



**KPMG'S COPY**

**Masan MEATLife Corporation  
and its subsidiaries**

Consolidated Financial Statements  
for the year ended 31 December 2021

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## Masan MEATLife Corporation Corporate Information

### Enterprise Registration Certificate No.

0311224517

7 October 2011

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is dated 8 December 2021. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

### Board of Directors

Mr. Danny Le	Chairman
Mr. Tran Phuong Bac	Member
Mr. Huynh Viet Thang	Member (from 1 April 2021)
Mr. Pham Trung Lam	Member (until 25 November 2021)
Mr. Neal Leroux Kok	Member (until 12 October 2021)

### Board of Management

Mr. Nguyen Quoc Trung	Chief Executive Officer (from 26 November 2021)
Mr. Nguyen Quoc Trung	Deputy Chief Executive Officer of Meat Business (until 25 November 2021)
Mr. Pham Trung Lam	Chief Executive Officer (until 25 November 2021)
Ms. Nguyen Thi Minh Hang	Chief Financial Officer (until 25 November 2021)

### Audit Committee

Mr. Huynh Viet Thang	Chairman (from 14 April 2021)
Mr. Tran Phuong Bac	Member (from 14 April 2021)

### Supervisory Board

Ms. Doan Thi My Duyen	Chief Supervisor (until 13 April 2021)
Ms. Pham Quynh Nga	Member (until 13 April 2021)
Ms. Nguyen Thi Thu Hang	Member (until 13 April 2021)

### Registered Office

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

### Auditor

KPMG Limited  
Vietnam

## **Masan MEATLife Corporation Statement of the Board of Management**

The Board of Management of Masan MEATLife Corporation (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the year ended 31 December 2021.

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

- (a) the consolidated financial statements set out on pages 5 to 66 give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, 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; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Nguyen Quoc Trung  
Chief Executive Officer

Ho Chi Minh City, 8 March 2022



KPMG Limited Branch  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders Masan MEATLife Corporation

We have audited the accompanying consolidated financial statements of Masan MEATLife Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2021, 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 8 March 2022, as set out on pages 5 to 66.

### Management's Responsibility

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 MEATLife Corporation and its subsidiaries as at 31 December 2021 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.: 21-01-00924-22-2



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

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

Ho Chi Minh City, 8 March 2022

**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2021**

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

	Code	Note	31/12/2021 VND	1/1/2021 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>4,341,657,998,507</b>	<b>6,211,564,450,510</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>6</b>	<b>214,892,501,700</b>	<b>1,635,795,211,649</b>
Cash	111		146,892,501,700	115,495,211,649
Cash equivalents	112		68,000,000,000	1,520,300,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>256,215,829,261</b>	<b>134,950,000,000</b>
Trading securities	121	7(a)	256,165,829,261	-
Held-to-maturity investments	123		50,000,000	134,950,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>3,061,256,173,445</b>	<b>1,990,001,817,972</b>
Accounts receivable from customers	131	8	246,912,506,997	627,931,119,627
Prepayments to suppliers	132	9	132,034,085,811	85,724,798,419
Short-term loans receivable	135	7(b)	2,662,750,000,000	1,290,000,000,000
Other short-term receivables	136	10(a)	51,432,336,252	77,307,967,823
Allowance for doubtful debts	137	11	(31,872,755,615)	(92,114,531,528)
Shortage of assets awaiting resolution	139		-	1,152,463,631
<b>Inventories</b>	<b>140</b>	<b>12</b>	<b>579,848,291,684</b>	<b>2,234,732,675,442</b>
Inventories	141		619,551,669,735	2,262,342,474,609
Allowance for inventories	149		(39,703,378,051)	(27,609,799,167)
<b>Other current assets</b>	<b>150</b>		<b>229,445,202,417</b>	<b>216,084,745,447</b>
Short-term prepaid expenses	151	17(a)	105,492,541,494	123,438,517,357
Deductible value added tax	152		123,924,280,815	67,456,959,335
Taxes receivable from State Treasury	153		28,380,108	25,189,268,755

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

**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2021 (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	31/12/2021 VND	1/1/2021 VND
<b>Long-term assets</b> <b>(200 = 210 + 220 + 240 + 250 + 260)</b>	<b>200</b>		<b>7,529,368,029,094</b>	<b>11,745,889,703,075</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>31,662,892,232</b>	<b>32,405,791,605</b>
Other long-term receivables	216	10(b)	31,662,892,232	32,405,791,605
<b>Fixed assets</b>	<b>220</b>		<b>4,207,967,474,781</b>	<b>8,384,846,294,660</b>
Tangible fixed assets	221	13	3,693,941,388,316	5,007,399,190,225
Cost	222		4,146,929,538,803	6,632,821,701,303
Accumulated depreciation	223		(452,988,150,487)	(1,625,422,511,078)
Finance lease tangible fixed assets	224	14	209,550,128,308	22,278,740,158
Cost	225		241,598,636,949	22,761,303,606
Accumulated depreciation	226		(32,048,508,641)	(482,563,448)
Intangible fixed assets	227	15	304,475,958,157	3,355,168,364,277
Cost	228		339,266,322,724	5,198,505,528,456
Accumulated amortisation	229		(34,790,364,567)	(1,843,337,164,179)
<b>Long-term work in progress</b>	<b>240</b>		<b>443,724,235,349</b>	<b>181,974,737,981</b>
Construction in progress	242	16	443,724,235,349	181,974,737,981
<b>Long-term financial investments</b>	<b>250</b>		<b>2,135,490,172,000</b>	<b>2,171,509,761,899</b>
Investments in associates	252	7(c)	2,135,490,172,000	2,146,548,963,099
Equity investments in other entities	253		-	30,588,758,800
Allowance for diminution in value of long-term financial investments	254		-	(5,627,960,000)
<b>Other long-term assets</b>	<b>260</b>		<b>710,523,254,732</b>	<b>975,153,116,930</b>
Long-term prepaid expenses	261	17(b)	577,095,065,744	766,265,266,034
Deferred tax assets	262	18	4,285,731,577	65,262,127,233
Goodwill	269	19	129,142,457,411	143,625,723,663
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>11,871,026,027,601</b>	<b>17,957,454,153,585</b>

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



**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated balance sheet as at 31 December 2021 (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	31/12/2021 VND	1/1/2021 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>6,119,866,695,581</b>	<b>9,494,240,002,625</b>
<b>Current liabilities</b>	<b>310</b>		<b>2,522,777,722,460</b>	<b>7,369,795,640,876</b>
Accounts payable to suppliers	311	20	550,289,288,242	1,211,902,007,419
Advances from customers	312		3,645,347,236	40,214,767,845
Taxes payable to State Treasury	313	21	4,953,391,231	89,188,157,901
Payables to employees	314		7,443,377,654	6,741,983,560
Accrued expenses	315	22	252,989,851,104	719,523,876,565
Unearned revenue	318		1,289,258,323	732,616,572
Other short-term payables	319	23	7,794,750,677	43,066,987,270
Short-term borrowings, bonds and finance lease liabilities	320	24(a)	1,694,372,457,993	5,252,694,200,724
Bonus and welfare funds	322		-	5,731,043,020
<b>Long-term liabilities</b>	<b>330</b>		<b>3,597,088,973,121</b>	<b>2,124,444,361,749</b>
Other long-term payables	337		5,968,500,000	2,660,000,000
Long-term borrowings, bonds and finance lease liabilities	338	24(b)	3,242,029,700,703	1,587,928,564,410
Deferred tax liabilities	341	18	342,733,506,514	499,705,073,935
Long-term provisions	342	25	6,357,265,904	34,150,723,404
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>5,751,159,332,020</b>	<b>8,463,214,150,960</b>
<b>Owners' equity</b>	<b>410</b>	<b>26</b>	<b>5,751,159,332,020</b>	<b>8,463,214,150,960</b>
Share capital	411	27	3,269,884,470,000	3,267,148,470,000
- Ordinary shares with voting rights	411a		3,269,884,470,000	3,267,148,470,000
Share premium	412		2,119,005,015,149	2,119,055,015,149
Other capital	414		-	(175,543,000,000)
Undistributed profits after tax	421		131,878,603,480	403,360,978,012
- Undistributed profits after tax brought forward	421a		403,360,978,012	140,019,641,401
- (Loss)/undistributed profit after tax for the current year	421b		(271,482,374,532)	263,341,336,611
Non-controlling interests	429		230,391,243,391	2,849,192,687,799
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>11,871,026,027,601</b>	<b>17,957,454,153,585</b>

8 March 2022



Ma Hong Kim  
Preparer



Nguyen Thanh Tung  
Chief Accountant



Nguyen Quoc Trung  
Chief Executive Officer

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



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

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**Masan MEATLife Corporation and its subsidiaries**

**Consolidated statement of income for the year ended 31 December 2021 (continued)**

**Form B 02 – DN/HN**

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

	Code	Note	2021 VND	2020 VND
<b>Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)</b>	<b>60</b>		<b>1,253,652,358,597</b>	<b>492,202,282,064</b>
<b>Attributable to:</b>				
Equity holders of the Company	61		1,330,761,015,768	263,341,336,611
Non-controlling interests	62		(77,108,657,171)	228,860,945,453
<b>Earnings per share</b>				
Basic earnings per share	70	40	4,072	810

8 March 2022

  
Ma Hong Kim  
Preparer

  
Nguyen Thanh Tung  
Chief Accountant

  
Nguyen Quoc Trung  
Chief Executive Officer

**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 2021**  
**(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	2021 VND	2020 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>1,698,628,562,346</b>	<b>680,342,906,615</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	751,216,725,744	694,784,321,964
Allowances and provisions	03	23,798,272,005	(8,687,139,844)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	298,248,134	1,076,739,859
Profits from investing activities	05	(1,504,292,659,182)	(107,137,208,092)
Interest expense and bond issuance costs	06	481,743,434,659	444,166,557,907
Other adjustments	07	-	(5,036,135,615)
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>1,451,392,583,706</b>	<b>1,699,510,042,794</b>
Change in receivables and other current assets	09	(178,700,649,292)	(108,169,745,792)
Change in inventories	10	(279,319,062,942)	(633,630,466,261)
Change in payables and other liabilities	11	6,510,513,601	292,218,404,025
Change in prepaid expenses	12	99,880,444,124	23,658,944,498
Change in trading securities	13	(256,165,829,261)	-
		<b>843,597,999,936</b>	<b>1,273,587,179,264</b>
Payments of interest and bond issuance costs	14	(495,690,238,349)	(435,215,348,165)
Corporate income tax paid	15	(179,938,306,522)	(201,952,780,669)
Other payments for operating activities	17	(945,971,281)	(3,130,013,125)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>167,023,483,784</b>	<b>633,289,037,305</b>

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

**Masan MEATLife Corporation and its subsidiaries**  
**Consolidated statement of cash flows for the year ended 31 December 2021**  
**(Indirect method – continued)**

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

	Code	2021 VND	2020 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(711,068,944,913)	(1,010,842,903,442)
Proceeds from disposals of fixed assets	22	5,861,505,420	10,817,466,978
Payments for granting loans and placement of term deposits	23	(11,922,055,265,760)	(1,404,350,000,000)
Receipts from collecting loans and withdrawal of term deposits	24	9,177,205,265,760	135,800,000,000
Acquisition of associate and subsidiaries, net of cash acquired	25	(648,102,724,017)	(41,967,438,969)
Net of cash flows from disposal of investments (Note 5)	26	(917,939,684,646)	-
Receipts of interest and dividends	27	205,087,398,014	55,029,934,802
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(4,811,012,450,142)</b>	<b>(2,255,512,940,631)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from shares issued	31	2,636,000,000	23,884,000,000
Proceeds from borrowings and bonds	33	20,526,486,200,410	10,036,334,243,368
Payments to settle loan and bonds principals	34	(14,101,036,477,263)	(8,258,965,332,980)
Payments of principal of finance lease liabilities	35	(19,538,520,719)	(894,410,556)
Payments of dividends	36	(3,185,171,186,985)	(27,530,627,600)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>3,223,376,015,443</b>	<b>1,772,827,872,232</b>
<b>Net cash flows during the year</b> <b>(50 = 20 + 30 + 40)</b>	<b>50</b>	<b>(1,420,612,950,915)</b>	<b>150,603,968,906</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>60</b>	<b>1,635,795,211,649</b>	<b>1,485,599,402,638</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>(289,759,034)</b>	<b>(408,159,895)</b>
<b>Cash and cash equivalents at end of the year</b> <b>(70 = 50 + 60 + 61) (Note 6)</b>	<b>70</b>	<b>214,892,501,700</b>	<b>1,635,795,211,649</b>

8 March 2022

  
Ma Hong Kim  
Preparer

  
Nguyen Thanh Tung  
Accountant

  
Nguyen Quoc Trung  
Chief Executive Officer

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



**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2021**

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

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

**1. Reporting entity**

**(a) Ownership structure**

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

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

**(b) Principal activities**

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

In connection with the transfer of animal feed segment, specifically MNS Feed Corporation (formerly known as MNS Feed Company Limited) as described in Note 5, the Company also restructured its principal activities to carve out animal feed business. As such, effective from early November 2021, all transactions with customers for animal feed segment, including dedicated employees had been transferred to MNS Feed Corporation and its subsidiaries. As results of the restructuring, the Company also transferred/received certain rights and obligations with its customers and employees to/from the subsidiaries following the tri-parties’ agreements.

**(c) Normal operating cycle**

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



**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)**

**Form B 09 – DN/HN**

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

**(d) Group structure**

As at 31 December 2021, the Group had 2 directly owned subsidiaries, 6 indirectly owned subsidiaries and 1 directly owned associate (1/1/2021: 3 directly owned subsidiaries, 17 indirectly owned subsidiaries and 3 indirectly owned associates). Information of the subsidiaries and associates are described as follows:

No.	Name	Principal activities	Address	Percentage of economic interests		Percentage of voting rights	
				31/12/2021	1/1/2021	31/12/2021	1/1/2021
Directly owned subsidiaries							
1	MNS Feed Corporation (“MNS Feed”) (*)	Investment holding	Song May Industrial Zone, Bac Son Commune, Trang Bom District, Dong Nai Province, Vietnam	-	99.99%	-	99.99%
2	MNS Meat Company Limited (“MNS Meat”)	Investment holding	Song May Industrial Zone, Bac Son Commune, Trang Bom District, Dong Nai Province, Vietnam	99.99%	99.99%	99.99%	99.99%
3	3F VIET Joint Stock Company (“3F VIET”)	To breed poultry and process and preserve meat and meat related products	68 Nguyen Hue Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	51.00%	51.00%	51.00%	51.00%

**Masan MEATLife Corporation and its subsidiaries**  
**Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)**

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

No.	Name	Principal activities	Address	Percentage of economic interests 31/12/2021	1/1/2021	Percentage of voting rights 31/12/2021	1/1/2021
Indirectly owned subsidiaries							
1	Agro Nutrition International Joint Stock Company (“ANCO”) (*)	(i) To manufacture, process livestock, poultry and aquaculture feeds	Song May Industrial Zone, Bac Son Commune, Trang Bom District, Dong Nai Province, Vietnam	-	99.99%	-	100.00%
2	Agro Nutrition International Binh Dinh One Member Limited Company (“ANCO Binh Dinh”) (*)	(i) To manufacture, process livestock, poultry and aquaculture feeds	Nhon Hoi Industrial Park (Area A), Nhon Hoi District, Quy Nhon City, Binh Dinh Province, Vietnam	-	99.99%	-	100.00%
3	MNS Feed Vinh Long Company Limited (“MNS Feed Vinh Long”) (*)	(i) To manufacture, process livestock, poultry and aquaculture feeds	Co Chien Industrial Park, Son Dong Hamlet, Thanh Duc Commune, Long Ho District, Vinh Long Province, Vietnam	-	99.99%	-	100.00%
4	MNS Feed Thai Nguyen Company Limited (“MNS Feed Thai Nguyen”) (*)	(i) To manufacture, process livestock, poultry and aquaculture feeds	Trung Thanh Industrial Park, Trung Thanh Commune, Pho Yen Town, Thai Nguyen Province, Vietnam	-	99.99%	-	100.00%
5	MNS Feed Tien Giang Company Limited (“MNS Feed Tien Giang”) (*)	(i) To manufacture, process livestock, poultry and aquaculture feeds	Long Giang Industrial Park, Tan Lap 1 Ward, Tan Phuoc District, Tien Giang Province, Vietnam	-	99.99%	-	100.00%
6	MNS Feed Nghe An Company Limited (“MNS Feed Nghe An”) (*)	(i) To manufacture, process livestock, poultry and aquaculture feeds	Nam Can Industrial Park, South East Nghe An Industrial Zone, Nghi Xa Ward, Nghi Loc District, Nghe An Province, Vietnam	-	99.99%	-	100.00%

**Masan MEATLife Corporation and its subsidiaries**

**Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)**

**Form B 09 – DN/HN**

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

No.	Name	Principal activities	Address	Percentage of economic interests		Percentage of voting rights	
				31/12/2021	1/1/2021	31/12/2021	1/1/2021
7	MNS Feed Hau Giang Company Limited (“MNS Feed Hau Giang”) (*)	(i) To manufacture, process livestock, poultry and aquaculture feeds	Tan Phu Thanh Industrial Park – Phase I, Tan Phu Thanh Commune, Chau Thanh A District, Hau Giang Province, Vietnam	-	99.99%	-	100.00%
8	Vietnamese – French Cattle Feed Joint Stock Company (“Proconco”) (*)	(i) To manufacture, process protein enriched and refined animal feeds	Bien Hoa I Industrial Park, Bien Hoa City, Dong Nai Province, Vietnam	-	75.15%	-	75.15%
9	Proconco Can Tho One Member Company Limited (“Proconco Can Tho”) (*)	(i) To manufacture and trade animal feeds and raw material for manufacturing animal feeds	Industrial Park Tra Noc 1, Tra Noc Ward, Binh Thuy District, Can Tho City, Vietnam	-	75.15%	-	75.15%
10	Conco Binh Dinh Co., Ltd. (“Proconco Binh Dinh”) (*)	(i) To manufacture, process animal feeds and raw material for manufacturing animal feeds	Nhon Hoa Industrial Park, Nhon Tho Ward, An Nhon Town, Binh Dinh Province, Vietnam	-	75.15%	-	75.15%
11	Proconco Hung Yen Trading and Production Co., Ltd (“Proconco Hung Yen”) (*)	(i) To manufacture, process livestock, poultry and aquaculture feed	Yen Phu Hamlet, Giai Pham Commune, Yen My District, Hung Yen Province, Vietnam	-	75.15%	-	75.15%
12	MNS Meat Processing Company Limited (“MNS Meat Processing”)	(ii) Investment holding	10 <sup>th</sup> Floor, Central Plaza Tower, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.99%	99.99%	100.00%	100.00%



**Masan MEATLife Corporation and its subsidiaries**

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No.	Name	Principal activities	Address	Percentage of economic interests			Percentage of voting rights	
				31/12/2021	1/1/2021	31/12/2021	31/12/2021	1/1/2021
13	MEATDeli HN Company Limited (formerly known as “MNS Meat Ha Nam Company Limited”) (“Meat Ha Nam”)	(ii) To process and preserve meat and meat related products	Dong Van IV Industrial Zone, Dai Cuong Commune, Kim Bang District, Ha Nam Province, Vietnam	99.99%	99.99%	100.00%	100.00%	100.00%
14	MEATDeli Sai Gon Company Limited (“Meat Sai Gon”)	(ii) To process and preserve meat and meat related products	Tan Duc Industrial Park, Huu Thanh Ward, Duc Hoa District, Long An Province, Vietnam	99.99%	99.99%	100.00%	100.00%	100.00%
15	MNS Farm Company Limited (“MNS Farm”)	(ii) Investment holding	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, District 1, Ben Nghe Ward, Ho Chi Minh City, Vietnam	99.99%	99.99%	100.00%	100.00%	100.00%
16	MML Farm Nghe An Company Limited (formerly known as “MNS Farm Nghe An Company Limited”) (“Farm Nghe An”)	(ii) To breed swine	Con Son Hamlet, Ha Son Commune, Quy Hop District, Nghe An Province, Vietnam	99.99%	99.99%	100.00%	100.00%	100.00%
17	3F VIET Food Company Limited (“3F VIET Food”)	(iii) To process and preserve meat and meat related products	Kien An Hamlet, An Lap Ward, Dau Tieng District, Binh Duong Province, Vietnam	51.00%	51.00%	51.00%	51.00%	51.00%



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No.	Name	Principal activities	Address	Percentage of economic interests		Percentage of voting rights	
				31/12/2021	1/1/2021	31/12/2021	1/1/2021
Indirectly/directly owned associates							
1	Thuan Phat Packing Joint Stock Company (“Thuan Phat”) (*)	(i) To manufacture PP and PE package and trade plastic materials	Tan Bien Ward, Bien Hoa City, Dong Nai Province, Vietnam	-	25.00%	-	25.00%
2	Abattoir Long Binh Joint Stock Company (“Abattoir”) (*)	(i) To perform abattoir and processing activities for cattle and poultry	Long Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam	-	25.00%	-	25.00%
3	Vissan Joint Stock Company (“Vissan”) (*)	(iv) To process and trade fresh meat, processed foods and meat related products	420 No Trang Long Street, Ward 13, Binh Thanh District, Ho Chi Minh City, Vietnam	24.90%	24.90%	24.90%	24.90%

(\*) As presented in Note 24(b)(ii), upon completion of exchange on 1 December 2021, MNS Feed and its subsidiaries and associates are no longer subsidiaries and associates of the Company. In addition, on 30 November 2021, the Company entered into a share transfer agreement with Argo Nutrition International Joint Stock Company (“ANCO”), a subsidiary of MNS Feed, in order to buy-back all the shares of Vissan Joint Stock Company (“Vissan”). Subsequently, the Company completed buy-back of all 20,180,026 shares of Vissan from ANCO on 5 December 2021. As stated in the share transfer agreement, the transaction value was determined by reference to the price per share on UPCoM on the transaction date. As the result of this buy-back transaction, Vissan became the Company’s directly owned associate.

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

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

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

(iv) This associate is directly owned by the Company (1/1/2021: indirectly owned by the Company through MNS Feed).

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

As at 31 December 2021, the Group had 2,293 employees (1/1/2021: 4,323 employees).

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**2. Basis of preparation**

**(a) Statement of compliance**

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

The consolidated financial statements of the Company for the year ended 31 December 2021 comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates.

**(b) Basis of measurement**

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

**(c) Annual accounting period**

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

**(d) Accounting and presentation currency**

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

**3. Summary of significant accounting policies**

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

**(a) Basis of consolidation**

**(i) Subsidiaries**

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



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**(ii) *Non-controlling interests***

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

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

**(iii) *Loss of control***

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

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**(iv) *Associates***

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Associates are accounted for using the equity method (equity accounted investees). They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss of the equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence 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 revaluation of fixed assets, or foreign exchange translation differences, etc.).

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

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

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



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

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

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

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

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

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

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

**(b) Foreign currency transactions**

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

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

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

**(c) Cash and cash equivalents**

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

**(d) Investments**

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

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

**(ii) 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 year before investment acquisition date and allowance for diminution in value. An allowance is made for diminution in value of trading securities if there is evidence that 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 would have been determined if no allowance had been recognised.

**(e) Accounts receivable**

Trade and other receivables are stated at cost less allowance for doubtful debts.



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**(f) Inventories**

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

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.

**(ii) Depreciation**

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

▪ buildings and structures	4 – 25 years
▪ machinery and equipment	2 – 25 years
▪ motor vehicles	3 – 25 years
▪ office equipment	3 – 8 years
▪ animals	3 – 8 years

**(h) Intangible fixed assets**

**(i) Land use rights**

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

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**(ii) Software**

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

**(iii) Brand name**

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

**(iv) Customer relationships**

Customer relationships that is acquired by the Group on the acquisition of subsidiaries is recognised as intangible fixed asset and amortised on a straight-line basis over their estimated useful lives ranging from 16 to 20 years. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

**(v) Technology**

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

**(i) Construction in progress**

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

**(j) Goodwill**

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

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



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

**(k) Prepaid expenses**

**(i) Prepaid land costs**

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

**(ii) Tools and instruments**

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

**(iii) Chicken and swine breeders**

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

**(iv) Other long-term prepaid expenses**

Other long-term prepaid expenses are amortised on a straight-line basis over a period ranging from 2 to 3 years.

**(l) Accounts payable**

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

**(m) Provisions**

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



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***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 year 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.

**(n) Straight bonds issued**

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

**(o) Equity**

**(i) *Share capital and share premium***

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

**(ii) *Other capital***

Other capital is resulting from transactions involving equity instruments.

**(p) Taxation**

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

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

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

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

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**(q) Revenue and other income**

**(i) Goods sold**

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

**(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.

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

**(i) Financial income**

Financial income comprises interest income from bank deposits, loans receivable and bonds; dividend income from equity investments in other entities, gains from disposal of investments and foreign exchange gains.

Interest income is recognised in the consolidated statement of income on a time proportion basis with reference to the principal outstanding and the applicable interest rate. Dividend income is recognised when the right to receive dividend is established. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

**(ii) Financial expenses**

Financial expenses comprise interest expense on borrowings and bonds, and associated issuance costs (collectively referred to as “borrowing costs”), allowance for diminution in the value of financial investments, losses from disposal of investments, interest expense from finance lease liabilities and foreign exchange losses.

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



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**(s) Leases**

**(iii) Leased assets**

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

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

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

**(iv) Lease payments**

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

Lease payments made under finance leases are apportioned between the financial expense and the reduction of the outstanding liability. The financial 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.

**(t) Earnings per share**

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



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**(u) Segment reporting**

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

**(v) Related parties**

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

Related companies refer to the parent company and its subsidiaries and associates.

**(w) Employee stock ownership plans**

Shares issues to employees based on the employee stock ownership plans are stipulated in Resolution of Board of Directors.

**(x) Comparative information**

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

Comparative information as at 1 January 2021 was derived from the balances and amounts reported in the Group's consolidated financial statements as at and for the year ended 31 December 2020.



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

The Group has two reportable segments, as described below, which are the Group's strategic businesses. The strategic businesses offer different products 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 operations of each reportable segment are as below:

<b>Reportable segments</b>	<b>Operations</b>
▪ Feed (*)	To manufacture and process livestock, poultry and aquaculture feeds.
▪ Meat and Farm	To breed swine and poultry, process and preserve meat and meat related products.

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

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

(\*) The Feed segment was transferred on 1 December 2021. See Note 5 for detail.

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**(a) Business segments**

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

	Feed		Meat and Farm		Elimination		Consolidated	
	2021 VND	2020 VND	2021 VND	2020 VND	2021 VND	2020 VND	2021 VND	2020 VND
Total segment revenue	14,825,959,581,770	13,871,348,036,256	4,485,611,576,838	2,378,515,081,290	(420,683,139,978)	(130,857,634,615)	18,890,888,018,630	16,119,005,482,931
Segment results	875,951,926,831	1,132,196,578,398	(243,016,518,219)	(301,509,172,296)	15,299,558,358	344,085,774	648,234,966,970	831,031,491,876
Unallocated net income/(expenses)							975,727,172,964	(150,839,359,221)
Results from operating activities							1,623,962,139,934	680,192,132,655
Results of other activities								
Income tax	(143,366,829,353)	(182,722,241,213)	(4,131,884,799)	(5,418,383,338)	(297,477,489,597)	-	74,666,422,412	150,773,960
							(444,976,203,749)	(188,140,624,551)
Net profit after tax	732,585,097,478	949,474,337,185	(247,148,403,018)	(306,927,555,634)	(282,177,931,239)	344,085,774	1,253,652,358,597	492,202,282,064

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	Feed		Meat and Farm		Elimination		Consolidated	
	31/12/2021	1/1/2021	31/12/2021	1/1/2021	31/12/2021	1/1/2021	31/12/2021	1/1/2021
	VND	VND	VND	VND	VND	VND	VND	VND
Segment assets								
Investments in associates	-	13,204,151,038,455	6,266,207,309,469	3,631,354,037,072	-	(1,024,599,885,041)	6,266,207,309,469	15,810,905,190,486
Unallocated assets	-	11,058,791,099	2,135,490,172,000	2,135,490,172,000	-	-	2,135,490,172,000	2,146,548,963,099
							3,469,328,546,132	-
<b>Total assets</b>							<b>11,871,026,027,601</b>	<b>17,957,454,153,585</b>
Segment liabilities								
Unallocated liabilities	-	6,408,607,930,041	4,192,481,913,329	4,082,917,417,084	-	(997,285,344,500)	4,192,481,913,329	9,494,240,002,625
							1,927,384,782,252	-
							<b>6,119,866,695,581</b>	<b>9,494,240,002,625</b>
Capital expenditure	52,754,736,885	76,060,499,581	658,165,901,567	934,782,403,861	-	-	711,068,944,913	1,010,842,903,442
Depreciation of tangible fixed assets	243,085,314,734	292,943,955,506	265,086,801,505	157,283,641,098	-	-	508,172,116,239	450,227,596,604
Amortisation of intangible fixed assets and goodwill	212,548,064,604	243,980,444,881	30,496,544,901	576,280,479	-	-	243,044,609,505	244,556,725,360

**(b) Geographical segments**

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



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**5. Significant disposal during the year**

**Deemed loss of control in MNS Feed Corporation (“MNS Feed”) and its subsidiaries and associates**

On 1 December 2021, following the terms of the issuance of exchangeable bonds in Note 24(b)(ii), the Company and the Bondholder completed the exchange of all the outstanding bonds for 99.99% equity interests in MNS Feed. As a result, as of this date (“the date of loss of control”) MNS Feed and its subsidiaries and associates are no longer subsidiaries and associates of the Company.

As of the date of loss of control, MNS Feed had following directly and indirectly owned subsidiaries and associates:

- Agro Nutrition International Joint Stock Company
- Agro Nutrition International Binh Dinh One Member Limited Company
- MNS Feed Vinh Long Company Limited
- MNS Feed Thai Nguyen Company Limited
- MNS Feed Tien Giang Company Limited
- MNS Feed Nghe An Company Limited
- MNS Feed Hau Giang Company Limited
- Vietnamese – French Cattle Feed Joint Stock Company
- Proconco Can Tho One Member Company Limited
- Conco Binh Dinh Co., Ltd.
- Proconco Hung Yen Trading and Production Co., Ltd
- Thuan Phat Packing Joint Stock Company
- Abattoir Long Binh Joint Stock Company
- Vissan Joint Stock Company – see Note 1(d) for further details on buy-back of Vissan shares by the Company



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As of the date of loss of control, there were following effects on the Group's consolidated financial statements:

	<b>Carrying amount VND</b>
Cash and cash equivalents	917,939,684,646
Accounts receivable – short-term	1,948,821,245,030
Inventories – net	1,918,205,771,712
Other current assets	44,748,114,067
Accounts receivable – long-term	269,530,000
Tangible fixed assets – net	1,110,313,082,675
Intangible fixed assets – net	2,822,466,620,567
Construction in progress	62,737,331,315
Long-term financial investments, excluding investments in Vissan	41,454,621,573
Long-term prepaid expenses	116,460,565,881
Deferred tax assets	46,282,087,513
Accounts payable to suppliers – short-term	(790,982,944,813)
Taxes payable to State Treasury	(59,530,514,102)
Short-term borrowings	(1,225,136,654,332)
Other current liabilities	(408,866,248,651)
Long-term provisions	(27,419,839,834)
Other long-term liabilities	(415,195,385,633)
Non-controlling interest	(985,425,738,477)
<b>Net identifiable assets and liabilities</b>	<b>5,117,141,329,137</b>
Gains on deconsolidation of subsidiaries and associates recognised in consolidated statement of income (Note 33)	1,343,202,946,846
Gains on deconsolidation of subsidiaries recognised in other reserves	175,543,000,000
Payments to buy-back Vissan shares	648,102,724,017
Settlement of total exchangeable bonds through the exchange with the investments in MNS Feed Corporation	(7,283,990,000,000)
<b>Total consideration receivable</b>	<b>-</b>
Cash and cash equivalents of MNS Feed and its subsidiaries at the date of loss of control	(917,939,684,646)
<b>Net cash outflow</b>	<b>(917,939,684,646)</b>

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**6. Cash and cash equivalents**

	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	249,863,944	2,283,647,862
Cash at banks	146,470,607,035	113,112,956,930
Cash in transit	172,030,721	98,606,857
Cash equivalents	68,000,000,000	1,520,300,000,000
	<hr/> 214,892,501,700	<hr/> 1,635,795,211,649 <hr/>

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

As at 31 December 2021, no cash at banks (1/1/2021: VND3,000 million) was pledged with banks as security for loans granted to the Group.

**7. Investments**

	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
<b>Short-term financial investments</b>		
▪ Trading securities (a)	256,165,829,261	-
▪ Held-to-maturity investments	50,000,000	134,950,000,000
▪ Short-term loans receivable (b)	2,662,750,000,000	1,290,000,000,000
	<hr/>	<hr/>
<b>Long-term financial investments</b>		
▪ Investments in associates (c)	2,135,490,172,000	2,146,548,963,099
▪ Equity investments in other entities	-	30,588,758,800
▪ Allowance for diminution in the value of long-term financial investments	-	(5,627,960,000)
	<hr/> 2,135,490,172,000	<hr/> 2,171,509,761,899 <hr/>

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**(a) Trading securities**

		<b>31/12/2021</b>	
	<b>Quantity</b>	<b>Cost VND</b>	<b>Allowance for diminution in value VND</b>
Bonds issued by Masan Group Corporation, the parent company	2,561,650	256,165,829,261	-

The Group purchased these bonds with the aim of holding them for a short period of time (less than 12 months) and the annual interest rate used for computation of interest receivables were 6%.

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

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

	<b>Annual interest rate</b>	<b>Year of maturity</b>	<b>31/12/2021 VND</b>	<b>1/1/2021 VND</b>
Masan Group Corporation, the parent company	6.5%	2022	2,662,750,000,000	150,000,000,000
Third parties	6.5%	2021	-	1,140,000,000,000
			<b>2,662,750,000,000</b>	<b>1,290,000,000,000</b>

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



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**(c) Investments in associates**

	<b>31/12/2021</b>		<b>1/1/2021</b>	
	<b>No. of shares</b>	<b>% economic interests/ voting rights</b>	<b>Carrying value under equity method VND</b>	<b>Carrying value under equity method VND</b>
Vissan Joint Stock Company (Note 1(d))	20,180,026	24.9%	2,135,490,172,000	2,135,490,172,000
Thuan Phat Packing Joint Stock Company	-	-	-	4,289,329,696
Abattoir Long Binh Joint Stock Company	-	-	-	6,769,461,403
			<u>2,135,490,172,000</u>	<u>2,146,548,963,099</u>

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

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

	<b>Vissan VND</b>	<b>Thuan Phat VND</b>	<b>Abattoir VND</b>	<b>Total VND</b>
Opening balance	2,135,490,172,000	4,289,329,696	6,769,461,403	2,146,548,963,099
Share of post-acquisition (loss)/profit	-	(79,635,003)	486,706,677	407,071,674
Dividends declared	-	-	(600,000,000)	(600,000,000)
Decrease due to deconsolidation of MNS Feed and its subsidiaries (Note 5)	-	(4,209,694,693)	(6,656,168,080)	(10,865,862,773)
Closing balance	<u>2,135,490,172,000</u>	<u>-</u>	<u>-</u>	<u>2,135,490,172,000</u>



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

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

	31/12/2021 VND	1/1/2021 VND
Wincommerce General Commercial Services Joint Stock Company (formerly known as “Vincommerce General Commercial Services Joint Stock Company”)	169,306,582,251	83,785,913,212
Other customers	77,605,924,746	544,145,206,415
	246,912,506,997	627,931,119,627

As at 31 December 2021, accounts receivable with carrying amount of VND1,328 million (1/1/2021: VND3,941 million) were pledged with banks as security for loans granted to the Group (Note 24).

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

	31/12/2021 VND	1/1/2021 VND
<b>Parent company</b>		
▪ Masan Group Corporation	210,311,602	248,831,324
<b>Other related companies</b>		
▪ Wincommerce General Commercial Services Joint Stock Company	169,306,582,251	83,785,913,212
▪ Masan Jinju Joint Stock Company	11,161,744,031	661,043,452
▪ Masan Industrial One Member Company Limited	831,365,981	6,232,503,836
▪ Masan HD One Member Company Limited	698,502,400	1,397,985,320
▪ Masan Consumer Corporation	-	1,801,255,001
▪ Masan Blue Corporation	-	43,139

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

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**9. Prepayments to suppliers**

As at 31 December 2021, prepayments to suppliers of the Group amounting to VND126,486 million (1/1/2021: VND69,877 million) was related to acquisition of fixed assets.

**10. Other receivables**

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

	<b>31/12/2021</b> <b>VND</b>	<b>1/1/2021</b> <b>VND</b>
Interest receivable from loans to and bonds issued by Masan Group Corporation, the parent company	25,639,305,460	2,323,972,603
Interest receivable from deposits at banks and loans to third parties	35,345,387	60,210,285,880
Short-term deposits	6,910,989,661	5,139,283,628
Advances to employees	754,072,118	2,324,001,905
Others	18,092,623,626	7,310,423,807
	<b>51,432,336,252</b>	<b>77,307,967,823</b>

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

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

	<b>31/12/2021</b> <b>VND</b>	<b>1/1/2021</b> <b>VND</b>
Long-term deposits	31,662,892,232	32,405,791,605



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## 11. Allowance for doubtful debts

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

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Opening balance	92,114,531,528	105,744,315,607
Allowance made during the year	21,194,571,219	6,703,483,901
Allowance utilised during the year	(288,772,829)	(6,469,263)
Reversal of allowance during the year	(8,338,367,817)	(20,326,798,717)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(72,809,206,486)	-
Closing balance	31,872,755,615	92,114,531,528

## 12. Inventories

	<b>31/12/2021</b>		<b>1/1/2021</b>	
	<b>Cost</b> <b>VND</b>	<b>Allowance</b> <b>VND</b>	<b>Cost</b> <b>VND</b>	<b>Allowance</b> <b>VND</b>
Goods in transit	1,301,575,349	-	459,084,932,233	-
Raw materials	127,439,593,628	-	1,168,506,803,921	(1,299,376,917)
Tools and supplies	42,473,669,962	-	103,156,978,499	(1,776,950,917)
Work in progress	403,296,782,173	(23,862,625,670)	311,633,159,151	-
Finished goods	44,490,974,457	(15,840,752,381)	218,245,504,872	(24,533,471,333)
Merchandise inventories	549,074,166	-	1,715,095,933	-
	619,551,669,735	(39,703,378,051)	2,262,342,474,609	(27,609,799,167)

As at 31 December 2021, no inventory (1/1/2021: VND2,825 million) was slow-moving inventories.

Included in inventories as at 31 December 2021 were VND153,996 million (1/1/2021: VND43,106 million) of finished goods and work in progress carried at net realisable value.

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

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Opening balance	27,609,799,167	21,119,126,801
Allowance made during the year	39,262,493,095	53,141,164,887
Allowance utilised during the year	-	(183,039,564)
Reversal of allowance during the year	(23,264,818,107)	(46,467,452,957)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(3,904,096,104)	-
Closing balance	39,703,378,051	27,609,799,167

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**13. Tangible fixed assets**

<b>Cost</b>	<b>Buildings and structures VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Office equipment VND</b>	<b>Animals VND</b>	<b>Total VND</b>
Opening balance	3,884,979,322,057	2,564,944,607,034	123,273,777,652	59,623,994,560	-	6,632,821,701,303
Additions	9,990,758,693	51,401,924,250	4,325,054,000	4,391,543,108	-	70,109,280,051
Transfers from construction in progress	86,064,604,892	118,526,468,875	177,834,408	-	3,701,168,369	208,470,076,544
Disposals and written off	(2,787,853,611)	(6,845,379,173)	(14,529,742,017)	(241,285,000)	(690,935,441)	(25,095,195,242)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(1,267,851,845,110)	(1,401,522,507,375)	(38,774,574,895)	(31,227,396,473)	-	(2,739,376,323,853)
Closing balance	2,710,394,986,921	1,326,505,113,611	74,472,349,148	32,546,856,195	3,010,232,928	4,146,929,538,803
<b>Accumulated depreciation</b>						
Opening balance	656,634,268,171	905,113,021,143	41,047,980,151	22,627,241,613	-	1,625,422,511,078
Charge for the year	191,612,598,596	257,006,140,522	18,098,377,487	9,224,824,056	664,230,385	476,606,171,046
Disposals and written off	(775,211,261)	(4,491,220,288)	(14,438,033,479)	(195,248,478)	(77,576,953)	(19,977,290,459)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(607,628,574,467)	(972,867,573,126)	(28,863,886,076)	(19,703,207,509)	-	(1,629,063,241,178)
Closing balance	239,843,081,039	184,760,368,251	15,844,438,083	11,953,609,682	586,653,432	452,988,150,487
<b>Net book value</b>						
Opening balance	3,228,345,053,886	1,659,831,585,891	82,225,797,501	36,996,752,947	-	5,007,399,190,225
Closing balance	2,470,551,905,882	1,141,744,745,360	58,627,911,065	20,593,246,513	2,423,579,496	3,693,941,388,316

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Included in tangible fixed assets as of 31 December 2021 were assets costing VND2,430 million (1/1/2021: VND736,455 million) which were fully depreciated, but which are still in active use.

As at 31 December 2021, tangible fixed assets with net book value of VND3,619,323 million (1/1/2021: VND3,646,538 million) were pledged with banks as security for loans granted to the Group (Note 24).

#### **14. Finance lease tangible fixed assets**

	<b>Buildings and structures VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Total VND</b>
<b>Cost</b>				
Opening balance	-	20,950,856,339	1,810,447,267	22,761,303,606
Additions	218,419,237,141	-	418,096,202	218,837,333,343
Closing balance	218,419,237,141	20,950,856,339	2,228,543,469	241,598,636,949
<b>Accumulated depreciation</b>				
Opening balance	-	443,666,189	38,897,259	482,563,448
Charge for the year	27,590,138,145	3,456,777,916	519,029,132	31,565,945,193
Closing balance	27,590,138,145	3,900,444,105	557,926,391	32,048,508,641
<b>Net book value</b>				
Opening balance	-	20,507,190,150	1,771,550,008	22,278,740,158
Closing balance	190,829,098,996	17,050,412,234	1,670,617,078	209,550,128,308

The Group leases tangible fixed assets under various finance lease agreements. The leased assets secure the lease obligations (Note 24(b)(iii)).



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**15. Intangible fixed assets**

	Land use rights VND	Software VND	Brand name VND	Customer relationships VND	Technology VND	Total VND
<b>Cost</b>						
Opening balance	219,899,009,016	61,847,220,755	1,814,782,021,840	2,535,977,276,845	566,000,000,000	5,198,505,528,456
Additions	-	335,557,700	-	-	-	335,557,700
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(207,411,509,016)	(58,063,254,416)	(1,615,000,000,000)	(2,413,100,000,000)	(566,000,000,000)	(4,859,574,763,432)
Closing balance	12,487,500,000	4,119,524,039	199,782,021,840	122,877,276,845	-	339,266,322,724
<b>Accumulated amortisation</b>						
Opening balance	34,330,989,548	31,400,105,269	483,374,833,549	728,231,235,813	566,000,000,000	1,843,337,164,179
Charge for the year	5,550,061,534	8,512,199,481	96,218,835,764	118,280,246,474	-	228,561,343,253
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(39,881,051,082)	(37,489,591,766)	(555,545,833,350)	(838,191,666,667)	(566,000,000,000)	(2,037,108,142,865)
Closing balance	-	2,422,712,984	24,047,835,963	8,319,815,620	-	34,790,364,567
<b>Net book value</b>						
Opening balance	185,568,019,468	30,447,115,486	1,331,407,188,291	1,807,746,041,032	-	3,355,168,364,277
Closing balance	12,487,500,000	1,696,811,055	175,734,185,877	114,557,461,225	-	304,475,958,157

Included in intangible fixed assets as of 31 December 2021, there was no intangible fixed asset (1/1/2021: VND571,533 million) which were fully amortised, but which are still in active use.

As at 31 December 2021, intangible fixed assets with net book value of VND12,700 million (1/1/2021: VND12,756 million) were pledged with banks as security for loans granted to the Group (Note 24).

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**16. Construction in progress**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Opening balance	181,974,737,981	353,241,217,535
Increase from business combination	-	38,200,969,560
Additions	579,926,512,402	931,704,821,109
Transfer to tangible fixed assets	(208,470,076,544)	(1,117,543,608,465)
Transfer to intangible fixed assets	-	(12,770,381,250)
Transfer to long-term prepaid expenses	(36,200,149,151)	(10,858,280,508)
Disposals	(10,769,458,024)	-
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(62,737,331,315)	-
Closing balance	443,724,235,349	181,974,737,981

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

	<b>31/12/2021</b> <b>VND</b>	<b>1/1/2021</b> <b>VND</b>
Buildings and structures	249,462,846,268	65,934,569,800
Machinery and equipment	185,863,234,531	101,949,035,951
Others	8,398,154,550	14,091,132,230
	443,724,235,349	181,974,737,981

As at 31 December 2021, construction in progress with carrying value of VND58,437 million (1/1/2021: VND90,728 million) were pledged with banks as security for loans granted to the Group (Note 24).

**17. Prepaid expenses**

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

	<b>31/12/2021</b> <b>VND</b>	<b>1/1/2021</b> <b>VND</b>
Chicken breeders	91,083,351,253	81,879,962,385
Tools and supplies	8,041,711,470	22,946,828,578
Prepaid insurance expenses	716,557,081	2,531,295,441
Prepaid operating leases	439,512,930	2,315,939,143
Other short-term prepaid expenses	5,211,408,760	13,764,491,810
	105,492,541,494	123,438,517,357

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

	Prepaid land costs VND	Tools and instruments VND	Swine breeders VND	Others VND	Total VND
Opening balance	597,327,305,629	34,638,259,509	59,003,097,233	75,296,603,663	766,265,266,034
Additions	-	13,548,164,182	-	6,946,453,604	20,494,617,786
Transfer from/(to) construction in progress	-	6,117,580,548	30,429,068,603	(346,500,000)	36,200,149,151
Transfer from short-term prepaid expense	-	49,939,433	-	-	49,939,433
Amortisation for the year	(14,770,111,376)	(25,364,108,823)	(29,622,214,905)	(34,412,233,315)	(104,168,668,419)
Disposals	-	(231,919,000)	(24,067,314,720)	(9,200,000)	(24,308,433,720)
Reclassifications	106,683,665	(246,648,251)	-	139,964,586	-
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(96,596,534,242)	(12,936,893,110)	-	(6,927,138,529)	(116,460,565,881)
Others	-	-	-	(977,238,640)	(977,238,640)
Closing balance	486,067,343,676	15,574,374,488	35,742,636,211	39,710,711,369	577,095,065,744

As at 31 December 2021, prepaid land costs, swine breeders and chicken breeders with carrying value of VND486,440 million (1/1/2021: VND497,123 million), VND35,743 million (1/1/2021: VND54,332) and VND10,360 million (1/1/2021: VND10,411 million), respectively, were pledged with banks as security for loans granted to the Group (Note 24).



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**18. Deferred tax assets and liabilities**

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

	31/12/2021 VND	1/1/2021 VND
Deferred tax assets:		
Unrealised losses	91,220,446	2,370,069,907
Allowance for doubtful debts	-	10,788,145,285
Allowance for inventories	-	168,235,517
Accrued expenses and provisions	28,300,000	29,345,427,420
Tax losses carried forward	4,166,211,131	21,280,300,095
Others	-	1,309,949,009
Total deferred tax assets	4,285,731,577	65,262,127,233
Deferred tax liabilities:		
Investments in associates	(297,477,489,597)	-
Intangible fixed assets	(43,543,747,064)	(489,812,587,555)
Tangible fixed assets	(1,712,269,853)	(8,312,052,463)
Short-term prepaid expenses	-	(1,396,483,063)
Others	-	(183,950,854)
Total deferred tax liabilities	(342,733,506,514)	(499,705,073,935)
Net deferred tax liabilities	(338,447,774,937)	(434,442,946,702)

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

	1/1/2021 VND	Recognised in consolidated statement of income VND	Decrease due to deconsolidation of MNS Feed and its subsidiaries VND	31/12/2021 VND
Unrealised losses	2,370,069,907	(2,267,487,916)	(11,361,545)	91,220,446
Allowance for doubtful debts	10,788,145,285	(479,168,775)	(10,308,976,510)	-
Allowance for inventories	168,235,517	335,868,552	(504,104,069)	-
Accrued expenses and provision	29,345,427,420	4,675,868,052	(33,992,995,472)	28,300,000
Tax losses carried forward	21,280,300,095	(17,114,088,964)	-	4,166,211,131
Intangible fixed assets	(489,812,587,555)	32,783,645,400	413,485,195,091	(43,543,747,064)
Tangible fixed assets	(8,312,052,463)	4,982,520,699	1,617,261,911	(1,712,269,853)
Short-term prepaid expenses	(1,396,483,063)	1,396,483,063	-	-
Investments in associates	-	(297,477,489,597)	-	(297,477,489,597)
Others – net	1,125,998,155	338,651,762	(1,464,649,917)	-
	(434,442,946,702)	(272,825,197,724)	368,820,369,489	(338,447,774,937)

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**19. Goodwill**

	VND
<b>Cost</b>	
Opening balance and closing balance	144,832,662,517
<b>Accumulated amortisation</b>	
Opening balance	1,206,938,854
Charge for the year	14,483,266,252
Closing balance	15,690,205,106
<b>Net book value</b>	
Opening balance	143,625,723,663
Closing balance	129,142,457,411

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

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

	<b>Cost/Amount within repayment capacity</b>	
	<b>31/12/2021</b>	<b>1/1/2021</b>
	VND	VND
De Heus Company Limited	182,072,972,305	46,847,810,794
Hum Joint Stock Company	-	112,533,147,814
Pro-active Synergy Sdn. Bhd	-	109,355,355,375
Other suppliers	368,216,315,937	943,165,693,436
	550,289,288,242	1,211,902,007,419

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

	<b>31/12/2021</b>	<b>1/1/2021</b>
	VND	VND
<b>Associates (until 1 December 2021)</b>		
Thuan Phat Packing Joint Stock Company	-	4,144,420,506
Abattoir Long Binh Joint Stock Company	-	566,385,400
<b>Other related companies</b>		
Masan Consumer Corporation	14,339,825,659	22,923,950,274
Masan Industrial One Member Company Limited	1,528,989,422	-
Wincommerce General Commercial Services		
Joint Stock Company	70,571,020	96,591,591

The amounts due to other related companies were unsecured, interest free and are payable within 30 to 60 days from invoice date.

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**21. Taxes payable to State Treasury**

	1/1/2021 VND	Incurred VND	Paid VND	Net-off/ Reclassified/ Refunded VND	Decrease due to deconsolidation of MNS Feed and its subsidiaries VND	31/12/2021 VND
Value added tax	2,853,408,053	66,203,667,220	(9,560,390,925)	(58,341,904,288)	(903,765,387)	251,014,673
Import-export tax	42,733,644	59,311,787,471	(59,199,537,137)	17,267,787	(172,251,765)	-
Corporate income tax	77,109,536,433	172,151,006,025	(179,938,306,522)	(11,194,012,350)	(57,746,785,721)	381,437,865
Personal income tax	9,175,445,371	51,081,162,461	(49,477,283,437)	(5,750,762,373)	(707,623,329)	4,320,938,693
Other taxes	7,034,400	679,281,440	(686,227,940)	-	(87,900)	-
	89,188,157,901	349,426,904,617	(298,861,745,961)	(75,269,411,224)	(59,530,514,102)	4,953,391,231



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**22. Accrued expenses**

	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Interest expense	78,099,097,786	67,447,906,749
Construction costs	63,027,697,023	172,437,425,556
Performance bonus and 13 <sup>th</sup> salary	41,559,112,000	88,668,006,045
Sales discounts	22,299,121,050	319,777,308,156
Advertising and promotion expenses	8,311,770,320	30,195,906,640
Transportation expenses	4,244,461,538	8,961,029,431
Others	35,448,591,387	32,036,293,988
	<b>252,989,851,104</b>	<b>719,523,876,565</b>

**23. Other short-term payables**

	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Dividends payable	869,949,675	27,530,697,600
Interest expense payable to		
▪ Masan Group Corporation, the parent company	-	1,478,794,521
▪ Masan Horizon Corporation (formerly known as “Masan Horizon Company Limited”), a related company	-	3,276,712,329
Trade union fee, social and health insurances	2,823,321,671	544,072,657
Short-term deposits received	772,930,000	1,890,698,011
Others	3,328,549,331	8,346,012,152
	<b>7,794,750,677</b>	<b>43,066,987,270</b>

Dividends payable to shareholders were unsecured, interest free and are payable at call.



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

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

	1/1/2021	Movements during the year			31/12/2021
	Carrying amount/ Amount within repayment capacity VND	Additions VND	Repayments VND	Decrease due to deconsolidation of MNS Feed and its subsidiaries VND	Carrying amount/ Amount within repayment capacity VND
Short-term borrowings	2,762,890,840,186	11,142,886,816,331	(11,594,817,508,133)	(1,225,136,654,332)	1,085,823,494,052
Current portion of long-term borrowings	497,581,005,758	605,152,715,696	(506,218,969,130)	-	596,514,752,324
Bonds maturing within 12 months	1,986,509,803,914	13,490,196,086	(2,000,000,000,000)	-	-
Finance lease principals due within 12 months	5,712,550,866	12,034,211,617	(5,712,550,866)	-	12,034,211,617
	5,252,694,200,724	11,773,563,939,730	(14,106,749,028,129)	(1,225,136,654,332)	1,694,372,457,993

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

	Currency	Annual interest rate	31/12/2021 VND	1/1/2021 VND
Secured bank loans	VND	4.0% - 5.2%	47,976,155,500	49,776,484,675
Unsecured bank loans	VND	2.9% - 5.52%	1,037,847,338,552	2,313,114,355,511
Unsecured loan from Masan Horizon Corporation – a related company	VND	6.5%	-	400,000,000,000
			1,085,823,494,052	2,762,890,840,186

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The secured bank loans are secured by the following assets:

	Carrying value	
	31/12/2021 VND	1/1/2021 VND
▪ Tangible fixed assets (Note 13)	2,275,836,983	2,439,619,793
▪ Intangible fixed assets (Note 15)	12,487,500,000	12,487,500,000
▪ Chicken breeders (Note 17)	10,359,672,408	10,411,242,874
▪ Accounts receivable (Note 8)	1,327,777,439	3,940,623,606

The unsecured bank loans of subsidiaries with carrying value of VND206,141 million (1/1/2021: VND561,650 million) and VND802,406 million ((1/1/2021: Nil) are guaranteed by the Company and Masan Group Corporation, respectively.

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

	31/12/2021 VND	1/1/2021 VND
Long-term borrowings (i)	1,673,701,311,107	2,080,290,896,158
Long-term bonds (ii)	1,966,647,316,037	1,986,509,803,914
Finance lease liabilities (iii)	210,230,037,500	10,931,224,876
	3,850,578,664,644	4,077,731,924,948
Repayable within 12 months	(608,548,963,941)	(2,489,803,360,538)
Repayable after 12 months	3,242,029,700,703	1,587,928,564,410

**(i) Long-term borrowings**

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

	Currency	Annual interest rate	Year of maturity	31/12/2021 VND	1/1/2021 VND
<b>Secured bank loans</b>					
Bank loan 1	VND	8.33% - 8.6%	2023	464,000,000,000	732,000,000,000
Bank loan 2	VND	10.5% - 10.8%	2023	395,855,266,837	527,807,022,513
Bank loan 3	VND	7.55% - 7.8%	2026	767,647,285,248	788,318,632,486
Bank loan 4	VND	9.6% - 11.0%	2023	1,109,473,030	4,465,246,159
Bank loan 5	VND	3.85%	2023	15,700,000,000	27,699,995,000
Bank loan 6	VND	8.0%	2028	23,689,285,990	-
Bank loan 7	VND	7.7%	2026	5,700,000,000	-
				1,673,701,311,107	2,080,290,896,158



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The bank loan 1 are secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
▪ Tangible fixed assets (Note 13)	1,628,376,816,986	1,550,515,159,475
▪ Construction in progress (Note 16)	36,190,721,072	55,859,969,508
▪ Swine breeders (Note 17)	35,742,636,211	54,331,604,049
▪ Prepaid land costs (Note 17)	54,490,811,714	55,717,838,560

The bank loan 2 are secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
▪ Tangible fixed assets (Note 13)	960,595,120,670	1,009,936,668,293
▪ Construction in progress (Note 16)	-	23,785,309,575
▪ Prepaid land costs (Note 17)	70,779,456,330	72,367,032,919

The bank loan 3 are secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
▪ Cash and cash equivalents (Note 6)	-	3,000,000,000
▪ Tangible fixed assets (Note 13)	966,263,595,724	1,002,328,778,791
▪ Intangible fixed assets (Note 15)	212,160,938	268,737,188
▪ Construction in progress (Note 16)	-	11,082,326,866
▪ Prepaid land costs (Note 17)	355,028,798,884	362,763,523,475

The bank loan 4 are secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
▪ Tangible fixed assets (Note 13)	30,608,070,528	54,221,261,588

The bank loan 5 are secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
▪ Tangible fixed assets (Note 13)	23,517,924,181	27,096,626,556
▪ Prepaid land costs (Note 17)	6,141,065,671	6,274,809,391

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The bank loan 6 are secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
▪ Construction in progress (Note 16)	22,246,312,585	-

The bank loan 7 are secured by the following assets:

	<b>Carrying value</b>	
	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
▪ Tangible fixed assets (Note 13)	7,686,000,000	-

**(ii) Straight bonds**

The carrying amount of the bonds comprised of:

	<b>31/12/2021</b>	<b>1/1/2021</b>
	<b>VND</b>	<b>VND</b>
Straight bonds	1,999,980,000,000	2,000,000,000,000
Unamortised bond issuance costs	(33,332,683,963)	(13,490,196,086)
	<b>1,966,647,316,037</b>	<b>1,986,509,803,914</b>

The bonds issued by the Group during the year comprised the followings:

- VND1,999 billion bonds No. MMLB2126001 excluded issuance costs with a maturity of 5 years (2026) at an interest rate of 9.5% 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 are unsecured.
- VND7,283 billion bonds No. MMLH2124001 excluded issuance costs with a maturity of 3 years (2024). These bonds were unsecured and bear interest rate at a fixed rate of 2% per annum.

Following the terms of issuance document, each Bondholder has the right to exchange all (but not a part) of the bonds held for shares owned by the Company in MNS Feed Corporation, a subsidiary of the Company, at a pre-determined exercise price at the resolution of one or more Bondholders holding at least 70% of the total principal of the outstanding bonds at the date of resolution.

On 19 November 2021, a third party became the sole holder of the issued bonds after the acquisition of all outstanding bonds and exercised its right to exchange for 99.99% equity interests in MNS Feed at exchange price, VND10,000 per share, following the terms of issuance document. The exchange was completed on 1 December 2021 (Note 5) and the Company derecognised the related issued bonds accordingly.

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The Company's management has accounted for the above issued exchangeable bonds for the shares of the Company's subsidiary as liabilities entirely, which is similar as straight bonds because there is currently no guidance on the similar transactions under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises.

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

	<b>2021 VND</b>	<b>2020 VND</b>
Opening balance	13,490,196,086	17,001,960,791
Additions	37,063,117,967	16,900,000,000
Amortisation during the year (Note 34)	(17,220,630,090)	(20,411,764,705)
Closing balance	33,332,683,963	13,490,196,086

As at 31 December 2021, no related party of the Group held (1/1/2021: VND70,779 million) the issued bonds.

**(iii) Finance lease liabilities**

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

	<b>Total payments VND</b>	<b>31/12/2021 Interest VND</b>	<b>Principal VND</b>
Within 1 year	32,552,765,755	20,518,554,138	12,034,211,617
Within 2 to 5 years	114,735,861,051	71,482,191,705	43,253,669,346
More than 5 years	225,619,584,420	70,677,427,883	154,942,156,537
	372,908,211,226	162,678,173,726	210,230,037,500
	<b>Total payments VND</b>	<b>1/1/2021 Interest VND</b>	<b>Principal VND</b>
Within 1 year	6,354,915,967	642,365,101	5,712,550,866
Within 2 to 5 years	5,441,615,159	222,941,149	5,218,674,010
	11,796,531,126	865,306,250	10,931,224,876



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**25. Long-term provisions**

	<b>31/12/2021</b> <b>VND</b>	<b>1/1/2021</b> <b>VND</b>
Severance allowance	157,861,500	27,951,319,000
Site restoration	6,199,404,404	6,199,404,404
	<hr/> 6,357,265,904	<hr/> 34,150,723,404

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

	<b>Severance allowance VND</b>	<b>Site restoration VND</b>	<b>Total VND</b>
Opening balance	27,951,319,000	6,199,404,404	34,150,723,404
Provision made during the year	572,353,615	-	572,353,615
Provision utilised during the year	(945,971,281)	-	(945,971,281)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(27,419,839,834)	-	(27,419,839,834)
Closing balance	<hr/> 157,861,500	<hr/> 6,199,404,404	<hr/> 6,357,265,904

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**26. Changes in owners' equity**

	Share capital VND	Share premium VND	Other capital VND	Undistributed profits after tax VND	Non-controlling interests VND	Total VND
<b>Balance as at 1 January 2020</b>	3,243,274,470,000	2,119,105,015,149	(175,543,000,000)	140,019,641,401	2,196,339,816,285	7,523,195,942,835
Shares issuance under employee stock ownership plans ("ESOP") (Note 29)	23,874,000,000	(50,000,000)	-	-	-	23,824,000,000
Capital contribution by non-controlling interests	-	-	-	-	10,000,000	10,000,000
Net profit for the year	-	-	-	263,341,336,611	228,860,945,453	492,202,282,064
Dividend declared by subsidiaries	-	-	-	-	(27,530,627,600)	(27,530,627,600)
Business combination	-	-	-	-	451,512,553,661	451,512,553,661
<b>Balance as at 1 January 2021</b>	3,267,148,470,000	2,119,055,015,149	(175,543,000,000)	403,360,978,012	2,849,192,687,799	8,463,214,150,960
Shares issuance under ESOP (Note 29)	2,736,000,000	(50,000,000)	-	-	-	2,686,000,000
Dividends (Note 28)	-	-	-	(1,602,243,390,300)	-	(1,602,243,390,300)
Net profit/(loss) for the year	-	-	-	1,330,761,015,768	(77,108,657,171)	1,253,652,358,597
Dividend declared by subsidiaries	-	-	-	-	(1,556,267,048,760)	(1,556,267,048,760)
Decrease due to deconsolidation of MNS Feed and its subsidiaries (Note 5)	-	-	175,543,000,000	-	(985,425,738,477)	(809,882,738,477)
<b>Balance as at 31 December 2021</b>	3,269,884,470,000	2,119,005,015,149	-	131,878,603,480	230,391,243,391	5,751,159,332,020

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## 27. Share capital

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

	31/12/2021		1/1/2021	
	Number of shares	VND	Number of shares	VND
<b>Authorised share capital</b>	326,988,447	3,269,884,470,000	326,714,847	3,267,148,470,000
<b>Issued share capital</b>				
Ordinary shares	326,988,447	3,269,884,470,000	326,714,847	3,267,148,470,000
<b>Shares in circulation</b>				
Ordinary shares	326,988,447	3,269,884,470,000	326,714,847	3,267,148,470,000

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

Movements of share capital during the year were as follows:

	2021		2020	
	Number of shares	VND	Number of shares	VND
Balance at beginning of the year	326,714,847	3,267,148,470,000	324,327,447	3,243,274,470,000
Shares issuance under ESOP	273,600	2,736,000,000	2,387,400	23,874,000,000
Balance at end of the year	326,988,447	3,269,884,470,000	326,714,847	3,267,148,470,000

## 28. Dividends

The Meeting of Board of Directors on 3 December 2021 resolved to distribute dividends by cash at a rate of 49% of share capital, amounting to VND1,602 billion (2020: Nil).



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**29. Employee stock ownership plans**

The Company has ESOP based on the assessment of the performance of employees. The future issuance of shares under the plan has to be approved by the shareholders at Annual General Meeting.

In October 2021, the Company issued 273,600 shares (2020: 2,387,400 shares) to employees as stipulated in Resolution of Board of Directors.

**30. Off balance sheet items**

**(a) Commitments under operating leases**

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

	31/12/2021 VND	1/1/2021 VND
Within 1 year	47,513,680,588	163,945,911,460
Within 2 to 5 years	98,667,934,650	476,301,666,571
More than 5 years	112,846,310,000	940,826,070,753
	259,027,925,238	1,581,073,648,784

**(b) Foreign currency**

	31/12/2021	1/1/2021
	Original currency	Original currency
	VND equivalent	VND equivalent
USD	18,086	464,813
	409,656,959	10,690,166,020

**(c) Capital expenditure commitments**

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

	31/12/2021 VND	1/1/2021 VND
Approved and contracted	279,888,672,626	150,578,701,716

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**31. Revenue from sales of goods and rendering of services**

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

Net revenue comprised of:

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Revenue from sales of goods and rendering of services	19,794,990,049,782	17,038,062,202,090
Less revenue deductions		
▪ Sales discounts	899,711,097,995	916,909,321,924
▪ Sales returns	3,259,338,491	2,147,397,235
▪ Sales allowance	1,131,594,666	-
	<b>904,102,031,152</b>	<b>919,056,719,159</b>
Net revenue	<b>18,890,888,018,630</b>	<b>16,119,005,482,931</b>

**32. Cost of goods sold and services rendered**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Total cost of goods sold and services rendered		
▪ Finished goods sold and others	16,571,574,973,741	13,387,705,086,621
▪ Allowance for inventories	15,997,674,988	6,673,711,930
	<b>16,587,572,648,729</b>	<b>13,394,378,798,551</b>

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**33. Financial income**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Gains on deconsolidation of MNS Feed and its subsidiaries (Note 5)	1,343,202,946,846	-
Interest income	168,767,878,049	99,774,603,299
Dividend income	1,940,620,000	-
Realised foreign exchange gains	6,522,535,844	9,506,915,841
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	-	105,943,619
Others	204,640,282	-
	<hr/> 1,520,638,621,021	<hr/> 109,387,462,759 <hr/>

**34. Financial expenses**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Interest expense from borrowings and issued bonds	422,934,858,320	423,754,793,202
Interest expense on finance lease liabilities	41,587,946,249	-
Bonds issuance costs (Note 24)	17,220,630,090	20,411,764,705
Loss on transfer investments in an associate to investments in other entity	-	3,870,243,813
Realised foreign exchange losses	1,251,040,545	2,702,661,713
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	298,248,134	1,182,683,478
Reversal of allowance for diminution in the value of long-term financial investments	(5,627,960,000)	(2,813,980,000)
Others	67,653,756,393	58,916,686,374
	<hr/> 545,318,519,731	<hr/> 508,024,853,285 <hr/>



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	2021 VND	2020 VND
Staff costs	298,733,112,210	327,157,356,198
Advertising and promotion expenses	139,890,065,004	215,920,335,136
Transportation expenses	267,559,583,041	173,747,503,368
Operating leases expenses	27,062,198,241	34,949,626,320
Depreciation and amortisation	24,491,324,661	18,493,398,203
Tools and supplies	13,581,493,200	20,581,719,203
Others	130,296,447,091	141,698,818,664
	901,614,223,448	932,548,757,092

	2021 VND	2020 VND
Amortisation of fair value uplift of fixed assets and goodwill arising in business combination	243,011,780,171	271,618,656,261
Staff costs	242,920,314,250	236,873,820,122
Operating leases expenses	21,838,610,196	22,669,767,526
Depreciation and amortisation	58,272,032,485	44,493,599,612
Office supplies	8,753,634,886	15,265,781,733
Allowance for doubtful debts	12,856,203,402	(13,623,314,816)
Others	165,813,604,093	141,810,920,010
	753,466,179,483	719,109,230,448

	2021 VND	2020 VND
Written off account payables to suppliers	83,519,344,532	-
Gains from disposals of fixed assets	3,759,141,631	2,042,046,588
Others	7,084,361,404	16,708,802,282
	94,362,847,567	18,750,848,870



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**38. Other expenses**

	<b>2021 VND</b>	<b>2020 VND</b>
Depreciation charge of idle fixed assets	13,847,663,198	16,234,413,515
Losses from disposals of fixed assets and written off construction in progress	3,015,540,994	823,995,054
Others	2,833,220,963	5,695,637,072
	<hr/> 19,696,425,155	<hr/> 22,754,045,641 <hr/>

**39. Income tax**

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

	<b>2021 VND</b>	<b>2020 VND</b>
<b>Current tax expense</b>		
Current year	172,533,338,249	216,662,179,878
Over provision in prior years	(382,332,224)	(996,583,195)
	<hr/> 172,151,006,025	<hr/> 215,665,596,683 <hr/>
<b>Deferred tax expense/(benefit)</b>		
Origination and reversal of temporary differences	260,499,791,521	(29,733,844,502)
Written off of deferred tax assets	12,325,406,203	2,208,872,370
	<hr/> 272,825,197,724	<hr/> (27,524,972,132) <hr/>
Income tax expense	<hr/> 444,976,203,749	<hr/> 188,140,624,551 <hr/>

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

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Accounting profit before tax	1,698,628,562,346	680,342,906,615
Tax at the Company's tax rate	339,725,712,469	136,068,581,323
Effects of different tax rates applied to subsidiaries	(30,280,714,682)	(100,258,085,089)
Non-deductible expenses	30,199,362,526	8,666,726,955
Unrecognised deferred tax assets	94,814,663,446	146,973,706,556
Deferred tax assets written off	12,325,406,203	2,208,872,370
Effect of share of profits from associates	(81,414,335)	(2,002,959,414)
Tax losses utilised	(1,344,479,654)	(2,519,634,955)
Over provision in prior years	(382,332,224)	(996,583,195)
	444,976,203,749	188,140,624,551

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

**(c) Applicable tax rates**

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

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

**(d) Tax contingencies**

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



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**40. Basic earnings per share**

The calculation of basic earnings per share for the year ended 31 December 2021 was based on the profit attributable to ordinary shareholders of VND1,330,761 million (2020: VND263,341 million) and a weighted average number of ordinary shares outstanding of 326,783,060 shares during the year (2020: 324,927,558 shares), calculated as follows:

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

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Net profit attributable to ordinary shareholders	1,330,761,015,768	263,341,336,611

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

	<b>2021</b>	<b>2020</b>
Issued ordinary shares at the beginning of the year	326,714,847	324,327,447
Effect of shares issued under ESOP	68,213	600,111
Weighted average number of ordinary shares	326,783,060	324,927,558

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**41. Significant transactions with related parties**

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

	<b>Transaction value</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
<i><b>Parent company</b></i>		
<b>Masan Group Corporation</b>		
Sales of goods	2,224,583,529	7,010,466,380
Loans received	-	1,000,000,000,000
Loans repaid	-	1,000,000,000,000
Interest expense	-	1,478,794,521
Loans provided	3,800,000,000,000	150,000,000,000
Loans collected	1,287,250,000,000	-
Loans and bonds interest income	36,964,929,554	2,323,972,603
Exchangeable bonds issuance	3,756,912,000,000	-
Dividend declared	1,260,516,028,100	-
<i><b>Associate</b></i>		
<b>Vissan Joint Stock Company</b>		
Dividends income	-	10,090,013,000
<i><b>Associates (until 1 December 2021)</b></i>		
<b>Abattoir Long Binh Joint Stock Company</b>		
Processing fees	6,200,363,000	6,571,889,688
Dividends income	600,000,000	500,000,000
<b>Thuan Phat Packing Joint Stock Company</b>		
Purchases of goods	44,567,775,191	32,558,232,252
<i><b>Other related companies</b></i>		
<b>Masan Consumer Corporation</b>		
Management fee	43,336,656,919	46,647,750,731
Sales of goods	982,138,898	17,407,182,031
Purchases of goods	1,488,690,686	2,082,839,974
<b>Masan Jinju Joint Stock company</b>		
Sales of goods	72,752,323,477	33,195,468,475
Purchases of goods and services	512,393,554	79,294,215
Purchases of fixed assets	-	7,542,750,000
<b>Masan HD One Member Company Limited</b>		
Sales of goods	5,826,616,902	3,397,026,758
Purchases of goods	1,440,500	6,046,100

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	<b>Transaction value</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
<b>Masan Industrial One Member Company Limited</b>		
Sales of goods	15,978,378,427	10,654,065,847
Purchases of goods and services	4,575,349,802	1,042,367,970
<b>Masan Blue Corporation</b>		
Sales of goods	576,777	193,396,704
<b>Masan Horizon Corporation</b>		
Exchangeable bonds issuance	650,506,000,000	-
Loans received	-	400,000,000,000
Loans repaid	400,000,000,000	-
Interest expense	10,129,315,066	3,276,712,329
Dividend declared	145,991,898,500	-
<b>The Sherpa Company Limited</b>		
Loans granted	5,656,755,265,760	-
Loans collected	5,656,755,265,760	-
Interest income	24,796,735,412	-
<b>NET Detergent Joint Stock Company</b>		
Purchases of goods	-	187,858,491
<b>Masan Brewery Distribution Company Limited</b>		
Purchases of goods	786,034,908	5,202,000
<b>Nui Phao Mining Company Limited</b>		
Sales of goods	-	3,636,364
<b>Wincommerce General Commercial Services</b>		
<b>Joint Stock Company</b>		
Sales of goods	1,756,884,913,443	530,491,166,219
Purchases of goods	15,008,557,876	1,593,060,811
<b>Hi-Fresh Company Limited</b>		
Sales of goods	339,916,622	-

As at and for the years ended 31 December 2021 and 2020, the Company and its subsidiaries have current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank, a related company at normal commercial terms.



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**Remuneration, salary, bonus and other benefits of key managers**

	Transaction value	
	2021 VND	2020 VND
<b>Members of Board of Directors</b>		
Remuneration (*)		
Mr. Danny Le – Chairman	-	-
Mr. Tran Phuong Bac – Member	-	-
Mr. Huynh Viet Thang – Member	-	-
Mr. Neal Leroux Kok – Member – Resigned	-	-
Mr. Pham Trung Lam – Member – Resigned	-	-
<b>Chief Executive Officer</b>		
Remuneration, salary and other bonus		
Mr. Nguyen Quoc Trung – Appointed (**)	1,582,171,200	-
Mr. Pham Trung Lam – Resigned	4,912,124,248	5,983,476,000
<b>Other key managers</b>		
Remuneration, salary and other bonus	29,814,966,631	37,434,802,587

- (\*) No board fees were paid to the members of the Company's Board of Directors for the years ended 31 December 2021 and 2020.
- (\*\*) Excluded remuneration, salary and other bonus before appointment as Chief Executive Officer of the Company.

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

	2021 VND	2020 VND
Settlement of exchangeable bonds through the exchange with the investments in MNS Feed Corporation	7,283,990,000,000	-
Purchases of fixed assets and construction in progress not yet paid	230,852,260,564	223,489,926,168
Share issuance cost yet to be paid	-	50,000,000

Ma Hong Kim  
Preparer

8 March 2022  
 Nguyen Thanh Tung  
 Chief Accountant

Nguyen Quoc Trung  
 Chief Executive Officer



