 days, but in some cases can be as long as 90 days to 180 days. Revenue on provisionally priced

sales is recognised based on the estimated fair value of the total consideration receivable. In cases where the terms of the executed contractual sales agreement allow for an adjustment to the sales price based on a survey of the goods by the customer, assay results issued by a third party are preferable, unless customer's survey is within executed contractual tolerance, then sale is based on the most recently determined product specifications.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods. Revenue from sale of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) Services rendered
Revenue from services rendered is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(s) Financial income and financial expenses

(i) Financial income
Financial income comprises interest income from deposits, bonds and loans, gains on disposals of investments and foreign exchange gains. Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(ii) Financial expenses
Financial expenses comprise interest expense on borrowings and bonds, interest costs, foreign exchange losses and losses from disposal of investments. Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(t) Leases

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

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

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

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

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

(u) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare funds for the annual accounting period) of the Company by the weighted average number of ordinary shares outstanding during

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the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

(v) Segment reporting

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

(w) 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.

(x) Employee stock ownership plans

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

(y) 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, results of operations or 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 consolidated financial statements as at and for the year ended 31 December 2019.

4. SEGMENT REPORTING

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

The Group holds the following business segments through separate subsidiary groups:

- Branded consumer products
- MEATLife: integrated meat products
- High-tech materials
- Consumer retail
- Others: financial services and others

(a) Business segments

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

	Branded consumer products		MEATLife		High-tech materials		Consumer retail		Others		Total	
	2020 VND million	2019 VND million	2020 VND million	2019 VND million	2020 VND million	2019 VND million	2020 VND million	2019 VND million	2020 VND million	2019 VND million	2020 VND million	2019 VND million
Segment revenue	23,891,816	18,845,240	16,108,040	13,798,751	7,426,660	4,710,096	29,791,292	-	-	-	77,217,808	37,354,087
Segment gross margin	9,919,495	7,890,154	2,709,784	2,265,603	175,466	785,391	5,083,952	-	-	-	17,888,697	10,941,148
Segment results	3,796,422	3,209,262	472,582	330,157	(123,868)	626,056	(4,185,951)	-	2,646,245	2,164,742	2,605,430	6,330,217
Net unallocated income/(expenses)											(1,210,417)	34,398
Net profit											1,395,013	6,364,615

Notes to the consolidated financial statements

for the year ended 31 December 2020
(continued)

	Branded consumer products		MEATLife		High-tech materials		Consumer retail		Others		Total	
	31/12/2020 VND million	1/1/2020 VND million	31/12/2020 VND million	1/1/2020 VND million	31/12/2020 VND million	1/1/2020 VND million	31/12/2020 VND million	1/1/2020 VND million	31/12/2020 VND million	1/1/2020 VND million	31/12/2020 VND million	1/1/2020 VND million
Segment assets	18,243,868	11,219,229	18,126,855	15,004,817	39,020,014	28,080,203	21,709,258	24,652,861	17,729,569	15,083,325	114,829,564	94,040,435
Unallocated assets											906,998	3,256,816
Total assets											115,736,562	97,297,251
Segment liabilities	11,738,539	8,243,672	9,509,060	7,207,140	25,901,313	14,910,485	14,248,831	11,177,887	-	-	61,397,743	41,539,184
Unallocated liabilities											29,308,540	3,869,660
Total liabilities											90,706,283	45,408,844
	2020 VND million	2019 VND million	2020 VND million	2019 VND million	2020 VND million	2019 VND million	2020 VND million	2019 VND million	2020 VND million	2019 VND million	2020 VND million	2019 VND million
Capital expenditure	1,477,834	1,150,203	1,010,843	2,117,084	623,090	890,587	549,624	-	-	-	3,661,391	4,157,874
Unallocated capital expenditure											16,771	4,721
Depreciation	669,645	598,289	453,987	371,612	1,385,169	1,115,653	726,095	-	-	-	3,234,896	2,085,554
Unallocated depreciation											3,838	3,005
Amortisation	338,130	298,059	373,730	440,189	357,643	224,557	1,425,328	-	-	-	2,494,831	962,805
Unallocated amortisation											870	338

(b) Geographical segments

Based on the geographical location of customers and assets, which is located in Vietnam ("Domestic") or countries other than Vietnam ("Overseas"), the Group holds following geographical segments through separate subsidiary groups:

	Domestic		Overseas		Total	
	2020 VND million	2019 VND million	2020 VND million	2019 VND million	2020 VND million	2019 VND million
Segment revenue	68,538,284	32,182,168	8,679,524	5,171,919	77,217,808	37,354,087
Segment assets	106,883,171	97,297,251	8,853,391	-	115,736,562	97,297,251
Capital expenditure	3,569,501	4,162,595	108,661	-	3,678,162	4,162,595

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

5. BUSINESS COMBINATIONS

(a) Net Detergent Joint Stock Company (“NET”)

On 20 February 2020, HPC, a subsidiary indirectly owned by the Company, successfully acquired 52.3% equity interest in Net Detergent Joint Stock Company (“NET”), a leading local homecare manufacturer, for a total consideration of VND565,077 million including transactions costs. Such transaction resulted in NET became a subsidiary indirectly owned by the Company.

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

	Pre-acquisition carrying amounts VND million	Fair value adjustments VND million	Recognised value on acquisition VND million
Cash and cash equivalents	53,494	-	53,494
Held-to-maturity investments	63,500	-	63,500
Accounts receivable – short-term	48,238	-	48,238
Inventories – net	126,318	-	126,318
Other current assets	2,928	-	2,928
Tangible fixed assets – net	259,270	39,554	298,824
Intangible fixed assets – net	183	360,954	361,137
Investment property – net	11,774	6,854	18,628
Other long-term assets	46,967	78,495	125,462
Accounts payable to suppliers – short-term	(195,753)	-	(195,753)
Short-term borrowings	(23,649)	-	(23,649)
Other current liabilities	(61,108)	-	(61,108)
Other long-term liabilities	(100)	-	(100)
Deferred tax liabilities	-	(97,171)	(97,171)
Net identifiable assets and liabilities	332,062	388,686	720,748
Net assets acquired			376,606
Goodwill on business combination			188,471
Total consideration transferred			565,077
Cash acquired			53,494
Net cash outflow			511,583

Goodwill recognised on business combination is attributable mainly to synergies which management expects to realise by integrating NET into the Group’s existing business.

For the period from 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.

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

(b) H.C Starck Holding (Germany) GmbH (“HCS”)

On 9 June 2020, MTC, a subsidiary indirectly owned by the Company, successfully acquired 100.0% equity interest in H.C Starck Holding (Germany) GmbH (“HCS”), a global manufacturer of tungsten metal powders and carbides (midstream tungsten products). Such transaction resulted in HCS and its subsidiaries and associate became subsidiaries and associate indirectly owned by the Company and the Company's equity interests in HCS was 95.99%.

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

	Pre-acquisition carrying amounts VND million	Fair value adjustments VND million	Recognised value on acquisition VND million
Cash and cash equivalents	940,190	-	940,190
Inventories – net	1,801,499	(27,103)	1,774,396
Other current assets	802,500	-	802,500
Tangible fixed assets – net	1,644,135	2,426,235	4,070,370
Intangible fixed assets – net	68,442	3,372,981	3,441,423
Other non-current assets	1,061,461	199,528	1,260,989
Current liabilities	(1,256,974)	-	(1,256,974)
Long-term liabilities	(5,947,133)	(1,671,344)	(7,618,477)
Non-controlling interests	50,670	(99,962)	(49,292)
Net identifiable assets and liabilities	(835,210)	4,200,335	3,365,125
Share of net assets acquired			3,230,198
Negative goodwill on business combination (Note 32)			(1,341,633)
Share of total consideration transferred			1,888,565
Net cash outflow			
Total consideration (including transaction cost) transferred			1,993,929
Cash acquired			(940,190)
Net cash outflow			1,053,739

For the period from the acquisition date to 31 December 2020, the acquired business contributed net revenue of VND3,398,299 million and net loss of VND376,202 million to the Group's results, excluding the above gain from bargain purchase.

(c) 3F Viet Joint Stock Company (“3F Viet”)

On 20 November 2020, MML, a subsidiary directly owned by the Company, successfully acquired 51% equity interest in 3F Viet Joint Stock Company, a local poultry food manufacturer, for a total consideration of VND614,774 million including transaction costs. Such transaction resulted in 3F Viet and its subsidiary became subsidiaries indirectly owned by the Company.

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

	Pre-acquisition carrying amounts VND million	Fair value adjustments VND million	Recognised value on acquisition VND million
Cash and cash equivalents	572,807	-	572,807
Accounts receivable – short-term	50,928	-	50,928
Inventories – net	78,574	-	78,574
Other current assets	93,092	10,156	103,248
Tangible fixed assets – net	69,197	15,257	84,454
Finance leases assets – net	22,761	-	22,761
Intangible fixed assets – net	-	322,659	322,659
Other non-current assets	57,615	-	57,615
Accounts payable to suppliers – short-term	(184,352)	-	(184,352)
Short-term borrowings and finance lease liabilities	(70,204)	-	(70,204)
Other current liabilities	(30,405)	-	(30,405)
Long-term borrowings and finance lease liabilities	(34,422)	-	(34,422)
Deferred tax liabilities	-	(52,211)	(52,211)
Net identifiable assets and liabilities	625,591	295,861	921,452
Net assets acquired			469,942
Goodwill on business combination			144,832
Total consideration transferred			614,774
Cash acquired			572,807
Net cash outflow			41,967

Goodwill recognised on business combination is attributable mainly to synergies which management expects to realise by integrating 3F Viet into the Group's existing business.

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

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

6. CASH AND CASH EQUIVALENTS

	31/12/2020 VND million	1/1/2020 VND million
Cash on hand	103,598	89,018
Cash at banks	1,804,062	1,780,712
Cash in transit	22,482	58,340
Cash equivalents	5,791,300	4,872,458
Cash and cash equivalents in the consolidated statement of cash flows	7,721,442	6,800,528

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

As at 31 December 2020, cash at bank with carrying value of VND115,396 million (1/1/2020: nil) were pledged with banks as security for loans granted to the Group (Note 20).

7. INVESTMENTS

	31/12/2020 VND million	1/1/2020 VND million
Short-term financial investments		
Trading securities (a)	-	472,134
Held-to-maturity investments (b)	447,250	312,320
	447,250	784,454
Long-term financial investments		
Held-to-maturity investments (b)	7,400	-
Investments in associates (c)	20,320,738	17,492,653
Equity investments in other entities (d)	30,589	21,646
Allowance for diminution in the value of long-term financial investments	(5,628)	(8,442)
	20,353,099	17,505,857

(a) Trading securities

	31/12/2020				1/1/2020			
	Quantity	Cost VND million	Fair value VND million	Allowance for diminution in value VND million	Quantity	Cost VND million	Fair value VND million	Allowance for diminution in value VND million
Bonds	-	-	-	-	47,153	472,134	(*)	-

(*) The Group has not determined the fair values 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 values of the trading securities may differ from their carrying amounts.

Movements of investments in trading securities during the year were as follows:

	2020 VND million	2019 VND million
Opening balance	472,134	-
Additions	452,233	1,126,845
Disposals	(924,367)	(654,711)
Closing balance	-	472,134

(b) Held-to-maturity investments

Held-to-maturity investments – short-term represented term deposits in VND at banks with original terms to maturity of more than three months and less than 12 months from their transaction dates. As at 31 December 2020, term deposits with carrying value of VND12,900 million (1/1/2020: VND1,400 million) were pledged with banks as security for subsidiaries' performance obligations under certain agreements.

Held-to-maturity investments – long-term represented term deposits in VND at banks with the remaining term to maturity of more than 12 months from balance sheet date.

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

(c) Investments in associates

	31/12/2020				1/1/2020			
	% of equity owned over charter capital	% of voting rights over charter capital	Carrying value at equity accounted VND million	Fair value VND million	% of equity owned over charter capital	% of voting rights over charter capital	Carrying value at equity accounted VND million	Fair value VND million
Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") (**)	19.9%	19.9%	17,729,570	23,672,458	20.0%	20.0%	15,083,325	17,697,967
Cholimex Food Joint Stock Company ("Cholimex")	32.8%	32.8%	249,392	(*)	32.8%	32.8%	249,392	(*)
Thuan Phat Packing Joint Stock Company ("Thuan Phat")	25.0%	25.0%	4,289	(*)	25.0%	25.0%	4,925	(*)
Abattoir Long Binh Joint Stock Company ("Abattoir")	25.0%	25.0%	6,770	(*)	25.0%	25.0%	6,709	(*)
Dong Nai Producing Trading Services Joint Stock Company ("Donatraco")	-	-	-	(*)	21.3%	21.3%	12,812	(*)
Vissan Joint Stock Company ("Vissan")	24.9%	24.9%	2,135,490	(*)	24.9%	24.9%	2,135,490	(*)
Jiangwu H.C. Starck Tungsten Products Co., Ltd. (China) ("Jiangwu")	30.0%	30.0%	195,227	(*)	-	-	-	-
			20,320,738				17,492,653	

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

	Techcombank VND million	Cholimex VND million	Thuận Phát VND million	Abattoir VND million	Donatraco VND million	Vissan VND million	Jiangwu VND million	Total VND million
Opening balance	15,083,325	249,392	4,925	6,709	12,812	2,135,490	-	17,492,653
Increase from business combination	-	-	-	-	-	-	212,892	212,892
Share of post-acquisition profit/(loss) of associates during the year	2,646,245	13,296	(636)	561	-	10,090	(29,488)	2,640,068
Dividends declared	-	(13,296)	-	(500)	-	(10,090)	-	(23,886)
Transfer to equity investments in other entity	-	-	-	-	(8,943)	-	-	(8,943)
Loss from transfer to equity investments in other entity	-	-	-	-	(3,869)	-	-	(3,869)
Currency translation differences	-	-	-	-	-	-	11,823	11,823
Closing balance	17,729,570	249,392	4,289	6,770	-	2,135,490	195,227	20,320,738

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

The fair values of investments in Techcombank as at 31 December 2020 and 1 January 2020 were determined by reference to the quoted prices at these respective dates on Ho Chi Minh City Stock Exchange.

(**) The Group has 19.9% direct equity holding and 1.5% economic interest in Techcombank that is subject to a forward sale agreement (1/1/2020: 21.5%). The forward transaction has not been completed and is subject to the terms of the agreement.

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(continued)

Notes to the consolidated financial statements

(d) Equity investments in other entities

	31/12/2020				1/1/2020					
	% of equity owned	% of voting rights	Cost VND million	Allowance for diminution in value VND million	Fair value VND million	% of equity owned	% of voting rights	Cost VND million	Allowance for diminution in value VND million	Fair value VND million
Dinh Vu Petroleum Service Port Joint Stock Company	5.4%	5.4%	21,646	(5,628)	16,018	5.4%	5.4%	21,646	(8,442)	13,204
Dong Nai Producing Trading Service Joint Stock Company	10.6%	10.6%	8,943	-	(*)	-	-	-	-	-
			30,589	(5,628)			21,646	(8,442)		

(*) The Group has not determined the fair value of this equity investment in other entity 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.

The fair values of investments in Dinh Vu Petroleum Service Port Joint Stock Company as at 31 December 2020 and 1 January 2020 were determined by reference to the quoted prices at these respective dates on Unlisted Public Company Market.

Movements of the allowance for diminution in the value of long-term financial investments during the year were as follows:

	2020 VND million	2019 VND million
Opening balance	8,442	8,442
Written back during the year	(2,814)	-
Closing balance	5,628	8,442

(e) Transactions with non-controlling interests in subsidiaries for the year ended 31 December 2020

	VND million
(i) Transactions with non-controlling interests in CrownX In June and August 2020, the Company acquired 14.8% equity interests in CrownX from third parties for total consideration of VND23,692,196 million. As a result of these transactions, the Company's economic interests in CrownX has increased from 70.0% to 84.8%, resulting in the following effects:	
Consideration transferred	(23,692,196)
Proportionate carrying amount of net assets acquired	1,671,935
Difference recorded as a decrease in undistributed profits after tax	(22,020,261)

	VND million
(ii) Transactions with non-controlling interests in MSC The Company's economic interests in MSC increased from 56.8% to 68.9% as a result of the following transactions:	
■ From March to May 2020, MCH acquired a total of 4,023,700 shares equivalent to 0.32% equity interests in MSC for a total consideration of VND279,372 million; and transactions with non-controlling interests in CrownX as mentioned in Note 7(e)(i), resulting in the following effects:	
Consideration transferred	(279,372)
Proportionate carrying amount of net assets acquired	139,886
Difference recorded as a decrease in undistributed profits after tax	(139,486)

■ In September 2020, MSC issued 3,869,214 shares equivalent to 0.6% equity interests to its employees under employee share based payment plan in accordance with shareholders' approval, resulting in the following effects:

	VND million
Consideration received from shares issued not subscribed by the Group, net of transaction costs	193,461
Proportionate carrying amount of net assets diluted	(107,320)
Difference recorded as an increase in undistributed profits after tax	86,141

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(continued)

Notes to the consolidated financial statements

(iii) Transactions with non-controlling interests in VCF

The Company's economic interests in VCF increased from 55.9% to 68.0% as a result of the following transactions:

- In June and July 2020, MSB acquired additional 79,840 shares equivalent to 0.3% equity interests in VCF for a total consideration of VND17,083 million; and
- Transactions with non-controlling interests in MSC as mentioned in Note 7(e)(ii) and in CrownX as mentioned in Note 7(e)(i).

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

	VND million
Consideration transferred	(17,083)
Proportionate carrying amount of net assets acquired	10,090
Difference recorded as a decrease in undistributed profits after tax	(6,993)

(iv) Transactions with non-controlling interests in VHC

The Company's economic interests in VHC increased from 50.3% to 62.1% as a result of the following transactions:

- In July 2020, MSB acquired additional 213,307 shares equivalent to 1.6% equity interests in VHC for a total consideration of VND11,732 million; and
- Transactions with non-controlling interests in MSC as mentioned in Note 7(e)(ii) and in CrownX as mentioned in Note 7(e)(i).

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

	VND million
Consideration transferred	(11,732)
Proportionate carrying amount of net assets acquired	14,424
Difference recorded as an increase in undistributed profits after tax	2,692

(v) Transactions with non-controlling interests in MML

The Company's economic interests in MML increased from 87.3% to 87.9% as a result of the following transactions:

- In January 2020, MH acquired a total of 4,000,030 shares equivalent to 1.2% equity interests in MML for a total consideration of VND300,302 million, resulting in the following effects:

	VND million
Consideration transferred	(300,302)
Proportionate carrying amount of net assets acquired	70,914
Difference recorded as a decrease in undistributed profits after tax	(229,388)

- In October 2020, MML issued 2,387,400 shares equivalent to 0.7% equity interests to its employees under employee share based payment plan or 0.7% equity interests in accordance with shareholders' approval, resulting in the following effects:

	VND million
Consideration received from shares issued not subscribed by the Group, net of transaction costs	23,824
Proportionate carrying amount of net assets diluted	(41,120)
Difference recorded as a decrease in undistributed profits after tax	(17,296)

(vi) Transactions with non-controlling interests in MHT

- In November 2020, MHT issued 109,915,542 ordinary shares, equivalent to 10% equity interest to Mitsubishi Materials Corporation ("MMC") for a total cash consideration of VND2,051,610 million. As a result of this transaction, the Company's economic interests in MHT has decreased from 96.0% to 86.4%, resulting in the following effects:

	VND million
Shares issued not subscribed by the Group, net of transaction costs	2,051,610
Proportionate carrying amount of net assets diluted	(1,466,911)
Difference recorded as an increase in undistributed profits after tax	584,699

In relation to this transaction, MHT has also signed an agreement to grant MMC a put option. In the event that (i) MHT and MMC (or their affiliate) fail to establish a joint operation of midstream tungsten business within 18 months from closing date of this transaction or (ii) if there is a change in control in MHT, MMC will have an irrevocable option to request MHT or its nominee to purchase all MHT's shares acquired above at the amount equal to purchase price in VND per share less the aggregate of any proceeds received by MMC from disposing MHT's shares, dividends and distributions paid by MHT, subject to customary adjustments from dilutive events. The deadline for closing the put option is 18 months from the date that MHT receives the put option notice from MMC.

(vii) Transactions with non-controlling interests in VCM

The Company's economic interests in VCM increased from 58.6% to 80.1% as a result of the following transactions:

- In November 2020, SHERPA acquired a total of 9.1% equity interests in VCM; and
- Transactions with non-controlling interests in CrownX as mentioned in Note 7(e)(i).

As a result of above transactions, the Group's undistributed profits after tax decreased by VND4,695,576 million.

(f) Significant transactions with non-controlling interests in subsidiaries in prior years

Transaction with non-controlling interests in MCH

Pursuant to an agreement between Singha Asia Holdings Pte. Ltd. ("Singha") and MCH, Singha has the right to pay a second subscription amount of USD450 million in exchange for an additional 10.7% equity interests in MCH. The second subscription has not been made as of the date of issuance of these consolidated financial statements.

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Notes to the consolidated financial statements

8. ACCOUNTS RECEIVABLE – SHORT-TERM AND LONG-TERM

As at 31 December 2020 and 1 January 2020, a part of short-term receivables was pledged with banks as security for loans granted to a subsidiary (Note 20).

As at 31 December 2020, prepayments to suppliers of the Group amounting to VND344,157 million (1/1/2020: VND809,608 million) were related to fixed assets.

(a) Receivable on short-term lending loans

Receivable on short-term lending loans granted to third parties were unsecured, earned interest rate at 6.5% per annum and are mature in 2021 (1/1/2020: nil).

(b) Other receivables

Other receivables comprised of:

	31/12/2020 VND million	1/1/2020 VND million
Other short-term receivables		
Short-term deposits (*)	2,841,337	2,315,774
Interest income receivable	143,548	26,950
Advances to employees	18,975	25,358
Others	346,867	386,259
	3,350,727	2,754,341
Other long-term receivables		
Long-term deposits	357,616	349,646
Others (**)	1,234,392	1,250,000
	1,592,008	1,599,646

(*) Included in short-term deposits was VND2,750,000 million of deposits paid to third parties for the investments (1/1/2020: VND2,000,000 million).

(**) Others represented receivables from State Treasury for the land compensation cost of the Nui Phao Mining Project at Ha Thuong Commune, Dai Tu District, Thai Nguyen Province. The amount could be netted off with annual land rental fee of future years.

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

	2020 VND million	2019 VND million
Opening balance	105,744	106,135
Allowance made during the year	21,991	13,515
Allowance utilised during the year	(6)	(5,926)
Written back during the year	(19,873)	(7,980)
Closing balance	107,856	105,744

9. INVENTORIES

	31/12/2020		1/1/2020	
	Cost VND million	Allowance VND million	Cost VND million	Allowance VND million
Goods in transit	620,516	-	260,850	-
Raw materials	3,316,920	(8,145)	1,685,210	(14,260)
Tools and supplies	1,042,761	(33,515)	874,450	(24,319)
Work in progress	1,321,341	(43,269)	451,471	-
Finished goods	3,163,599	(132,213)	2,036,450	(30,231)
Merchandise inventories	3,211,214	(15,338)	4,245,347	-
Goods on consignment	54,046	-	136,853	-
	12,730,397	(232,480)	9,690,631	(68,810)

As at 31 December 2020 and 1 January 2020, a part of inventories were pledged with banks as security for loans granted to a subsidiary (Note 20).

Included in inventories at 31 December 2020 was VND291,208 million of work in progress, VND76,240 million of merchandise inventories and VND1,507,389 million of finished goods (1/1/2020: VND33,415 million of finished goods) carried at net realisable value.

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

	2020 VND million	2019 VND million
Opening balance	68,810	56,398
Increases from business combination	26,161	-
Allowance made during the year	255,920	72,439
Allowance utilised during the year	(7,631)	(50,013)
Written back during the year	(110,780)	(10,014)
Closing balance	232,480	68,810

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

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10. TANGIBLE FIXED ASSETS

	Mining properties VND million	Buildings and structures VND million Buildings	Leasehold improvements VND million	Office equipment and others VND million	Machinery and equipment VND million	Motor vehicles VND million	Total VND million
Opening balance	5,095,927	13,306,627	87,490	263,878	20,337,461	156,645	39,248,028
Additions	-	55,388	5,658	16,313	190,108	32,987	300,454
Increases from business combination	-	2,869,718	-	888	4,965,198	24,183	7,859,987
Transfers from construction in progress	-	1,488,092	-	77,296	2,045,968	7,784	3,619,140
Transfers from/(to) long-term prepaid expenses	-	223	-	956	(4,091)	-	(2,912)
Disposals/Written off	-	(63,661)	-	(103,598)	(417,376)	(12,612)	(597,247)
Reclassification	-	13,568	-	(16,690)	16,297	(13,175)	-
Currency translation differences	-	127,829	-	-	222,369	-	350,198
Closing balance	5,095,927	17,797,784	93,148	239,043	27,355,934	195,812	50,777,648
Accumulated depreciation							
Opening balance	1,127,331	2,007,751	68,758	108,510	6,712,536	52,261	10,077,147
Increases from business combination	-	586,645	-	-	2,819,694	-	3,406,339
Charge for the year	212,667	933,498	13,282	159,930	1,893,448	25,426	3,238,251
Transfers from/(to) long-term prepaid expenses	-	130	-	388	(2,140)	-	(1,622)
Disposals/Written off	-	(38,484)	-	(52,530)	(316,912)	(12,153)	(420,079)
Reclassification	-	2,201	-	(4,005)	4,005	(2,201)	-
Currency translation differences	-	26,910	-	-	128,938	-	155,848
Closing balance	1,339,998	3,518,651	82,040	212,293	11,239,569	63,333	16,455,884
Net book value							
Opening balance	3,968,596	11,298,876	18,732	155,368	13,624,925	104,384	29,170,881
Closing balance	3,755,929	14,279,133	11,108	26,750	16,116,365	132,479	34,321,764

Included in tangible fixed assets were assets costing VND2,220,364 million which were fully depreciated as at 31 December 2020 (1/1/2020: VND1,742,379 million), but are still in active use.

The net book value of temporarily idle tangible fixed assets amounted to VND38,254 million as at 31 December 2020 (1/1/2020: VND24,968 million).

As at 31 December 2020, tangible fixed assets with net book value of VND15,048,524 million (1/1/2020: VND14,579,224 million) were pledged with banks as security for loans granted to and bonds issued by the subsidiaries (Note 20).

11. INTANGIBLE FIXED ASSETS

	Land use rights VND million	Software VND million	Brand name VND million	Customer relationships VND million	Mining rights VND million	Mineral water resources VND million	Mineral water re-sources exploitation rights VND million	Tech- nology VND million	Development costs VND million	Others VND million	Total VND million
Cost											
Opening balance	3,946,139	633,966	2,414,898	6,040,214	588,373	412,698	72,122	669,433	-	-	14,777,843
Additions	-	32,885	-	-	-	-	-	-	104,499	-	137,384
Increases from business combination	68,426	287,076	1,604,024	360,867	-	-	-	1,466,261	649,266	25,254	4,461,174
Transfers from construction in progress	12,488	32,776	-	-	-	-	-	-	1,404	-	46,668
Written off	(12,646)	(20,626)	-	-	-	-	-	-	-	-	(33,272)
Currency translation differences	3,548	15,831	57,509	11,811	-	-	-	79,327	35,162	1,231	204,419
Closing balance	4,017,955	981,908	4,076,431	6,412,892	588,373	412,698	72,122	2,215,021	790,331	26,485	19,594,216
Accumulated amortisation											
Opening balance	66,128	263,420	914,107	1,002,464	158,119	95,333	20,685	636,769	-	-	3,157,025
Increases from business combination	-	280,310	-	-	-	-	-	-	53,616	2,029	335,955
Charge for the year	132,117	111,950	184,487	255,195	30,550	21,935	3,288	75,640	37,670	1,082	853,914
Written off	(4,018)	(7,547)	-	-	-	-	-	-	-	-	(11,565)
Currency translation differences	-	15,136	558	95	-	-	-	1,102	3,733	118	20,742
Closing balance	194,227	663,269	1,099,152	1,257,754	188,669	117,268	23,973	713,511	95,019	3,229	4,356,071
Net book value											
Opening balance	3,880,011	370,546	1,500,791	5,037,750	430,254	317,365	51,437	32,664	-	-	11,620,818
Closing balance	3,823,728	318,639	2,977,279	5,155,138	399,704	295,430	48,149	1,501,510	695,312	23,256	15,238,145

Included in intangible fixed assets were assets costing VND621,642 million which were fully amortised as of 31 December 2020 (1/1/2020: VND54,182 million), but are still in active use.

As at 31 December 2020, intangible fixed assets with carrying value of VND434,986 million (1/1/2020: VND465,011 million) were pledged with banks as security for loans granted to subsidiaries (Note 20).

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

12. INVESTMENT PROPERTY

	Buildings VND million	Infrastructures VND million	Total VND million
Cost			
Opening balance	-	-	-
Increases from business combination	18,016	612	18,628
Closing balance	18,016	612	18,628
Accumulated depreciation			
Opening balance	-	-	-
Charge for the year	4,049	61	4,110
Closing balance	4,049	61	4,110
Net book value			
Opening balance	-	-	-
Closing balance	13,967	551	14,518

The fair value of investment property held to earn rental has not been determined as there is no active market for such property.

13. CONSTRUCTION IN PROGRESS

	2020 VND million	2019 VND million
Opening balance	3,278,972	2,171,342
Additions during the year	3,101,890	3,644,056
Increases from business combination	150,908	624,069
Transfers to tangible fixed assets	(3,619,140)	(3,073,256)
Transfers to intangible fixed assets	(46,668)	(12,406)
Transfers to long-term prepaid expenses	(585,134)	(72,887)
Disposals	(65)	(1,600)
Written off	(12,657)	(346)
Currency translation differences	6,653	-
Closing balance	2,274,759	3,278,972

As at 31 December 2020, construction in progress with carrying value of VND1,340,472 million (1/1/2020: VND1,829,165 million) were pledged with banks as security for loans granted to and bonds issued by the subsidiaries (Note 20).

During the year, trial-run expense, borrowing costs and amortisation of land use rights capitalised into construction in progress amounting to VND14,799 million, VND48,035 million and VND12,090 million, (2019: VND100,075 million, VND117,394 million and VND1,164 million), respectively.

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

14. LONG-TERM PREPAID EXPENSES

	Other mining costs VND million	Prepaid land costs VND million	Land compensation costs VND million	Printing axles, tools and supplies VND million	Goodwill from equitisation VND million	Swine breeders VND million	Others VND million	Total VND million
Opening balance	1,505,279	824,391	1,006,777	1,396,632	18,807	76,004	805,224	5,633,114
Additions	130,679	333,098	45,761	230,600	-	34,557	739,354	1,514,049
Increases from business combination	-	131,274	-	6,719	-	-	-	137,993
Transfers from short-term prepaid expenses	-	559	-	11,278	-	-	1,264	13,101
Transfers from long-term receivables	-	-	15,607	-	-	-	-	15,607
Transfers from tangible fixed assets	-	-	-	1,290	-	-	-	1,290
Transfers from construction in progress	-	385,762	-	90,476	-	15,823	93,073	585,134
Amortisation for the year	(108,693)	(33,609)	(74,060)	(604,121)	(3,134)	(39,286)	(308,436)	(1,171,339)
Disposals/Written off	-	-	-	(150,386)	-	(28,094)	(16,794)	(195,274)
Currency translation differences	-	-	-	(5)	-	-	-	(5)
Closing balance	1,527,265	1,641,475	994,085	982,483	15,673	59,004	1,313,685	6,533,670

As at 31 December 2020, prepaid land costs, swine breeders and tools and supplies with carrying value of VND561,866 million (1/1/2020: VND225,779 million) were pledged with banks as security for loans granted to the subsidiaries (Note 20).

15. DEFERRED TAX ASSETS AND LIABILITIES

(a) Recognised deferred tax assets and liabilities

	31/12/2020 VND million	1/1/2020 VND million
Deferred tax assets:		
Accrued expenses and provisions	58,764	185,051
Remeasurement of the net defined benefit liability (*)	1,490,456	-
Unrealised profits on intra-group transactions	21,322	23,707
Tax losses carried forward	202,507	30,527
Tangible fixed assets	1,041	1,358
Others	20,046	-
Total deferred tax assets	1,794,136	240,643
Deferred tax liabilities:		
Tangible fixed assets	(1,348,088)	(678,218)
Intangible fixed assets	(2,820,805)	(1,773,297)
Investment property	(800)	-
Unrealised losses on intra-group transactions	(45,054)	(3,900)
Short-term prepaid expenses	(1,396)	-
Accrued expenses and provisions	(435,031)	-
Total deferred tax liabilities	(4,651,174)	(2,455,415)
Net deferred tax liabilities	(2,857,038)	(2,214,772)

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

(b) Movements of temporary differences during the year

	1/1/2020 VND million	Increases from business com-bination VND million	Recognised in income VND million	Recognised in equity VND million	31/12/2020 VND million
Accrued expenses and provisions	185,051	(392,328)	(119,148)	(49,842)	(376,267)
Remeasurement of the net defined benefit liability (*)	-	1,372,506	-	117,950	1,490,456
Unrealised profits/(losses) on intra-group transactions	19,807	-	(43,539)	-	(23,732)
Tax losses carried forward	30,527	38,261	128,238	5,481	202,507
Tangible fixed assets	(676,860)	(677,220)	66,650	(59,617)	(1,347,047)
Intangible fixed assets	(1,773,297)	(1,087,681)	125,806	(85,633)	(2,820,805)
Investment property	-	(1,371)	571	-	(800)
Short-term prepaid expenses	-	(1,523)	127	-	(1,396)
Others	-	22,384	(2,338)	-	20,046
	(2,214,772)	(726,972)	156,367	(71,661)	(2,857,038)

(*) Deferred tax recognised in equity also included the relevant deferred tax of the remeasurement of the net defined benefit obligation - provision for pensions. As explained in Note 3(n), these amounts are recognised in equity under the caption "Other equity funds" in accordance with a ruling from the Ministry of Finance.

16. GOODWILL

	VND million
Cost	
Opening balance	4,694,223
Additions (Note 5)	333,303
Closing balance	5,027,526
Accumulated amortisation	
Opening balance	708,795
Amortisation for the year	487,231
Closing balance	1,196,026
Net book value	
Opening balance	3,985,428
Closing balance	3,831,500

17. TAXES

(a) Taxes receivable from State Treasury

	31/12/2020 VND million	1/1/2020 VND million
Corporate income tax	66,518	13,545
Personal income tax	261	-
Other taxes	9,308	9,976
	76,087	23,521

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

(b) Taxes payable to State Treasury

	1/1/2020 VND million	Increases from business combination VND million	Incurred VND million	Paid VND million	Net-off/ Reclassified VND million	Currency translation difference VND million	31/12/2020 VND million
Value added tax	149,782	4,884	7,982,976	(1,529,054)	(6,452,729)	-	155,859
Special consumption tax	21,366	-	371,762	(334,957)	-	-	58,171
Import-export tax	125	-	823,831	(823,142)	(778)	-	36
Corporate income tax	463,143	95,638	1,086,193	(1,029,120)	34,797	9,267	659,918
Personal income tax	131,358	262	443,247	(541,153)	(503)	-	33,211
Others	4,230	89,618	528,007	(595,893)	3,975	4,170	34,107
	770,004	190,402	11,236,016	(4,853,319)	(6,415,238)	13,437	941,302

18. ACCRUED EXPENSES

	31/12/2020 VND million	1/1/2020 VND million
Interest expense	910,860	466,583
Operation costs	360,013	314,119
Construction work	369,207	989,525
Advertising and promotion expenses	757,608	493,501
Logistic expenses	286,640	273,755
Bonus and 13th month salary	632,890	585,768
Sales discounts and sales support	415,411	385,443
Purchases not yet received invoices	173,670	108,698
Exhibition and market expenses	68,902	35,839
Information and technology expenses	15,006	19,671
Natural resource taxes and fees	25,767	71,039
Consultant fees	42,429	126,172
Others	647,014	240,389
	4,705,417	4,110,502

19. OTHER PAYABLES

	31/12/2020 VND million	1/1/2020 VND million
Short-term		
Payable for purchasing shares in CrownX	2,300,000	-
Trade union fees, social, health and unemployment insurance	23,800	44,769
Short-term deposits received	14,357	14,558
Dividends payable	39,968	32,495
Others	94,001	30,735
	2,472,126	122,557
Long-term		
Long-term deposits received	27,894	23,977
Others	152,503	156,962
	180,397	180,939

20. BORROWINGS, BONDS AND FINANCE LEASE LIABILITIES

	31/12/2020 VND million	1/1/2020 VND million
Short-term borrowings, bonds and finance lease liabilities (a)		
Short-term borrowings	18,829,506	13,286,330
Current portion of long-term borrowings, bonds and finance lease liabilities	3,715,540	5,053,855
	22,545,046	18,340,185
Long-term borrowings, bonds and finance lease liabilities (b)		
Long-term borrowings, bonds and finance lease liabilities	43,181,583	16,729,697
Repayable within twelve months	(3,715,540)	(5,053,855)
Repayable after twelve months	39,466,043	11,675,842

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(continued)

Notes to the consolidated financial statements

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

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

	1/1/2020		Movements during the year		31/12/2020	
	Carrying amounts/ Amounts within repayment capacity VND million	Increases from business combination VND million	Additions VND million	Repayments VND million	Unrealised foreign exchange differences VND million	Carrying amounts/ Amounts within repayment capacity VND million
Short-term borrowings	13,286,330	82,101	55,992,125	(50,527,556)	(3,494)	18,829,506
Current portion of long-term borrowings, bonds and finance lease liabilities	5,053,855	-	4,167,205	(5,505,520)	-	3,715,540
	18,340,185	82,101	60,159,330	(56,033,076)	(3,494)	22,545,046

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

	Currency	Annual interest rate	31/12/2020 VND million	1/1/2020 VND million
Secured bank loans	VND	4.0% – 9.6%	6,560,992	5,123,566
Secured bank loans	USD	3.1% – 5.8%	1,671,948	1,260,626
Unsecured bank loans	VND	1.0% – 6.8%	8,338,156	6,172,138
Unsecured bank loans	USD	1.7% – 4.8%	668,410	-
Unsecured loans from third parties	VND	6.5%	1,590,000	730,000
			18,829,506	13,286,330

As at 31 December 2020 and 1 January 2020, the bank loans were secured by the following assets of the Group:

- (i) 210 million shares of Masan High-Tech Materials Corporation (formerly known as Masan Resources Corporation) (1/1/2020: 220 million shares);
- (ii) 215 million shares of Masan MEATLife Corporation (1/1/2020: nil);
- (iii) 14.6 million shares of Vincommerce General Commercial Services Joint Stock Company (1/1/2020: nil);
- (iv) fixed assets of a subsidiary with carrying value of VND14,927 million (1/1/2020: VND770,931 million);
- (v) long-term prepaid expenses of a subsidiary with carrying value of VND10,411 million (1/1/2020: nil);
- (vi) a part of inventories and short-term receivables of a subsidiary;
- (vii) current bank accounts with carrying value of VND67,735 million (1/1/2020: nil); and
- (viii) corporate guarantee of the Company, MasanConsumerHoldings Company Limited, Masan Consumer Corporation and Masan MEATLife Corporation.

(b) Long-term borrowings, bonds and finance lease liabilities

	31/12/2020 VND million	1/1/2020 VND million
Long-term borrowings (*)	8,081,895	2,908,420
Straight bonds (**)	35,088,757	13,821,277
Finance lease liabilities (***)	10,931	-
	43,181,583	16,729,697

Terms and conditions of outstanding long-term borrowings, bonds and finance lease liabilities were as follows:

	Currency	Annual interest rate	Year of maturity	31/12/2020 VND million	1/1/2020 VND million
Long-term borrowings (*)					
Secured bank loans	VND	5.8% – 10.8%	2021 – 2026	3,443,895	2,608,420
Secured bank loans	USD	3.61%	2022 – 2023	4,638,000	-
Unsecured loans from third parties	VND	9.0%	2021	-	300,000
				8,081,895	2,908,420
Straight bonds (**)					
(including issuance costs)	VND	8.0% – 10.5%	2021 – 2025	35,088,757	13,821,277
Finance lease liabilities (***)					
	VND	7.3% – 10.5%	2021 – 2023	10,931	-

(*) Long-term borrowings

As at 31 December 2020 and 1 January 2020, the bank loans were secured by the following assets of the Group:

- (iii) fixed assets of subsidiaries with carrying value of VND4,213,513 million (1/1/2020: VND2,831,368 million);
- (iii) construction in progress of subsidiaries with carrying value of VND90,728 million (1/1/2020: VND217,136 million);
- (iii) long-term prepaid expenses of subsidiaries with carrying value of VND551,455 million (1/1/2020: VND225,779 million);
- (iv) cash in banks with carrying value of VND47,661 million (1/1/2020: nil);
- (v) 15% contributed capital of MasanConsumerHoldings Company Limited held by The CrownX Corporation, an indirect subsidiary, and all related benefits; and
- (vi) corporate guarantee by MasanConsumerHoldings Company Limited, Masan Consumer Corporation, Masan MEATLife Corporation and The CrownX Corporation.

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

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(continued)

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Notes to the consolidated financial statements

(**) Straight bonds

The carrying value of the issued bonds comprised the followings:

	31/12/2020 VND million	1/1/2020 VND million
Straight bonds	35,700,805	13,950,000
Unamortised bond issuance costs	(612,048)	(128,723)
	35,088,757	13,821,277

- (i) VND2,100 billion (1/1/2020: VND2,100 billion) bonds with a maturity of 10 years (2024) at an interest rate of 8.0% per annum in 10 years. The bonds were guaranteed by Credit Guarantee and Investment Facility and secured over 75.7 million shares (1/1/2020: 71.9 million shares) of MSC;
- (ii) VND1,300 billion (1/1/2020: VND1,300 billion) bonds with a maturity of 5 years (2021) at an interest rate of 7.0% per annum in the first year and 1.5% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 10.53% contributed capital of MNS Feed (1/1/2020: 17.1 million shares of ANCO and 24.64% contributed capital of MNS Feed);
- (iii) VND700 billion (1/1/2020: VND700 billion) bonds with a maturity of 5 years (2021) at an interest rate of 8.0% per annum in the first year and 3.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 14.4 million shares (1/1/2020: 14.4 million shares) of Proconco;
- (iv) VND500 billion (1/1/2020: VND500 billion) bonds with a maturity of 5 years (2023) at an interest rate of 10.0% per annum in the first year and 3.25% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 51.6 million shares (1/1/2020: 51.6 million shares) of MHT;
- (v) VND1,000 billion (1/1/2020: VND1,000 billion) bonds with a maturity of 3 years (2021) at an interest rate of 9.8% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by certain long-term assets of NPM (1/1/2020: the bonds were secured over 104.7 million shares of MHT);
- (vi) VND1,500 billion (1/1/2020: VND1,500 billion) bonds with a maturity of 5 years (2023) at an interest rate of 10.0% per annum in the first year and 3.25% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 154.8 million shares (1/1/2020: 154.8 million shares) of MHT;
- (vii) VND500 billion (1/1/2020: VND500 billion) bonds with a maturity of 5 years (2024) at an interest rate of 10.2% per annum in the first year and 3.3% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 55.6 million shares (1/1/2020: 55.6 million shares) of MHT;
- (viii) VND300 billion (1/1/2020: VND300 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 31.1 million shares (1/1/2020: 33.3 million shares) of MHT;
- (ix) VND200 billion (1/1/2020: VND200 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 20.8 million shares (1/1/2020: 22.2 million shares) of MHT;
- (x) VND500 billion (1/1/2020: VND500 billion) bonds with a maturity of 5 years (2024) at an interest rate of 10.2% per annum in the first year and 3.3%

per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 55.5 million shares (1/1/2020: 55.6 million shares) of MHT;

- (xi) VND100 billion (1/1/2020: VND100 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 13.4 million shares of MHT (1/1/2020: nil);
- (xii) VND190 billion (1/1/2020: VND190 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 25.4 million shares of MHT (1/1/2020: nil) and certain long-term assets of NPM;
- (xiii) VND210 billion (1/1/2020: VND210 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 27.2 million shares (1/1/2020: 114.9 million shares) of MHT;
- (xiv) VND1,600 billion (1/1/2020: nil) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by the Company and certain long-term assets of NPM;
- (xv) VND1,000 billion (1/1/2020: nil) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by the Company and certain long-term assets of NPM;
- (xvi) VND700 billion (1/1/2020: nil) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were guaranteed by the Company and certain long-term assets of NPM;
- (xvii) VND1,000 billion (1/1/2020: nil) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 136 million shares of MHT;
- (xviii) VND1,000 billion (1/1/2020: nil) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 136 million shares of MHT;
- (xix) VND1,500 billion (1/1/2020: VND1,500 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xx) VND3,000 billion (1/1/2020: nil) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxi) VND7,000 billion (1/1/2020: nil) bonds with a maturity of 3 years (2023) at an interest rate of 9.3% per annum in the first year and 2.5% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxii) VND4,000 billion (1/1/2020: nil) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 4% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxiii) VND600 billion (1/1/2020: nil) bonds with a maturity of 3 years (2023) at an interest rate of 9.8% per annum in the first year and 3.8% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxiv) VND1,000 billion (1/1/2020: nil) bonds with a maturity of 3 years (2023) at an interest rate of 9.9% per annum in the first year and 3.9% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxv) VND1,000 billion (1/1/2020: nil) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 4% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;

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Notes to the consolidated financial statements

- (xxvi) VND3,000 billion (1/1/2020: nil) bonds with a maturity of 5 years (2025) at an interest rate of 9.9% per annum in the first year, 10.9% per annum in the second year and 3.9% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 181 million shares of VinCommerce. The bonds were also guaranteed by the Company; and
- (xxvii) VND200 billion (1/1/2020: nil) bonds with a maturity of 5 years (2025) at an interest rate of 9.2% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 150 million shares of VinCommerce and 38 million shares of MML. The bonds were also guaranteed by the Company.

As at 31 December 2020, the associates of the Group held VND652,458 million (1/1/2020: VND216,617 million) of the issued bonds.

During the year, the Group complied with the covenants on the above bonds.

(***) Finance lease liabilities

The future minimum lease payments, including the principal and interest, under non-cancellable finance leases are:

	31/12/2020 VND million	1/1/2020 VND million
Within 1 year	6,902	-
From two to five years	4,895	-
	11,797	-

21. PROVISIONS – LONG-TERM

	31/12/2020 VND million	1/1/2020 VND million
Mining rights fee	390,248	430,392
Mine rehabilitation	103,801	99,122
Severance allowance	48,962	43,930
Pensions	6,963,327	-
	7,506,338	573,444

Movements of provisions during the year were as follows:

	Mining rights fee VND million	Mine rehabilitation VND million	Severance allowance VND million	Pensions VND million	Total VND million
Opening balance	430,392	99,122	43,930	-	573,444
Increases from business combination	-	-	-	5,946,291	5,946,291
Provision made during the year	33,002	4,679	8,161	41,874	87,716
Remeasurement of the net defined benefit liability (*)	-	-	-	472,066	472,066
Provision utilised during the year	(73,146)	-	(3,129)	(69,944)	(146,219)
Currency translation differences	-	-	-	573,040	573,040
Closing balance	390,248	103,801	48,962	6,963,327	7,506,338

(*) As explained in Note 3(n), the remeasurement of the net defined benefit obligation – provision for pensions and the relevant deferred tax are recognised in equity under the caption "Other equity funds" in accordance with a ruling from the Ministry of Finance.

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

22. CHANGES IN OWNERS' EQUITY

	Share capital VND million	Capital surplus VND million	Other capital VND million	Foreign ex-change differ-ences VND million	Undistributed profits after tax VND million	Equity attributable to equity holders of the Company VND million	Non- controlling interests VND million	Total VND million
Balance as at 1 January 2019	11,631,495	11,084,417	(9,426,958)	4,402	16,193,388	29,486,744	4,592,934	34,079,678
Issuance of new shares	57,969	(60)	-	-	-	57,909	-	57,909
Transactions with non-controlling interests	-	-	-	-	7,679,439	7,679,439	(366,986)	7,312,453
Business combination	-	-	-	-	-	-	4,467,897	4,467,897
Net profit for the year	-	-	-	-	5,557,571	5,557,571	807,044	6,364,615
Dividends declared by subsidiaries	-	-	-	-	-	-	(393,817)	(393,817)
Share dividend declared by a subsidiary	-	-	863,268	-	(863,268)	-	-	-
Currency translation differences	-	-	-	6,631	-	6,631	1,561	8,192
Others	-	-	-	-	(8,178)	(8,178)	(342)	(8,520)
Balance as at 31 December 2019	11,689,464	11,084,357	(8,563,690)	11,033	28,558,952	42,780,116	9,108,291	51,888,407

	Share capital VND million	Capital surplus VND million	Other capital VND million	Foreign ex-change differ-ences VND million	Other equity funds VND million	Undistributed profits after tax VND million	Equity attributable to equity holders of the Company VND million	Non-controlling interests VND million	Total VND million
Balance as at 1 January 2020	11,689,464	11,084,357	(8,563,690)	11,033	-	28,558,952	42,780,116	9,108,291	51,888,407
Issuance of new shares	57,368	(60)	-	-	-	-	57,308	-	57,308
Capital contribution in sub-sidiaries by non-controlling interests	-	-	-	-	-	-	-	17,167	17,167
Transactions with non-controlling interests	-	-	-	-	-	(26,435,468)	(26,435,468)	(808,983)	(27,244,451)
Business combination	-	-	-	-	-	-	-	900,991	900,991
Net profit for the year	-	-	-	-	-	1,233,982	1,233,982	161,031	1,395,013
Dividends declared by the Company (*)	-	-	-	-	-	(1,174,683)	(1,174,683)	-	(1,174,683)
Dividends declared by subsid-iaries	-	-	-	-	-	-	-	(234,859)	(234,859)
Appropriation to bonus and welfare funds	-	-	-	-	-	(659)	(659)	(1,198)	(1,857)
Currency translation differ-ences	-	-	-	(238,005)	-	-	(238,005)	2,148	(235,857)
Remeasurement of the net defined benefit liability, net of tax	-	-	-	-	(284,952)	-	(284,952)	(44,878)	(329,830)
Others	-	-	-	-	-	-	-	(7,070)	(7,070)
Balance as at 31 December 2020	11,746,832	11,084,297	(8,563,690)	(226,972)	(284,952)	2,182,124	15,937,639	9,092,640	25,030,279

(*) The Annual General Meeting of Shareholders of the Company on 30 June 2020 resolved to distribute dividends by cash amounting to 10% per share (VND1,000 per share) (2019: nil). In December 2020, the Company paid dividend amounting to VND1,173,604 million to shareholders.

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

23. SHARE CAPITAL AND CAPITAL SURPLUS

The Company's authorised and issued share capital comprises of:

	31/12/2020		1/1/2020	
	Number of shares	VND million	Number of shares	VND million
Authorised share capital				
Ordinary shares	1,174,683,246	11,746,832	1,168,946,447	11,689,464
Issued share capital				
Ordinary shares	1,174,683,246	11,746,832	1,168,946,447	11,689,464
Capital surplus	-	11,084,297	-	11,084,357

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

In 2018, the Company signed an agreement to grant SK Investment Vina I Pte. Ltd. ("SK"), a shareholder, a put option. In the event that the Company and SK fail to materialise the value creation and synergies from this partnership or disagree on the strategic directions of the Company, SK will have an irrevocable option to request the Company or its nominee to purchase all the Company's 109,899,932 shares acquired on 2 October 2018 ("the Closing Date") at the amount equal to VND100,000 per share adjusted by the aggregate dividends and distributions in shares distributed by the Company and other customary adjustments from share split or combination or similar events. This option shall be exercisable after the 5th year from the Closing Date and remain exercisable until the 6th year from the Closing Date. It can only be exercised once with respect to all above shares and will lapse if SK sells any of them.

Movements of share capital during the year were as follows:

	2020		2019	
	Number of shares	VND million	Number of shares	VND million
Balance at beginning of the year	1,168,946,447	11,689,464	1,163,149,548	11,631,495
Issuance of new shares for cash	5,736,799	57,368	5,796,899	57,969
Balance at end of the year	1,174,683,246	11,746,832	1,168,946,447	11,689,464

24. EMPLOYEE STOCK OWNERSHIP PLANS

The Group has employee stock ownership plans (ESOP) based on the assessment of the performance of employees. The future issuance of shares under the plan has to be approved by the shareholders at AGM.

In August 2020, the Company issued 5,736,799 shares to employees at par for cash.

25. OFF BALANCE SHEET ITEMS

(a) Lease commitments

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

	31/12/2020 VND million	1/1/2020 VND million
Within 1 year	2,030,535	1,770,763
Within 2 to 5 years	3,758,008	4,944,618
More than 5 years	2,023,820	3,382,643
	7,812,363	10,098,024

(b) Capital expenditure

As at reporting date, the following outstanding capital commitments have been approved but not provided for in the consolidated balance sheet:

	31/12/2020 VND million	1/1/2020 VND million
Approved and contracted	1,047,690	975,182
Approved but not contracted	1,094,316	1,062,454
	2,142,006	2,037,636

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Notes to the consolidated financial statements

(c) Foreign currencies

	31/12/2020		1/1/2020	
	Original currency	VND million equivalent	Original currency	VND million equivalent
USD	12,988,342	298,544	33,100,265	764,947
EUR	10,166,623	285,438	-	-
JPY	149,538,241	33,005	-	-
THB	77,731,377	58,299	64,860,758	48,775
CNY	10,586,983	37	-	-
CAD	763,489	14	-	-
		675,337		813,722

(d) Final sales pricing adjustment

As disclosed in Note 3(r), a subsidiary of the Company had the commitments under sales contract to adjust the sales price of its product sold based on future quoted market price at the London Metal Bulletin (“LMB”) at the agreed final pricing date. The revenue on provisionally priced sales is initially recognised based on the estimated fair value of the total consideration receivable at the date of transaction. Revenue will be adjusted at the final pricing date subsequent to the year end. Such adjustments are treated as changes in estimates due to the absence of a mechanism to reliably estimate future LMB quoted prices at the date of transaction.

There is no revenue recognised on a provisional basis for the year ended 31 December 2020 (2019: VND301 billion).

26. REVENUE FROM SALE OF GOODS AND PROVISION OF SERVICES

Total revenue represented the gross invoiced value of goods sold and services rendered exclusive of value added tax.

Net revenue comprised of:

	2020 VND million	2019 VND million
Total revenue	78,868,319	38,818,747
Less revenue deductions		
■ Sales discounts	1,518,872	1,408,827
■ Sales returns	131,639	55,833
	1,650,511	1,464,660
	77,217,808	37,354,087

27. COST OF SALES

	2020 VND million	2019 VND million
Total cost of sales		
■ Finished goods sold, merchandise inventories sold and services rendered	59,183,971	26,350,514
■ Allowance for inventories	145,140	62,425
	59,329,111	26,412,939

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

28. FINANCIAL INCOME

	2020 VND million	2019 VND million
Interest income from:		
■ Bank deposits	231,914	244,110
■ Loans receivable and other investing activities	522,240	41,185
Settlement of past interest expense from the arbitration settlement	-	809,725
Foreign exchange gains	215,787	91,520
Others	460,722	1,643
	1,430,663	1,188,183

29. FINANCIAL EXPENSES

	2020 VND million	2019 VND million
Interest expense to:		
■ Banks	1,464,815	953,398
■ Bondholders and others	2,305,468	912,617
Bond and borrowing issuance costs	238,152	144,960
Foreign exchange losses	263,095	61,118
Others	285,141	128,469
	4,556,671	2,200,562

30. SELLING EXPENSES

	2020 VND million	2019 VND million
Staff costs	3,635,660	653,505
Outside services	3,420,873	48,590
Promotion and advertising expense	3,071,506	2,004,770
Logistic expenses	1,165,065	833,357
Exhibition expenses	227,097	170,318
Others	1,645,886	284,355
	13,166,087	3,994,895

31. GENERAL AND ADMINISTRATION EXPENSES

	2020 VND million	2019 VND million
Staff costs	1,174,506	780,621
Amortisation of fair value uplift of fixed assets arising in business combinations	363,053	507,265
Amortisation of goodwill	487,231	112,483
Depreciation and amortisation	127,616	101,591
Office rental	92,062	89,169
System lease line and IT services	81,624	73,065
Research and development expenses	44,397	26,878
Outside services	240,400	121,525
Others	430,007	290,811
	3,040,896	2,103,408

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Notes to the consolidated financial statements

32. OTHER INCOME

	2020 VND million	2019 VND million
Negative goodwill from business combination (Note 5(b))	1,341,633	-
Support income from suppliers	132,747	-
Gains from disposal of fixed assets	17,343	84,493
Income from arbitration settlement	-	1,212,835
Others	121,539	28,022
	1,613,262	1,325,350

33. INCOME TAX

(a) Recognised in the consolidated statement of income

	2020 VND million	2019 VND million
Current tax expense		
Current year	1,136,361	854,707
Over provision in prior years	(50,168)	(64,124)
	1,086,193	790,583
Deferred tax benefit		
Origination and reversal of temporary differences	(158,576)	(51,794)
Write down of recognised deferred tax assets	2,209	1,686
	(156,367)	(50,108)
Income tax expense	929,826	740,475

(b) Reconciliation of effective tax rate

	2020		2019	
	%	VND million	%	VND million
Accounting profit before tax	100.0%	2,324,839	100.0%	7,105,090
Tax at the Company's income tax rate	20.0%	464,968	20.0%	1,421,018
Effect of different tax rates in subsidiaries	(16.0%)	(365,823)	(6.1%)	(432,624)
Effect of consolidation transactions	(10.0%)	(236,323)	(1.0%)	(74,277)
Non-deductible expenses	5.0%	119,951	1.0%	78,498
Effect of share of profits in associates	(23.0%)	(533,911)	(6.1%)	(436,482)
Unrecognised deferred tax assets	66.0%	1,532,353	3.8%	270,940
Over provision in prior years	(2.0%)	(50,168)	(0.9%)	(64,124)
Tax losses utilised	(0.1%)	(3,430)	(0.3%)	(24,160)
Write down of recognised deferred tax assets	0.1%	2,209	-	1,686
	40.0%	929,826	10.4%	740,475

(c) Applicable tax rates

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

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

(d) Tax contingencies

The taxation laws and their application in some countries where the Company and its subsidiaries operate are subject to interpretation and change over time as well as from one tax office to another. The final tax position may be subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks for the Company and its subsidiaries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation, including on transfer pricing requirements, tax incentive 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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Notes to the consolidated financial statements

34. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

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

Related party	Nature of transaction	Transaction value	
		2020 VND million	2019 VND million
Associates			
Vietnam Technological and Commercial Joint Stock Bank and its subsidiaries	Loans received	8,345,833	1,367,341
	Loans repaid	7,300,748	1,498,588
	Bonds issued (acting as an agent) (*)	21,900,139	3,500,000
	Bonds repurchased (acting as an agent)	38,824	3,000,000
	Bonds issuance fees	587,956	76,454
	Purchases of trading securities	-	2,004,711
	Sales of trading securities	1,250,000	754,711
	Interest expense	156,055	95,527
Other related parties			
Key management personnel	Remuneration to key management personnel (**)	181,279	151,832
A member of a subsidiary's Members' Council	Purchase goods from a related party of this member	-	725,042

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

(*) The bonds sold to a broader set of investors.

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

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

Name	Position	VND million
Board of Directors		
Dr Nguyen Dang Quang	Chairman	-
Ms Nguyen Hoang Yen	Member	-
Mr Nguyen Thieu Nam	Member	-
Mr Woncheol Park	Member	-
Mr Nguyen Doan Hung	Member	-
Mr David Tan Wei Ming	Member	-
Chief Executive Officer		
	Timing of holding the position of Chief Executive Officer during the year	VND million
Dr Nguyen Dang Quang	1 January 2020 to 18 June 2020	-
Mr Danny Le	19 June 2020 to 31 December 2020 (i)	(i) 9,535

(i) This represented total actual salary and bonus incurred for the year of 2020.

for the year ended 31 December 2020
(continued)

Notes to the consolidated financial statements

35. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2020 was based on the net profit attributable to ordinary shareholders of VND1,233,982 million (2019: VND5,557,571 million) of the Company and a weighted average number of ordinary shares outstanding of 1,171,068,277 shares during the year (2019: 1,166,167,112 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2020 VND million	2019 VND million
Net profit attributable to ordinary shareholders	1,233,982	5,557,571

(ii) Weighted average number of ordinary shares

	2020	2019
Issued ordinary shares at the beginning of the year	1,168,946,447	1,163,149,548
Effect of shares issued for cash	2,121,830	3,017,564
Weighted average number of ordinary shares during the year	1,171,068,277	1,166,167,112

36. NON-CASH INVESTING ACTIVITIES

	2020 VND million	2019 VND million
Acquisition of equity investments through occurrence of liabilities	2,300,000	-
Acquisition of fixed assets and construction in progress through occurrence of liabilities	332,632	447,364
Depreciation and amortisation capitalised into construction in progress	12,090	1,164

37. POST BALANCE SHEET EVENTS

On 19 January 2021, the Company made VND1,000 billion of capital contribution to SHERPA.

In January 2021, VCF, an indirect subsidiary of the Company, acquired an additional 17,000,000 shares, equivalent to 12.77% equity interests, in Café De Nam Joint Stock Company ("CDN"). As a result of this transaction, the Company's economic interests in CDN has increased from 57.8% to 66.5%.

5 March 2021

Prepared by:



Doan Thi My Duyen
Chief Accountant

Approved by:



Michael Hung Nguyen
Deputy Chief Executive Officer
Chief Financial Officer



Danny Le
Chief Executive Officer

General Corporate Information



Masan Group's Corporate History and Structure

CORPORATE HISTORY

Masan Group Corporation was incorporated in November 2004 under the name Ma San Shipping Corporation. We officially changed our name to Ma San Group Corporation in August 2009 and were successfully listed on the Ho Chi Minh Stock Exchange on 5 November 2009 (ticker symbol: MSN). Our name was formally changed to Masan Group Corporation in July 2015 in order to be consistent with our corporate brand and practice. While the listed entity was formally incorporated in 2004, Masan, through our majority shareholder and our underlying operating businesses and their predecessor companies, has been in existence as a business group for 25 years.

We are a holding company, with controlling economic interests in MasanConsumerHoldings ("MCH"), Masan MEATLife ("MML"), Masan High-Tech Materials ("MHT"), and VCM Services and Trading Development JSC (owner of 100% of VinCommerce General Commercial Services Joint Stock Company with "VCM" and "VinCommerce" used interchangeably in this report for ease of reference to our grocery retailing platform), representing an economic interest of 60%, 87.27%, 95.99%, and 58.6% respectively, as of 31 December 2019. Our consolidated ownership percentage of Techcombank's charter capital is 20% as of 31 December 2019. Key events in our company history include:

- Masan's first predecessor company, Viet Tien Industry–Technology–Trading Company, was established in 1996, as a manufacturer of seasonings in Ho Chi Minh City.
- Masan further developed its food trading business with the establishment of additional manufacturing entities such as Minh Viet Import – Export Company and Masan Industrial JSC, during the period 2000 - 2002.
- In 2002, the Company shifted its focus from exports to the domestic market by introducing the sauce brand, "CHIN-SU." CHIN-SU's success was followed by the success of "Nam Ngu" and "Tam Thai Tu" in 2007.
- In November 2004, the corporate entity that was used to restructure the Group's businesses and holdings, formerly called Ma San Shipping Corporation, was originally established.

- In 2008, Masan Trading Corporation, the parent company that held Masan's interest in the packaged food sector, reached VND2,000 billion in sales.
- In 2008, with a vision to institutionalize our sectorial and execution strategy for the Group into a more scalable and professional platform, our shareholders recruited a professional management team comprising of executives with multinational backgrounds and track records of building businesses in emerging markets, first by appointing Madhur Maini as Chief Executive Officer in August 2008.
- In August 2009, the Company was renamed Ma San Group Corporation and was restructured to hold a 19.9% stake in Techcombank and a 54.8% stake in Masan Consumer.
- In September and October 2009, TPG, through its growth capital investment arm, TPG Growth, invested VND630 billion in the Company in the form of convertible bonds, which were fully converted into shares of the Company in June 2012.
- In October 2009, BankInvest, through one of its Private Equity New Markets Funds, invested in the Company and became a major shareholder, joining our Board of Directors.
- In October 2009, the Company increased its ownership in Masan Consumer to 76.6%.
- On 5 November 2009, we were officially listed on the Ho Chi Minh Stock Exchange at a listing price of VND36,000 per share and began trading under the symbol "MSN". At a closing price of VND43,200 per share on the listing date, the Company became the sixth largest company in Vietnam based on market capitalization.
- In December 2009, we raised VND360 billion in equity capital from House Foods Corporation Inc. of Japan.
- In May 2010, the International Finance Corporation, a member of the World Bank, provided us with a six-year VND760 billion partially convertible loan.

- In September 2010, the Company acquired a controlling stake in the Nui Phao mine and established Masan Resources. Shortly thereafter, Mount Kellett invested a 20% stake in Masan Resources.
- In October 2010, the Company raised VND974 billion through a private placement of primary shares to Orchid Fund Private Limited, an investment fund of the Richard Chandler Corporation.
- In November 2010, Goldman Sachs provided the Company with a US\$30 million five-year convertible loan.
- In December 2010, the Company increased its effective ownership in Masan Consumer to 86.6%.
- In December 2010 and January 2011, the Company increased its economic stake in Techcombank to 30.6% following the purchase of Techcombank's convertible bonds.
- In April 2011, KKR invested US\$159 million in Masan Consumer for a 10% stake.
- In October 2011, Masan Consumer entered into the beverage sector by acquiring a 50.3% stake in Vinacafé Bien Hoa, the largest instant coffee maker in Vietnam. In February 2012, Masan Consumer increased its stake to 53.2%.
- In February 2012, the Company issued convertible instruments to Mount Kellett and the Richard Chandler Corporation.
- In May 2012, the Company raised US\$50 million through an issuance of a mandatory convertible loan, convertible into shares of the Company, to Kairos Capital Limited, an investment vehicle controlled by the Richard Chandler Corporation.
- In January 2013, the Company sold an additional 8.7% stake in Masan Consumer to KKR for US\$200 million, diluting the Group's stake in Masan Consumer to 77.7%.
- In February 2013, Masan Consumer acquired a 24.9% stake in Vinh Hao.
- In April 2013, Masan Consumer increased its ownership percentage in Vinh Hao to 63.5%.
- In July 2013, Nui Phao Mining and H. C. Starck established Nui Phao - H. C. Starck Tungsten Chemicals Manufacturing, a joint venture, for the production of value-added tungsten chemicals in Vietnam. The partnership with H. C. Starck was a key milestone, validating the mines' product and also de-risking the project with a globally-recognized customer.
- In December, 2013, Hoa Bang Lang Consultant Company Limited was renamed to MasanConsumerHoldings Company Limited, herein referred to as MasanConsumerHoldings, and also as MCH. MCH was restructured to be the primary holding company for Masan's branded food and beverage businesses.
- In March 2014, Nui Phao Mining successfully finished its commissioning.
- In May 2014, Masan Consumer established Masan Beverage as a wholly owned subsidiary, into which the company's interest in Vinacafé Bien Hoa and Vinh Hao was subsequently transferred.
- In September 2014, we acquired Phu Yen Beer and Beverage JSC, producer of the "Su Tu Trang" beer brand. Masan Brewery Company Limited (formerly another investment holding subsidiary) was restructured to hold our beer interest and has been transferred to MCH. Under our management, the beer facility reached full production capacity with a trial launch in the Mekong Delta region. Phu Yen Beer and Beverage JSC were then converted into a single member company in 2015 under the new name Masan Brewery PY One Member Company Limited.
- Towards the end of 2014, Masan Consumer established several subsidiaries to expand its manufacturing footprint to increase capacity and to be closer to its customers. Work started on a new Nghe An manufacturing hub by Masan MB and the licensing and application process began for a site in Hau Giang.
- In December 2014, MasanConsumerHoldings completed a landmark 10-year bond issuance, which raised VND2,100 billion at 8% fixed coupon rate. The bond was guaranteed by the Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank, and was CGIF's first ever deal in Vietnam.
- In December 2014, Masan Consumer acquired a 32.8% stake in Cholimex Food. Masan Group also divested non-core businesses such as food packaging by the disposal of Minh Viet Packaging One Member Company Limited and other units where the Company did not have a controlling interest.
- In January 2015, Masan Consumer acquired a 99.99% stake in Saigon Nutri Food, a processed meat manufacturer, to go further into the animal-based protein sector.
- In April 2015, Masan acquired Sam Kim Limited Liability Company, the controlling shareholder of Proconco and ANCO. The acquired company was subsequently renamed Masan Nutri-Science. The acquisition of Masan Nutri-Science immediately made Masan one of the largest local animal feed player in Vietnam. Masan Nutri-Science's objective is transform Vietnam's animal protein industry and ultimately reach consumers with branded meat products.
- In June 2015, MCH issued a five-year VND9,000 billion bond arranged by Vietcombank, which was subscribed mostly by local banks. The transaction was part of our efforts to simplify our balance sheet, pay down more expensive debts, extend our debt maturity profile, reduce US\$ denominated liabilities, and increase our cash balance for further investments in the consumer sector. The issuance was the largest bond deal ever in Vietnam.
- In September 2015, Masan Resources was listed on the Hanoi Stock Exchange's UPCoM exchange, validating the success of the company's commissioning and ramp up, and becoming one of the largest companies to be listed on the northern bourse.
- In November 2015, Masan MB commissioned a manufacturing hub to produce fish sauce and instant noodles in Nghe An Province to increase capacity for growth and to get closer to our consumers.
- In December 2015, Masan Beverage acquired control of Quang Ninh Natural Mineral Water Limited, owner of the Quang Hanh brand which, together with Vinh Hao, made Masan Vietnam's largest local mineral water company and strengthened our bottled beverage platform.
- In December 2015, MCH and Singha signed a partnership agreement to better serve the 250 million consumers of In-land ASEAN. Overnight, Masan's addressable market for its food and beverage platform more than doubled across all categories. As part of the partnership, Singha had the right to invest up to US\$1.1 billion into MCH and our beer business, making the deal the largest corporate M&A deal in Vietnam's history. The first closing occurred the following month with the funding of US\$650 million.
- In December 2015, a day after the signing of the Singha deal, Masan Brewery quadrupled its brewery capacity with a new facility in Hau Giang.
- In January 2016, MCH increased its direct ownership in Masan Consumer to 96.7%. Masan Beverage increased its direct ownership in Vinh Hao to 84.2% and MNS increased its ownership in Proconco to 75.2%.
- In February 2016, Masan Beverage increased its direct ownership in Vinacafé Bien Hoa to 60.16%. In March 2016, ANCO acquired a 14% stake in VISSAN to become its strategic partner.
- In April 2016, Masan Beverage acquired additional 4.32% ownership in Vinh Hao to increase ownership to 88.56%.
- In May 2016, Masan Nutri-Science increased its direct ownership in ANCO from 70% to 99.99% and Vinacafé Bien Hoa acquired 85% ownership in CDN – a company in the single-serve coffee category.
- In June 2016, ANCO increased its stake in VISSAN to 24.94%, and Masan Nutri-Farm (N.A) was established which is now renamed MNS Farm Nghe An.
- In July 2016, Masan Consumer Thailand was established and, a few months later, Masan and its strategic partner Singha introduced our first seasonings brand in Thailand, CHIN-SU Yod Thong fish sauce. This is the first step in our In-land ASEAN journey to better serve the region's 250 million consumers.

- In November 2016, Masan Nutri-Farm (NA) broke ground on high-tech pig farm in Nghe An, completing our 3F (Feed - Farm –Food) business model.
- In December 2016, Masan Beverage increased ownership in Vinacafé Bien Hoa to 68.46% through a tender offer.
- In December 2016, Masan Group through its wholly owned subsidiary, successfully completed the tender offer for shares of Masan Resources, increasing its indirect ownership in MSR from 74.39% to 95.9%, paving the way for the next round of strategic capital and growth.
- In January 2017, Masan Group paid a cash dividend to its shareholders with a dividend rate of 30% (VND3,000 per share).
- In January 2017, Masan Group completed the issuance of bonus shares for all shareholders (shareholders who hold 2 shares received 1 bonus share).
- In January 2017, Masan Consumer was listed on UpCoM, a stock market managed by the Hanoi Stock Exchange.
- In April 2017, KKR entered into definitive agreements to invest US\$150 million to purchase 7.5% stake in Masan Group's branded meat platform, Masan Nutri-Science, to build the company into a leading branded meat business, and US\$100 million purchase of secondary shares of Masan Group from PENM Partners, an independent Danish private equity fund manager.
- In November 2017, Masan Group completed the buyback of 100,665,722 shares, increasing its total treasury shares to 109,899,932 or 9.50% of the Company's charter capital.
- In December 2017, Masan Beverage Company Limited, a subsidiary of Masan Consumer Corporation, launched a tender offer to acquire all of the shares in Vinacafé Bien Hoa Corporation to increase its ownership from 68.5% to up to 100%. Masan Beverage was able to raise its stake to 98.49% after the tender offer was completed on 5 February 2018.

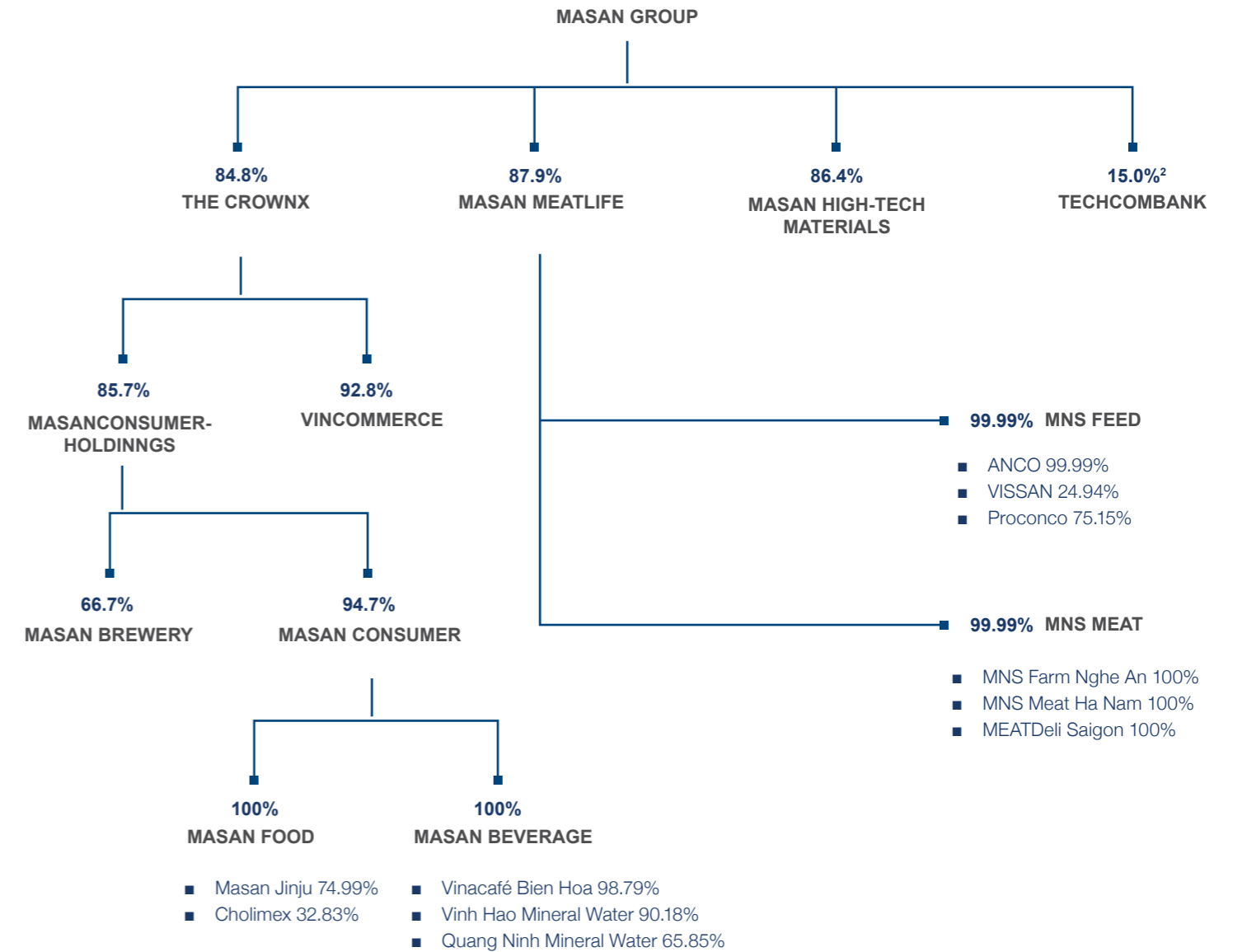
- In December 2017, Masan Horizon, a wholly owned subsidiary of Masan Group, purchased non-voting preference shares in Masan Resources for a total cash consideration of US\$22.9 million. Masan Group's indirect ownership in Masan Resources (including the non-voting preference shares) increased from 93.8% to 96.0%. The exit of Masan Resources' private equity stakeholder is expected to give Masan Resources greater flexibility to raise strategic growth capital.
- In December 2017, Masan Group repaid its US\$30 million convertible loan originally lent by Goldman Sachs, effectively reducing its fully-diluted share count by an additional 13.6 million shares on an as-if-converted basis.
- In January 2018, PENM Partners invested US\$16 million to acquire secondary shares representing a 0.8% equity stake in Masan Nutri-Science Corporation from Masan Group.
- In February 2018, Masan Nutri-Science held a groundbreaking ceremony of its meat processing complex in Ha Nam province with the aim of providing fresh and chilled branded meat products to consumers.
- In June 2018, Jinju Ham, a leading Korean branded processed meat company, acquired a 25% stake in Saigon Nutri Food via a primary issuance. Saigon Nutri Food was then renamed Masan Jinju.
- In August 2018, Nui Phao Mining, a wholly owned subsidiary of Masan Resources, acquired the remaining 49% stake in the joint venture company Nui Phao - H. C. Starck Tungsten Chemicals Manufacturing from H. C. Starck for total cash consideration of US\$29.1 million. The joint venture company after the transaction is now a 100% wholly owned subsidiary of Masan Resources and has been renamed Masan Tungsten LLC.
- In October 2018, SK Group invested approximately US\$470 million to become the Company's largest foreign shareholder at that time.
- In December 2018, Masan Nutri-Science successfully launched its branded fresh and chilled meat platform, "MEATDeli".

- In July 2019, Masan Nutri-Science was renamed Masan MEATLife to reflect its successful transformation into a branded consumer meat player.
- In September 2019, Masan Tungsten Limited Liability Company, a wholly owned subsidiary of Masan Resources Corporation, signed an agreement to purchase the tungsten business of H. C. Starck Group GmbH. This transaction is a strategic step in executing Masan Resources' vision to become a leading vertically integrated high-tech industrial materials platform in the world.
- In December 2019, Masan Group Corporation and VinGroup completed the merger of MCH with VinCommerce and VinEco through a share swap structure. The merger is expected to optimize operations of both groups, and will create a new Consumer Goods & Retail group with superior competitive advantage and size in Vietnam. Masan Group is the majority shareholder (70%) of the combined entity, which shall hold 85.7% of MasanConsumerHoldings and 83.7% of VinCommerce.
- In December 2019, more than 324.3 million shares of Masan MEATLife Joint Stock Company (MML) were listed on UPCoM. In addition to promoting greater transparency for shareholders, the UPCoM listing will also be a strategic step towards MML's ultimate goal of doing an international style IPO on the HOSE in 2022-2023.
- In December 2019, Masan HPC, a wholly-owned home and personal care subsidiary of Masan Consumer Corporation, launched a tender offer to acquire up to 60% shares of Net Detergent JSC (NETCO) at price of VND48,000 per share. The transaction aligns with Masan's 5-Year strategic game plan to broaden its product portfolio to better serve 100 million Vietnamese consumers.
- The CrownX JSC ("The CrownX") officially went into operation in June 2020. This is the holding company that owns MasanConsumerHoldings ("MCH") - the leading company in the FMCG sector and VCM Services and Trading Development JSC ("VCM") - #1 modern trade ("MT") platform in Vietnam in terms of market share. The CrownX holds 85.71% of MCH and 83.74% of VCM.

- In June 2020, Masan Resources AGM passed a resolution approving the change of company name to Masan High-Tech Materials.
- In October 2020, Masan MEATLife JSC ("MML"), a subsidiary of the Company, announced two strategic moves in the journey to provide nearly 100 million Vietnamese consumers with delicious, safe and affordable meat products: (i) inaugurated MEATDeli Saigon Processing Complex worth VND 1,800 billion in Long An; and (ii) expand operations into the poultry market by investing VND613 billion to own 51% of 3F VIET JSC - a national leading poultry meat production platform.
- In October 2020, Masan High-Tech Materials JSC ("MHT") and Mitsubishi Materials Corporation ("MMC") forged a strategic alliance with Mitsubishi Materials Corporation ("MMC") towards developing a leading high-tech tungsten materials platform. As part of this partnership, MMC subscribed for 109,915,542 new ordinary shares privately placed with a total cash value of USD 90 million. Upon completion of the issuance, MMC will hold 10.0% of the company's fully diluted equity, thereby becoming MHT's second largest shareholder.

Corporate Structure

As at 31 December 2020¹



1. This chart shows economic interests and does not include subsidiaries and other intermediaries.

2. The Company's direct ownership ratio calculated on TCB's charter capital is 15%. The Company's economic interest in TCB is 20%, taking into account indirect ownership through subsidiaries.

THE CROWN X

The CrownX is a consumer-retail platform that currently consolidates Masan's interests in MCH and VCM. The company was established with the vision to become a "Point of Life" platform in order to provide more products and services to Vietnamese consumers online and offline.

MasanConsumerHoldings

MasanConsumerHoldings was established to be the Group's primary platform to further invest in branded food and beverage opportunities and related sectors. Its core holdings include Masan Consumer and Masan Brewery.

MasanConsumerHoldings is one of Vietnam's largest local diversified FMCG companies. The company manufactures and distributes a range of food and beverage products, including soya sauce, fish sauce, seasoning, chili sauce, instant noodles, instant congee, instant coffee, instant cereals, bottled beverages, processed meat, and beer. MasanConsumerHoldings has grown its product portfolio and domestic distribution channels to establish a leading position in Vietnam's branded consumer food and beverage market. Its key brands include CHIN-SU, Nam Ngu, Tam Thai Tu, Omachi, Kokomi, Komi, Heo Cao Boi, Ponnies, Vinacafé, Wake-up 247, Compact, Vinh Hao, Quang Hanh, Vivant, Faith, Red Ruby and Su Tu Trang. With the recent acquisition of NETCO, Masan Consumer is now also present in the home and personal care space.

VCM/VinCommerce

VinCommerce is the largest modern retail platform in Vietnam with more than 123 supermarkets (VinMart) and 2,231 mini-marts VinMart+ (as at the end of 2020). VinCommerce, via VinEco, also owns 14 high-tech farms VinEco which provide products of international quality standards. Via the VinID app, VinCommerce is a pioneer in terms of omni-channel strategy with access to 8.7 million customers.

VinCommerce has continuously achieved prestigious domestic and international awards, such as Top 10 most prestigious retailers in Vietnam in 2017, 2018, 2019, 2020; Asian Green Retailers 2019; and Asian Responsible Business 2019.

MASAN MEATLIFE

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

From its origin as a leading animal feed company, where today its "Bio-zeem" feed brand is a market leader known for its productivity, Masan MEATLife (formerly known as Masan Nutri-Science) has since transformed into a branded consumer meat business, being the first in Vietnam to launch chilled meat products using European processing technology and standards under the "MEATDeli" brand.

MASAN HIGH-TECH MATERIALS

Masan High-Tech Materials (previously known as Masan Resources) is one of the largest private sector mineral resource and chemical processing companies in Vietnam, currently operating the world-class Nui Phao polymetallic project in Northern Vietnam. Nui Phao is the largest tungsten mine in the world and the industry's first new tungsten project to be commissioned in over a decade. Masan High-Tech Materials is also a globally significant producer of Fluorspar and Bismuth. Masan High-Tech Materials' objective is to show the world that a Vietnamese company can lead the transformation of the global tungsten market and is strategically exploring opportunities and discussions to become a further integrated downstream tungsten business of global scale. This will enable MHT to deliver a consistent and strong financial profile across commodity cycles.

TECHCOMBANK

Techcombank is currently one of the largest joint stock commercial banks in Vietnam in terms of total operating income, assets, loans, deposits, customers and distribution network. It has built industry-leading franchises in retail deposits, SME and retail lending through its consumer-centric ecosystem approach. In over 26 years since its establishment, it has developed a diversified range of financial products and services to cater to the financial needs of Vietnam's emerging consumer class and budding private enterprises.

Capital Structure¹

■ FY2020 EBITDA ² (VND billion)	10,346
■ Cash and Cash Equivalents (VND billion) ³	8,169
■ Total Straight Debt (VND billion)	62,011
■ Net Debt (VND billion)	53,842
■ Number of issued shares	1,174,683,246
■ Charter Capital (VND billion)	11,747
■ Total Equity ⁴ (VND billion)	15,937

1. Balance sheet numbers are all as of 31 December 2020.

2. EBITDA is MSN's consolidated net profit after tax, with net financial expense, tax, depreciation and amortization added back. The earnings contribution of Techcombank, an associate, is included given its materiality to MSN's financial results.

3. Including short-term investments.

4. Excluding non-controlling interests.

Corporate Governance

Governance Structure

Approval	General Meeting of Shareholders	
Validation	Board of Directors	Supervisory Board ¹
Strategic Management	Management Board <ul style="list-style-type: none"> ■ Chief Executive Officer ■ Deputy Chief Executive Officer ■ Chief Financial Officer ■ Chief Accountant 	
Execution	Strategy and Development Department	Finance and Accounting, Legal, Corporate Affairs and Administration

Masan Group is committed to good governance, best-in-class procedures and policies and corporate transparency. In addition to oversight from our major institutional investors and the governance regulations prescribed by Vietnam law, we have also established the Strategy and Development Committee, and our corporate governance has been supported and advised by the independent Board member and external advisers (the "Corporate Governance Committee").

Board of Directors

The Board of Directors (the "Board") is elected by shareholders to oversee the activities of the Company. Members of the Board of Directors meet regularly to discuss the strategic decisions raised by the Management Board. Details on the responsibilities of the Board are presented in the Board of Directors section.

Supervisory board

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

1. The Company will report to AGM 2021 about changing the Company's organizational and management structure to the model of the General Meeting of Shareholders, the Board of Directors and the Audit Committee under the Board of Directors and CEO (accordingly, the Supervisory Board will be removed)

Management Board

Lead by the CEO, the Management Board's prime responsibilities include strategic management, resource allocation at the senior management level, financial accounting and controls, capital allocation, governance, and internal controls. The CEO and members of the Management Board is supported and advised by the Corporate Governance Committee, Strategy and Development Committee.

Strategy and Development Department

The Strategy and Development Department works closely with our subsidiary CEOs and executive teams to develop strategy for sustainable growth and value creation. The team is also responsible for coordinating with our various departments to execute on material corporate transactions such as M&A and strategic partnerships.

From initial exploratory discussions to final deal documentation, the Strategy and Development Department applies a rigorous process to ensure that the appropriate level of scrutiny and approvals have been applied when executing a transaction. A transaction will be evaluated for its strategic rationale, commercial implications, accounting impact, structure, legality and compliance with existing agreements and potential to affect future corporate actions.

Finance & Accounting, Legal, Corporate Affairs and Administration

Finance & Accounting, Legal, Corporate Affairs and Administration are departments responsible for financial reporting, legal and regulatory compliance, corporate brand building and external relations and managing the administrative functions of the Company. Senior professionals from the Finance & Accounting, Legal and Corporate Affairs play pivotal roles in transaction execution and post-deal follow up.

BOARD OF DIRECTORS

Board responsibility and delegation of authority

The Board of Directors has one executive members and five non-executive members. 1/3 of members of the Board of Directors are independent members. The Board of Directors is chaired by the Chairman.

Members of the Board of Directors include:

■ Dr. Nguyen Dang Quang, Chairman

Dr. Nguyen Dang Quang is the Chairman of Masan Group. Dr. Nguyen Dang Quang is directorship member in 05 other companies, specifically he is the Chairman of Masan Corporation, VCM and VinCommerce, a board member of Masan Consumer, and First Vice Chairman of the Board at Techcombank.

Dr. Nguyen Dang Quang has been highly instrumental in the establishment and development of many of our businesses and subsidiary companies. He is a visionary who has professionalized Masan Group at an early stage of development while still keeping our Vietnamese culture and values intact.

Dr. Nguyen Dang Quang has a Doctorate in Technical Sciences from the National Academy of Sciences of Belarus and a Master's degree in Administration and Business Management from the Plekhanov Russian Economic University.

■ Mr. Nguyen Thieu Nam, Member

Mr. Nguyen Thieu Nam is Deputy CEO and member of the Board of Directors. He has previously held senior executive roles at our subsidiary and affiliated companies such as Masan Consumer and Techcombank. Mr. Nguyen Thieu Nam is directorship member in other 05 other companies, specifically he is a board member of Masan Corporation, Baltic Titan Corporation, and The CrownX JSC, Chairman of the Board of Directors of Quang Ninh Mineral Water JSC, and First Vice Chairman of Masan High-Tech Materials.

Mr. Nguyen Thieu Nam also holds managerial positions at other companies as follows:

1.	Masan Corporation	Deputy CEO
2.	Nui Phao Mining	Chairman of the Members' Council
3.	Sunflower Construction Co., Ltd.	Chairman and Director
4.	Masan Brewery Distribution Co., Ltd.	Chairman
5.	Masan Brewery PY Co., Ltd.	Chairman
6.	Masan Brewery HG Co., Ltd.	Chairman
7.	Masan Master Brewer Co., Ltd.	Chairman
8.	Masan Brewery MB Co., Ltd.	Member of the Members' Council
9.	MasanConsumerHoldings Co., Ltd.	Member of the Members' Council
10.	Masan Brewery Co., Ltd.	Member of the Members' Council
11.	Masan Tungsten Co., Ltd.	Member of the Members' Council
12.	VinEco Agricultural Development and Production Co., Ltd.	Chairman and CEO
13.	Dong Nai - VinEco Agricultural Co., Ltd.	Chairman of the Members' Council and Director
14.	VinEco - Tam Dao Agricultural Investment Development And Production Co., Ltd.	Chairman of the Members' Council and Director

At Masan Group, he manages the relationships with key partners and leads local execution. He was instrumental in accelerating the compensation and resettlement efforts of the Nui Phao project, advancing the land acquisition process to 91% of the land required immediately for the project by June 2011, as opposed to only 2% before acquisition. More recently, he has been critical in our entry into the branded fresh meat category.

Mr. Nguyen Thieu Nam graduated from Vietnam University of Commerce, Hanoi, Vietnam, with a BA in Economics.

■ Ms. Nguyen Hoang Yen, Member

Ms. Nguyen Hoang Yen is Deputy CEO of Masan Consumer, where she was a key executive in the Masan Consumer's formative years when it was primarily a foodstuff trading company. She has contributed to its transformation into a domestic and branded food and beverage business.

Ms. Nguyen Hoang Yen is directorship member in other 05 other companies, specifically she also serves as Chairwoman of Masan PQ Corporation, a board member of Masan Corporation, Masan Consumer, Vinh Hao Mineral Water Corporation, and Vinacafé Bien Hoa Joint Stock Company.

Ms. Nguyen Hoang Yen also holds managerial positions at other companies as follows:

1.	Cat Trang Co., Ltd.	Chairman of the Members' Council and Director
2.	Nam Ngu Phu Quoc Co., Ltd.	Chairman
3.	Masan Long An Co., Ltd.	Chairman
4.	MasanConsumerHoldings Co., Ltd.	Deputy CEO

Ms. Nguyen Hoang Yen has a Bachelor's degree in Russian from Ha Noi University of Foreign Languages.

■ Mr. Woncheol Park, Member

Mr. Woncheol Park is a Managing Director at SK South East Asia Investment Pte. Ltd., SK Investment Vina I Pte. Ltd., SK Investment Vina II Pte. Ltd. and an Executive Vice President at SK SUPEX Council. He was previously the Head of Energy Infrastructure Investment Division at Hana Alternative Asset Management, and was at GS Energy and OCI, responsible for renewable energy, power and LNG businesses. He also worked at Boston Consulting Group as a strategy consultant.

Mr. Park graduated from Seoul National University with a Bachelor of Chemical Engineering. Mr. Park also holds a PhD and Masters in Chemical Engineering from Seoul National University and a Master of Business Administration from the University of Chicago (Booth).

Mr. Park is also a member of the Board of Directors of Vingroup - JSC.

■ **Mr. Nguyen Doan Hung, Independent Member**

Mr. Nguyen Doan Hung is a board member of Phu Hung Securities Corporation. He held previously various senior positions when working for State Bank of Vietnam, including Head of Research, Establishment and Development of Capital Markets; Head of Office of Governor, Director General of Foreign Exchange Management Department. He also used to be Vice Chairman of State Securities Commission of Vietnam and independent board member of Techcombank.

Mr. Nguyen Doan Hung holds a Bachelor's degree in English from Ha Noi Foreign Language University and Master's degree in Finance Management from London University.

■ **Mr. David Tan Wei Ming, Independent Member**

Mr. David Tan is a Managing Director at TPG Capital Asia. David was previously a Director at KKR Asia. He was previously a board member at Masan Consumer and Masan MEATLife. Through his career in private equity over the last 12 years, he has extensive experience in supporting businesses across a wide spectrum of sectors in Southeast Asia grow into market leading businesses.

Mr. David Tan holds Bachelor of Science in Economics and Bachelor of Arts.

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

- Chairing meetings of the Board and providing effective leadership;
- Maintaining dialogue with the Management Board and providing appropriate strategic input;
- Monitoring the performance of the Board; and
- Being a respected ambassador for the Group, including chairing shareholder meetings, managing community issues and interacting with key stakeholders.

The Board is responsible for charting the direction, strategies and financial objectives of the Group and monitoring the progress in relation to such matters. Currently, the Board of Directors has not established any subordinated Committees.

Non-executive members regularly communicate with the management of the Group to understand the progress and performance of the operations.

As of 31 December 2020, the personal ownership of the Company shares of the members of the Board of Directors is as follows:

Board of Directors	Position	Number of shares	Percent (%)
Dr. Nguyen Dang Quang	Chairman	15	0.00
Mr. Nguyen Thieu Nam	Member	457,856	0.04
Ms. Nguyen Hoang Yen	Member	42,415,234	3.61
Mr. Woncheol Park	Member	0	0
Mr. Nguyen Doan Hung	Independent Member	0	0
Mr. David Tan Wei Ming	Independent Member	0	0

Board meetings

The Board regularly meets to discuss the direction, strategy and progress of the business. Typically, the topics at the Board meetings include:

- Reports on major projects and current business issues;
- Reports on financial performance and corporate governance;
- Specific business proposals; and
- Minutes from the previous meeting and outstanding issues.

Activities of the board

In 2020, the Board of Directors passed 20 Resolutions under their mandate via in-person meetings or written ballots. The members of the Board mainly were involved with the discussion and approval of the following items:

- Mortgage shares owned by the Company as collateral for the subsidiaries' loans;
- Approve the appointment of a new CEO;
- Approve transactions to structure equity ownership in subsidiaries;
- Approve fund raising by issuing bonds and securing foreign loans;
- Approve increase in capital contribution to subsidiaries;
- Approve cash dividend payment to shareholders in accordance with the Resolution of AGM 2020;

There were no separate meetings of non-executive Board members. Approvals from the Board involved all members.

MANAGEMENT BOARD

The Management Board is responsible for implementing the Company's business development plan and business performance reporting. The Chief Executive Officer chairs the Management Board. On 13 April 2020, the Board of Directors adopted a resolution approving the resignation of Deputy CEO Nguyen Anh Nguyen.

Currently, the Management Board is comprised of the five most senior executives at Masan Group, the Chief Executive Officer, three Deputy Chief Executive Officers, the Chief Financial Officer and the Chief Accountant. Members of the Management Board include:

■ **Mr. Danny Le – CEO**

On 19 June 2020, the Board of Directors passed a resolution appointing Mr. Danny Le as the CEO of Masan Group for a 5-year term. Before joining Masan, Danny Le used to work as an analysis for Investment Banking Department, Morgan Stanley from 2006 to 2010, working with multinational clients to execute M&A, capital markets and privatisation transactions. He joined Masan in 2010 and then served as Head of Strategy and Development, playing a critical role in constructing Masan Group's growth strategy and directly involved in M&A transactions to build the Group's strategic platform.

Mr. Danny Le graduated from Bowdoin College, U.S.

■ **Mr. Nguyen Thieu Nam - Deputy Chief Executive Officer**

For profile, please see Board of Directors section

■ **Mr. Michael Hung Nguyen - Deputy Chief Executive Officer & Chief Financial Officer**

Mr. Michael Hung Nguyen is responsible for Masan Group's finance organization and capital allocation strategy. He has built the Company's transaction and business execution platform to support the Company's subsidiaries and the Company's growth in new sectors. Michael has been involved since the beginning of Masan's transformation from a food company into a leading private sector group by raising over USD2 billion in capital for the Company and leading several key acquisitions.

Mr. Michael Hung Nguyen helped build out J.P. Morgan's Vietnam investment bank execution team and worked on M&A, capital markets and privatization transactions with financial, real estate and consumer clients. Prior to Vietnam, Michael advised and provided structured solutions to multinational clients at J.P. Morgan in New York.

Mr. Michael Hung Nguyen graduated from Harvard University, U.S.

■ **Ms. Doan Thi My Duyen - Chief Accountant**

Ms. Doan Thi My Duyen has over 10 years' experience in finance at various industries, including manufacturing, trading, services and construction. She was formerly with KPMG Ltd, Vietnam.

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

As of 31 December 2020, the personal ownership of the Company shares of the Management Board members is as follows:

Management Board	Position	Number of shares	Percent (%)
Dr. Danny Le	CEO	2,245,919	0,.9
Mr. Nguyen Thieu Nam	Deputy CEO	457,856	0.04
Mr. Michael Hung Nguyen	Deputy CEO	2,588,535	0.2
Ms. Doan Thi My Duyen	Chief Accountant	155,708	0.01

SUPERVISORY BOARD¹

Members of the Supervisory Board were appointed at the Annual General Meeting of Shareholders. The Supervisory Board is composed of the following members:

■ **Mr. Nguyen Quynh Lam – Head of the Supervisory Board**

Mr. Nguyen Quynh Lam has more than 20 years of experience in managerial and accounting positions. He was formerly with Da My JSC and La Giang Commerce JSC.

Mr. Nguyen Quynh Lam graduated from the University of Mining and Geology, Hanoi, Vietnam.

■ **Mr. Pham Dinh Toai – Member**

Mr. Pham Dinh Toai joined Masan Consumer in 2009. Prior to joining Masan Consumer, he was Financial Analysis Director at Unilever Vietnam from 2002 to 2005, and Finance and Accounting Director at Unilever Vietnam from 2005 to 2009.

Mr. Pham Dinh Toai has a Bachelor's degree in Corporate Finance and Accounting from the University of Finance and Accounting in Vietnam. He also has a Bachelor's degree in Information Technologies from Vietnam's University of Technical Education.

■ **Ms. Phan Thi Thuy Hoa – Member**

Ms. Phan Thi Thuy Hoa joined Masan since 2001 as Chief Accountant of Viet Tien Food Technology SMC. She is currently Chief Accountant of Masan Consumer, Vinacafé, Masan Food, Masan Beverage and Masan HPC.

Ms. Phan Thi Thuy Hoa has a Bachelor's degree in Accounting and Auditing at Ho Chi Minh City's University of Economy.

As of 31 December 2020, the personal ownership of the Company shares of the Supervisory Board members is as follows:

Supervisory Board Members	Number of shares	Percent (%)
Mr. Nguyen Quynh Lam	1,708,333	0.14
Mr. Pham Dinh Toai	379,500	0.03
Ms. Phan Thi Thuy Hoa	2,00	0.00

Activities of the Supervisory Board

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

1. The Company will report to AGM 2021 about changing the Company's organizational and management structure to the model of the General Meeting of Shareholders, the Board of Directors and the Audit Committee under the Board of Directors and CEO (accordingly, the Supervisory Board will be removed).

INTERNAL CORPORATE GOVERNANCE REGULATIONS

Our Internal Corporate Governance Regulations were approved at the Annual General Meeting of Shareholders on 24 April 2019. Objectives of the Internal Corporate Governance Regulations are to:

- Ensure an effective corporate governance plan;
- Ensure shareholders' rights;
- Ensure equal rights among shareholders;
- Ensure related party transactions are transacted at arm's length; Enhance transparency;
- Procedures of convening the General Meeting of Shareholders, meetings of the Board of Directors;
- Facilitate the performance of management of the Board of Directors and supervision of the Supervisory Board; and
- Coordination in operation between the Board of Directors, Supervisory Board and Management Board.

The Internal Corporate Governance Regulations, among the others, define the responsibilities and delegation of authority of the Board of Directors, members of the Board of Directors, the Supervisory Board and members of the Supervisory Board.

Most members of the Board, the Supervisory Board, Chief Executive Officer, other management functions and Company Secretary have completed the corporate governance training program for public companies which was held and certified by the Securities Research and Training Center under the State Security Commission of Vietnam. In addition, managers are also updated with regulations related to corporate governance applicable to public companies. New members of the Board of Directors appointed at AGM 2019 and not yet involved in corporate governance training will be supported to participate in corporate governance training when appropriate once Covid pandemic is put under control.

Remuneration of the Board of Directors, Supervisory Board, and Management Board

In 2020, no board fees were paid to the members of the Board of Directors and Supervisory Board of the Company. The remuneration of the Management Board comprises a fixed component as well as a variable component. The total actual salary and bonus of the CEO for the full year 2020 are recorded in the 2020 Financial Statements of the Company.

Contract or transaction with related persons of internal shareholders

The list of related persons of the Company and related interests are detailed in the Corporate Governance Report 2020 and published on the Company's website

In 2020, the Company's related party transactions are listed below:

No.	Name of organization/individual	Relationship with the Company	Reference number of AGM/BOD Resolution	Transaction detail
1	The Sherpa Co., Ltd.	Directly owned subsidiaries	Resolution No. 99/2019/NQ-HDQT dated 21 May 2019	■ Equity sale
2	The Sherpa Co., Ltd.	Directly owned subsidiaries	Resolution No. 176/2020/NQ- HDQT dated 6/12/2020	■ Intra-company lending ■ Principal recovery
3	Masan Horizon Co., Ltd.	Directly owned subsidiaries	Resolution No. 176/2020/NQ- HDQT dated 6/12/2020	■ Intra-company lending ■ Principal recovery
4	The CrownX JSC	Related organization of internal shareholders	Resolution No. 99/2019/NQ-HDQT dated 21 May 2019	■ capital contribution sale
5	MasanConsumerHoldings Co.,Ltd.	Related organization of internal shareholders	Resolution No. 176/2020/NQ- HDQT dated 6/12/2020	■ Lending ■ Principal recovery
6	MasanConsumerHoldings ("MCH")	Related organization of internal shareholders	Resolution No. 176/2020/NQ- HDQT dated 6/12/2020	■ cost sharing ■ intra-company purchases
7	Nui Phao Mining	Related organization of internal shareholders	Resolution No. 176/2020/NQ- HDQT dated 6/12/2020	■ Lending ■ Loan recovery
8	Masan Tungsten Co., Ltd.	Related organization of internal shareholders	Resolution No. 176/2020/NQ- HDQT dated 6/12/2020	■ Lending ■ Loan recovery
9	VCM Services and Trading Development JSC	Related organization of internal shareholders	Resolution No. 176/2020/NQ- HDQT dated 6/12/2020	■ Lending ■ Loan recovery
10	Masan MEATLife JSC	Related organization of internal shareholders	Resolution No. 176/2020/NQ- HDQT dated 6/12/2020	■ Lending

Shareholder Information

As of 31 December 2020, Masan Group's charter capital was VND11,746,832,460,000

SHAREHOLDINGS STRUCTURE AS OF 31 DECEMBER 2020

Shares:

Total number of issued shares and type of shares of Masan Group: 1,174,683,246 ordinary shares.

Number of treasury shares: 0 share

Number of outstanding voting shares: 1,174,683,246 shares which are freely transferable.

Shareholders Structure:

On the basis of percent ownership:

- Major shareholders include:

No.	Shareholders	No. of shares	Percent (%)
1	Masan Corporation	365,215,870	31.09
2	Sunflower Construction Company Limited	154,756,706	13.17
3	SK Investment Vina I Pte. Ltd.	109,899,932	9.35
4	ARDOLIS INVESTMENT PTE. LTD.	104,847,009	8.93
	TOTAL	734,719,517	62.55

Masan Corporation

Masan Corporation was incorporated on 13 September 2000. Its main registered activities cover market research, technology transfer, commercial promotion, investment consulting, management consulting, construction and management of investment projects, office leasing, and real estate business.

Sunflower Construction Company Limited

Sunflower Construction Company Limited was incorporated on 10 August 2009. Its registered activities cover civil construction work, construction and mining materials, equipment and machinery trading, goods consignee agent, market research, commercial promotion, management and investment consulting (excluding financial and accounting consulting).

Significant Foreign Shareholders

Masan Group's significant foreign institutional shareholder is SK Investment Vina I Pte. Ltd.

SK Investment Vina I Pte. Ltd.

SK Group is one of the largest corporate groups in South Korea, with businesses across energy, chemicals, telecommunications, semiconductors, logistics and service sectors. SK Group operates globally across over 40 countries and had a combined revenue of US\$141 billion as of year-end 2017.

On the basis of institutional and individual shareholders: As of 31 December 2020, Masan Group has 8,822 shareholders, of which 8,628 individual shareholders holding 259,257,832 shares representing 22.07%; and 194 are institutional shareholders holding 915,425,414 shares, representing 77.93%.

On the basis of domestic and foreign shareholders: As of 31 December 2020, Masan Group has 7,787 domestic shareholders holding 780,131,133 shares representing 66.41%; and 1,035 foreign shareholders holding 394,552,113 shares, representing 33.59%.

CHANGE OF THE CHARTER CAPITAL

In 2019, the Company increased its charter capital from VND11,689,464,470,000 to VND 11,746,832,460.000. The increase of charter capital was result of the issuance of new shares under ESOP.

There was no transaction of treasury shares of the Company in 2020.

Equity Information

SHAREHOLDINGS AND CHANGES IN SHAREHOLDINGS OF THE BOARD OF DIRECTORS DURING 2020

	31 December 2020	31 December 2019	Increase/ Decrease
Dr. Nguyen Dang Quang, Chairman	0.00%	0.00%	0%
Mr. Nguyen Thieu Nam, Member	0.04%	0.03%	0.01%
Ms. Nguyen Hoang Yen, Member	3.61%	3.63%	(0.02%)
Mr. Woncheol Park, Member	0%	0%	0%
Mr. Nguyen Doan Hung, Independent Member	0%	0%	0%
Mr. David Tan Wei Ming, Independent Member	0%	0%	0%

INFORMATION RELATED TO TRADING AND TRANSFER OF SHARES OF INTERNAL SHAREHOLDERS AND RELATED PERSONS

In 2020, there were transactions in Masan Group shares conducted by related persons of internal shareholders. The table below sets out such transactions:

No.	Internal shareholders and their related persons	Number of shares owned as of 31 December 2019		Number of shares owned as of 1 January 2019		Reason for the increase, decrease (transfer, purchase, conversion, ...)
		Number of shares	Percent	Number of shares	Percent	
	Ms. Dao Minh Thu	150,000	0.01%	0	0%	Transfer

Confirmation by the company's legal representative



Dr. Nguyen Dang Quang
Chairman

As of 31 December 2020

Charter capital (VND billion)	11,746
Share price (VND)	88,900
52-week high share price (VND)	95,600
52-week low share price (VND)	49,000
Number of shares issued (share)	1,174,683,246
Number of ordinary shares (share)	1,174,68,246
Number of preference shares (share)	0
Number of treasury shares (share)	0
Market Capital (VND billion)	104,431
Dividend yield (%)	1.1%

Cautionary Note Regarding Forward-Looking Statements

All statements contained in this report that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms, such as “anticipate”, “believe”, “can”, “could”, “estimate”, “anticipate”, “project”, “expect”, “intend”, “may”, “plan”, “aim”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), planned projects and other matters discussed in this document regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this report involve known and unknown risks, uncertainties and other factors that may cause our actual financial results, performance or achievements to be materially different from any future financial results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Forward-looking statements are based on our beliefs and assumptions, which in turn are based on currently available information. We are in the business of acquiring, actively building, managing and investing in market-leading businesses in several of the fastest growing areas of the Vietnamese economy. Our outlook is predominantly based on our interpretation of what we consider to be the key economic factors affecting our business, the Vietnamese economy and the sectors we operate in. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors, many of which are beyond our control. Accordingly, investors are cautioned not to place undue reliance on the forward-looking statements in this report. These statements speak only as of the date of this report or the respective dates indicated in this report, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Glossary of Terms

3F	Feed – Farm - Food
ANCO	Agro Nutrition Company JSC
APT	Ammonium Paratungstate
ASP	Average Selling Price
ATM	Automatic Teller Machine
BTO	Blue Tungsten Oxide
BRC	The British Retail Consortium, Global Standard for Food Safety
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
Dr.	Doctor
ESOP	Employee Share Ownership Plan
FMCG	Fast-moving Consumer Goods
Global G.A.P	Good Agricultural Practice
GDP	Gross Domestic Product
GSO	Government Statistics Office (Vietnam)
HACCP	Hazard Analysis and Critical Control Points
H. C. Starck	H. C. Starck Group
In-land ASEAN	A geographical region comprising Vietnam, Thailand, Myanmar, Cambodia, and Laos
JSC	Joint Stock Company
KKR	Kohlberg Kravis Roberts & Co. L.P., affiliates and/or investment funds it manages
KPI	Key Performance Indicators
M&A	Mergers and Acquisitions
Masan	A term referring to Masan Group, inclusive of subsidiaries and affiliates, as a whole
Masan Beverage or MSB	Masan Beverage Company Limited
Masan Brewery or MB	Masan Brewery Company Limited
Masan Consumer or MSC	Masan Consumer Corporation
MasanConsumerHoldings or MCH	MasanConsumerHoldings Company Limited
Masan Consumer Thailand	Masan Consumer (Thailand) Limited.
Masan Group or the Group	Masan Group Corporation
Masan Horizon or MH	Masan Horizon Company Limited
MNS Farm Nghe An	MNS Farm Nghe An Company Limited
Masan Nutri-Science or MNS	Masan Nutri-Science JSC

Masan MEATLife or MML	Masan MEATLife JSC
MNC	Multinational Company
Nui Phao	Nui Phao Mining Limited Company
NPL	Non-performing Loan
Phu Yen Beer or Pybeco	Phu Yen Beer and Beverage JSC or Masan Brewery PY One Member Company Limited
Proconco	Vietnamese-French Cattle Feed JSC.
Quang Hanh	Quang Ninh Natural Mineral Water Limited Company (to refer to both the company and its main brand)
ROM	Run-of-mine
Saigon NutriFood or SNF	Saigon NutriFood Corporation
SBV	State Bank of Vietnam
SG&A	Selling, General and Administration expenses
Singha	Singha Asia One Pte Ltd.
SK	SK Group
SME	Small and Medium Sized Enterprises
SOE	State-owned Enterprise
Techcombank, the Bank, or TCB	Vietnamese Technological and Commercial Joint Stock Bank
The Board	The Board of Directors
TOI	Total Operating Income
UPCoM	Unlisted Public Company Market, part of the Hanoi Stock Exchange
US\$	U.S. Dollar
VCM	VCM Services and Trading Development Joint Stock Company, which wholly owns VinCommerce, operator of VinMart supermarkets and VinMart+ minimarkets. As such, VCM is also used interchangeably to refer to VinCommerce
VinCommerce	VinCommerce General Commercial Services Joint Stock Company
Vinacafé Bien Hoa	Vinacafé Bien Hoa Joint Stock Company
Vinacafé	Coffee brand owned by Vinacafé Bien Hoa Joint Stock Company
VinEco	Vineco Agricultural Investment Development and Production Limited Liability Company
Vinh Hao	Vinh Hao Mineral Water Corporation
VISSAN	Vietnam Meat Industries Limited Company
VND	Vietnamese Dong
YTO	Yellow Tungsten Oxide

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