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Masan MEATLife Corporation

Separate Financial statements
for the year ended 31 December 2021



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

10th 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 separate financial statements of the Company for the year ended 31 December 2021.

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

- (a) the separate financial statements set out on pages 5 to 39 give a true and fair view of the separate financial position of the Company as at 31 December 2021, and of its separate results of operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Nguyễn Quốc Trung
Chief Executive Officer

Ho Chi Minh City, 8 March 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Masan MEATLife Corporation

We have audited the accompanying separate financial statements of Masan MEATLife Corporation ("the Company"), which comprise the separate balance sheet as at 31 December 2021, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 8 March 2022, as set out on pages 5 to 39.

Management's Responsibility

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

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Masan MEATLife Corporation as at 31 December 2021 and of its unconsolidated results of operations and its unconsolidated 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.: 21-01-00924-22-1



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
Separate balance sheet as at 31 December 2021

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

	Code	Note	31/12/2021 VND	1/1/2021 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		3,533,822,773,228	2,891,262,464,053
Cash and cash equivalents	110	4	88,110,851,108	1,176,073,253,973
Cash	111		38,110,851,108	47,073,253,973
Cash equivalents	112		50,000,000,000	1,129,000,000,000
Short-term financial investments	120		256,165,829,261	22,000,000,000
Trading securities	121	5	256,165,829,261	-
Held-to-maturity investments	123		-	22,000,000,000
Accounts receivable – short-term	130		3,188,932,509,419	1,589,031,346,092
Accounts receivable from customers	131	6	20,641,523,908	82,141,237,023
Prepayments to suppliers	132	7	-	432,057,432,017
Short-term loans receivable	135	8	3,121,950,000,000	937,650,000,000
Other short-term receivables	136	9	65,988,861,524	142,295,995,849
Allowance for doubtful debts	137	6	(19,647,876,013)	(5,113,318,797)
Inventories	140		-	102,140,377,965
Inventories	141		-	102,140,377,965
Other current assets	150		613,583,440	2,017,486,023
Short-term prepaid expenses	151		613,583,440	1,986,423,504
Taxes receivable from State Treasury	153		-	31,062,519

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

Masan MEATLife Corporation
Separate balance sheet as at 31 December 2021 (continued)

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

	Code	Note	31/12/2021 VND	1/1/2021 VND
Long-term assets (200 = 210 + 220 + 250 + 260)	200		3,964,037,962,462	9,904,132,572,551
Accounts receivable – long-term	210		2,756,000	2,756,000
Other long-term receivables	216		2,756,000	2,756,000
Fixed assets	220		246,034,113	461,254,552
Tangible fixed assets	221		39,901,535	231,120,224
Cost	222		247,460,318	488,745,318
Accumulated depreciation	223		(207,558,783)	(257,625,094)
Intangible fixed assets	227		206,132,578	230,134,328
Cost	228		918,560,700	690,403,000
Accumulated amortisation	229		(712,428,122)	(460,268,672)
Long-term financial investments	250		3,962,880,024,017	9,899,664,500,000
Investments in subsidiaries	251	10(a)	3,314,777,300,000	9,899,664,500,000
Investments in an associate	252	10(b)	648,102,724,017	-
Other long-term assets	260		909,148,332	4,004,061,999
Long-term prepaid expenses	261		909,148,332	4,004,061,999
TOTAL ASSETS (270 = 100 + 200)	270		7,497,860,735,690	12,795,395,036,604

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

Masan MEATLife Corporation

Separate statement of income for the year ended 31 December 2021

Form B 02 – DN

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

	Code	Note	2021 VND	2020 VND
Revenue from sales of goods	01	21	10,426,612,864,715	10,620,165,390,237
Revenue deductions	02	21	607,391,240,914	677,346,312,542
Net revenue (10 = 01 - 02)	10	21	9,819,221,623,801	9,942,819,077,695
Cost of sales	11	22	9,162,424,321,210	9,310,555,410,727
Gross profit (20 = 10 - 11)	20		656,797,302,591	632,263,666,968
Financial income	21	23	4,135,046,625,560	159,632,865,571
Financial expenses	22	24	321,811,082,282	282,676,619,901
<i>In which: Interest expense</i>	23		258,397,797,338	223,922,897,013
Selling expenses	25	25	330,079,491,837	474,474,287,594
General and administration expenses	26	26	146,906,364,440	150,839,359,221
Net operating profit/(loss) {30 = 20 + (21 - 22) - (25 + 26)}	30		3,993,046,989,592	(116,093,734,177)
Other income	31		817,986,182	160,591,686
Other expenses	32		142,271,828	9,817,726
Results of other activities (40 = 31 - 32)	40		675,714,354	150,773,960
Accounting profit/(loss) before tax (50 = 30 + 40)	50		3,993,722,703,946	(115,942,960,217)
Income tax expense – current	51	27	-	-
Income tax expense – deferred	52	27	-	-
Net profit/(loss) after tax (60 = 50 - 51 - 52)	60		3,993,722,703,946	(115,942,960,217)

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 separate financial statements

Masan MEATLife Corporation
Separate statement of cash flows for the year ended 31 December 2021
(Indirect method)

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

	Code	2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit/(loss) before tax	01	3,993,722,703,946	(115,942,960,217)
Adjustments for			
Depreciation and amortisation	02	397,341,617	272,111,504
Allowances and provisions	03	10,137,389,946	(4,270,906,520)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	288,865,868	406,414,322
Profits from investing activities	05	(4,134,146,296,546)	(159,510,690,926)
Interest expense and bond issuance costs	06	262,128,231,342	223,922,897,013
Operating profit/(loss) before changes in working capital	08	132,528,236,173	(55,123,134,824)
Change in receivables and other assets	09	491,725,881,828	(89,715,400,005)
Change in inventories	10	102,140,377,965	19,258,493,466
Change in payables and other liabilities	11	(3,019,173,586,311)	840,729,610,518
Change in prepaid expenses	12	4,467,753,731	2,014,921,604
Change in trading securities	13	(256,165,829,261)	-
		(2,544,477,165,875)	717,164,490,759
Interest and bond issuance costs paid	14	(854,358,016,260)	(17,288,679,339)
Other payments for operating activities	17	(924,756,781)	(1,594,572,875)
Net cash flows from operating activities	20	(3,399,759,938,916)	698,281,238,545
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	21	(228,157,700)	(86,295,000)
Proceeds from disposals of fixed assets	22	46,036,522	-
Payments for granting loans and placement of term deposits	23	(10,190,300,000,000)	(2,084,150,000,000)
Receipts from collecting loans and withdrawal of term deposits	24	8,028,000,000,000	1,864,300,000,000
Payments for investments in subsidiaries and an associate	25	(3,348,091,835,017)	(5,200,777,300,000)
Proceeds from disposals of investments in subsidiaries	26	-	4,171,106,422,729
Receipts of interest and dividends	27	4,213,181,894,175	395,673,321,925
Net cash flows from investing activities	30	(1,297,392,062,020)	(853,933,850,346)

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

Masan MEATLife Corporation
Separate statement of cash flows for the year ended 31 December 2021
(Indirect method – continued)

Form B 03 – DN

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

	Code	2021 VND	2020 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued	31	2,636,000,000	23,874,000,000
Proceeds from borrowings and bonds	33	12,020,720,000,000	2,054,730,000,000
Payments to settle loan principals	34	(6,812,504,095,436)	(1,430,050,000,000)
Payments of dividends	36	(1,601,373,440,625)	-
Net cash flows from financing activities	40	3,609,478,463,939	648,554,000,000
Net cash flows during the year (50 = 20 + 30 + 40)	50	(1,087,673,536,997)	492,901,388,199
Cash and cash equivalents at beginning of the year	60	1,176,073,253,973	683,578,280,096
Effect of exchange rate fluctuations on cash and cash equivalents	61	(288,865,868)	(406,414,322)
Cash and cash equivalents at end of the year (70 = 50 + 60 + 61) (Note 4)	70	88,110,851,108	1,176,073,253,973

8 March 2022


Ma Hong Kim
Preparer


Nguyen Thanh Tung
Chief Accountant


Nguyen Quoc Trung
Chief Executive Officer

Masan MEATLife Corporation

Notes to the separate financial statements for the year ended 31 December 2021

Form B 09 – DN

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

These notes form an integral part of and should be read in conjunction with the accompanying separate 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 10(a), 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 Company is generally within 12 months.

(d) Company structure

As at 31 December 2021, the Company had 2 directly owned subsidiaries and 1 directly owned associate (1/1/2021: 3 directly owned subsidiaries) as listed in Note 10.

As at 31 December 2021, the Company has 14 dependent branches which are Phu Tho Branch, Ha Nam Branch, Nghe An Branch, Binh Dinh Branch, Dak Lak Branch, Vinh Long Branch, Hau Giang Branch, Dong Nai Branch, Quang Nam Branch, Thai Nguyen Branch, Tien Giang Branch, Hung Yen Branch, Hai Phong Branch and Can Tho Branch (1/1/2021: 14 dependent branches).

As at 31 December 2021, the Company had 32 employees (1/1/2021: 781 employees).

Masan MEATLife Corporation
Notes to the separate financial statements for the year ended 31 December 2021
(continued)

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

2. Basis of preparation

(a) Statement of compliance

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

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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



Masan MEATLife Corporation

Notes to the separate financial statements for the year ended 31 December 2021

(continued)

Form B 09 – DN

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

(b) Cash and cash equivalents

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

(c) Investments

(i) Held-to-maturity investments

Held-to-maturity investments are those that the Company's 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 Company for trading purpose i.e. purchased for resale with the aim of making profits over a short period of time. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less interest income for the period before investment acquisition date and allowance for diminution in value. An allowance is made for diminution in value of trading securities if 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.

(iii) Investments in subsidiaries and an associate

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

(d) Accounts receivable

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

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

Form B 09 – DN

(Issued under Circular No. 200/2014/TT-BTC
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(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and estimated costs to sell.

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) *Cost*

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

(ii) *Depreciation*

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

- office equipment 3 – 5 years

(g) **Intangible fixed assets**

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 5 years.

(h) Long-term prepaid expenses

(i) Tools and instruments

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

Masan MEATLife Corporation
Notes to the separate financial statements for the year ended 31 December 2021
(continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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(ii) 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.

(i) Accounts payable

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

(j) Provisions

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

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 Company are excluded.

(k) 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.

(l) 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 excess of proceeds from issuance of shares over the par value of shares issued is recorded as share premium.

Masan MEATLife Corporation

Notes to the separate financial statements for the year ended 31 December 2021

(continued)

Form B 09 – DN

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

(m) Taxation

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

(n) Revenue from sales of goods

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

(o) Financial income

Financial income comprises interest income from bank deposits, loans receivable and bonds; foreign exchange gains and dividend income.

Interest income is recognised in the separate 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 dividends is established. Share dividends are not recognised as income. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(p) Financial expenses

Financial expenses comprise interest expense on borrowings, bonds, associated issuance costs (collectively referred to as “borrowing costs”) and foreign exchange losses.

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



Masan MEATLife Corporation

Notes to the separate financial statements for the year ended 31 December 2021

(continued)

Form B 09 – DN

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

(q) Operating leases

Assets held under leases in terms of which the Company, as lessee, does not assume substantially all the risks and rewards of ownership are classified as operating leases and are not recognised in the Company's separate balance sheet. Payments made under operating leases are recognised in the separate statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the separate statement of income as an integral part of the total lease expense, over the term of the lease.

(r) Related parties

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

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

(s) Employee stock ownership plans

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

(t) Comparative information

Comparative information in these separate 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 separate 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 separate financial statements is not intended to present the Company's unconsolidated financial position, unconsolidated results of operation or unconsolidated cash flows for the prior year.

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

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Masan MEATLife Corporation**Notes to the separate financial statements for the year ended 31 December 2021
(continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	31/12/2021	1/1/2021
	VND	VND
Cash on hand	-	1,522,669,862
Cash at banks	38,110,851,108	45,530,754,111
Cash in transit	-	19,830,000
Cash equivalents	50,000,000,000	1,129,000,000,000
	88,110,851,108	1,176,073,253,973

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

5. Trading securities

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

The Company 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%.

6. Accounts receivable from customers – short-term**Accounts receivable from customers who are related parties:**

	31/12/2021	1/1/2021
	VND	VND
<i>Directly owned subsidiary</i>		
▪ 3F VIET Joint Stock Company	-	4,418,204,000
<i>Indirectly owned subsidiaries (until 1 December 2021)</i>		
▪ Agro Nutrition International Joint Stock Company	-	1,261,601,715
▪ MNS Feed Tien Giang Company Limited	-	1,125,969,760

The amounts due from subsidiaries were unsecured, interest free and are receivable within 30 to 60 days from invoice date.

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

	2021 VND	2020 VND
Opening balance	5,113,318,797	9,780,987,692
Additions during the year	9,091,194,831	-
Reversal of allowance during the year	-	(4,667,668,895)
Transfers from subsidiaries (Note 1(b))	8,255,441,357	-
Transfers to subsidiaries (Note 1(b))	(2,812,078,972)	-
Closing balance	19,647,876,013	5,113,318,797

7. Prepayments to suppliers – short-term

Prepayments to suppliers who are related parties:

	31/12/2021 VND	1/1/2021 VND
<i>Indirectly owned subsidiaries (until 1 December 2021)</i>		
▪ Agro Nutrition International Joint Stock Company	-	295,238,048,687
▪ MNS Feed Thai Nguyen Company Limited	-	25,656,231,780
▪ MNS Feed Tien Giang Company Limited	-	85,118,178,465
▪ MNS Feed Nghe An Company Limited	-	20,543,809,085

8. Short-term loans receivable

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

	Annual interest rate	Year of maturity	31/12/2021 VND	1/1/2021 VND
Indirectly owned subsidiaries				
▪ MEATDeli HN Company Limited (formerly known as “MNS Meat Ha Nam Company Limited”)	6.5%	2022	87,000,000,000	387,000,000,000
▪ MEATDeli Sai Gon Company Limited	6.5%	2022	266,200,000,000	94,550,000,000
▪ MML Farm Nghe An Company Limited (formerly known as “MNS Farm Nghe An Company Limited”)	6.5%	2022	106,000,000,000	36,100,000,000
Masan Group Corporation, the parent company	6.5%	2022	2,662,750,000,000	150,000,000,000
A third party	6.5%	2021	-	270,000,000,000
			3,121,950,000,000	937,650,000,000

All loan receivables were unsecured.

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9. Other short-term receivables

	31/12/2021 VND	1/1/2021 VND
Interest receivable from loans to related parties	57,347,795,228	45,462,638,387
Interest receivable from trading securities of the parent company	5,249,206,145	-
Interest receivable from deposits at banks and loans to a third party	23,972,603	12,233,435,618
Short-term deposits	2,355,860,530	2,095,500
Profit distribution receivable from subsidiaries	-	83,063,297,600
Other receivables from subsidiaries	156,736,239	557,775,920
Others	855,290,779	976,752,824
	65,988,861,524	142,295,995,849

Other short-term receivables comprised of following amounts due from related parties:

	31/12/2021 VND	1/1/2021 VND
<i>Parent company</i>		
▪ Masan Group Corporation	25,639,305,460	2,323,972,603
<i>Directly owned subsidiary</i>		
▪ 3F VIET Joint Stock Company	92,826,128	-
<i>Directly owned subsidiary (until 1 December 2021)</i>		
▪ MNS Feed Corporation	(*)	83,063,297,600
<i>Indirectly owned subsidiaries</i>		
▪ MEATDeli Sai Gon Company Limited	32,050,021,792	16,239,667,566
▪ MML Farm Nghe An Company Limited	4,921,754,097	5,146,860,277
▪ MEATDeli HN Company Limited	49,830,135	22,005,065,789
<i>Indirectly owned subsidiaries (until 1 December 2021)</i>		
▪ Vietnamese – French Cattle Feed Joint Stock Company	(*)	116,169,852
▪ Agro Nutrition International Joint Stock Company	(*)	33,874,215
▪ MNS Feed Thai Nguyen Company Limited	(*)	9,003,322
▪ Conco Binh Dinh Company Limited	(*)	114,127,200
▪ Proconco Hung Yen Trading and Production Company Limited	(*)	315,000
▪ MNS Feed Hau Giang Company Limited	(*)	588,000
▪ MNS Feed Nghe An Company Limited	(*)	190,002
▪ MNS Feed Tien Giang Company Limited	(*)	26,794,480
▪ Proconco Can Tho One Member Company Limited	(*)	3,786,001

Interest receivable from loans to parent company and subsidiaries were unsecured and are receivable on the maturity date or repayment date of the respective loan agreements, whichever is earlier. The other amounts due from subsidiaries were unsecured, interest free and are receivable on demand.

- (*) The Company does not present the balances with these companies in this section due to these companies are no longer the related parties of the Company as at 31 December 2021.

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	31/12/2021		1/1/2021	
	% equity owned/ voting right	Cost VND	% equity owned/ voting right	Cost VND
▪ MNS Meat Company Limited (“MNS Meat”)	99.99%	2,700,003,000,000	99.99%	2,000,003,000,000
▪ 3F VIET Joint Stock Company (“3F VIET”)	51.0%	614,774,300,000	51.0%	614,774,300,000
▪ MNS Feed Corporation (“MNS Feed”) (*)	-	-	99.9%	7,283,990,000,000
▪ Others	-	-	-	897,200,000
		<u>3,314,777,300,000</u>		<u>9,899,664,500,000</u>

(*) As presented in Note 15(b)(ii), upon completion of the 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 the 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 (Note 10(b)).

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

There is no allowance from diminution in value made for investments in subsidiaries of the Company as at 31 December 2021 and 1 January 2021.

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

	MNS Feed VND	MNS Meat VND	3F VIET VND	Others VND	Total VND
Opening balance	7,283,990,000,000	2,000,003,000,000	614,774,300,000	897,200,000	9,899,664,500,000
Addition	-	700,000,000,000	-	-	700,000,000,000
Disposal of investments	(7,283,990,000,000)	-	-	(897,200,000)	(7,284,887,200,000)
Closing balance	-	2,700,003,000,000	614,774,300,000	-	3,314,777,300,000

Detailed information of the Company's subsidiaries was described as follows:

Name	Address	Principal activities
MNS Meat Company Limited	Song May Industrial Zone, Bac Son Commune, Trang Bom District, Dong Nai Province, Vietnam	Investment holding
3F VIET Joint Stock Company	68 Nguyen Hue Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	To breed poultry and process and preserve meat

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		31/12/2021		1/1/2021	
		%		%	
	No. of	economic	Cost	No. of	Cost
	shares	interest/	VND	shares	VND
		voting			
		right			
Vissan Joint Stock Company (“Vissan”)	20,180,026	24.9%	648,102,724,017	-	-

The principal activities of Vissan is to process and trade fresh meat, processed foods and meat related products.

There is no allowance from diminution in value made for investments in an associate of the Company as at 31 December 2021.

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

11. Accounts payable to suppliers – short-term**(a) Accounts payable to suppliers detailed by significant suppliers**

	31/12/2021	1/1/2021
	VND	VND
Masan Consumer Corporation	3,463,708,169	4,563,823,848
Vietnamese – French Cattle Feed Joint Stock Company	-	2,187,376,275,950
Other suppliers	755,817,945	550,782,263,954
	4,219,526,114	2,742,722,363,752

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	31/12/2021 VND	1/1/2021 VND
<i>Other related companies</i>		
▪ Masan Consumer Corporation	3,463,708,169	4,563,823,848
▪ Wincommerce General Commercial Services Joint Stock Company (formerly known as “Vincommerce General Commercial Services Joint Stock Company”)	70,571,020	81,864,791
<i>Indirectly owned subsidiaries (until 1 December 2021)</i>		
▪ Vietnamese – French Cattle Feed Joint Stock Company	-	2,187,376,275,950
▪ Proconco Hung Yen Trading and Production Company Limited	-	171,688,262,720
▪ MNS Feed Hau Giang Company Limited	-	157,898,703,815
▪ Conco Binh Dinh Company Limited	-	145,020,554,574
▪ Agro Nutrition International Joint Stock Company	-	52,086,866,325
▪ MNS Feed Vinh Long Company Limited	-	396,000,000

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

12. Taxes payable to State Treasury

	1/1/2021 VND	Incurred VND	Paid VND	Net-off/ Refunded VND	31/12/2021 VND
Value added tax	-	285,074,260	(202,948,085)	(31,062,519)	51,063,656
Personal income tax	4,621,894,902	28,776,343,409	(29,286,179,828)	(3,577,172,902)	534,885,581
Other taxes	-	105,900,674	(105,900,674)	-	-
	4,621,894,902	29,167,318,343	(29,595,028,587)	(3,608,235,421)	585,949,237

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	31/12/2021	1/1/2021
	VND	VND
Interest expense	66,714,079,453	1,640,590,055
Performance bonus	3,894,420,000	41,950,199,620
Sales discounts	1,730,556,458	207,230,066,842
Advertising and promotion expenses	49,170,000	7,818,797,632
Transportation expenses	-	888,932,642
Others	6,009,494,714	7,677,968,939
	78,397,720,625	267,206,555,730

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

	31/12/2021	1/1/2021
	VND	VND
Dividends payable	869,949,675	-
Payable to ANCO for acquisition of MNS Meat from the restructuring in 2020	-	1,999,989,111,000
Interest expense payable to Masan Horizon Corporation (formerly known as “Masan Horizon Company Limited”), a related company	-	3,276,712,329
Other payables to MNS Feed Tien Giang Company Limited, an indirectly owned subsidiary (until 1 December 2021)	-	389,409,575
Others	458,394,082	6,335,094,368
	1,328,343,757	2,009,990,327,272

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	31/12/2021 VND	1/1/2021 VND
Interest expense payable to Vietnamese – French Cattle Feed Joint Stock Company, an indirectly owned subsidiary (until 1 December 2021)	-	620,693,878,024

During the year, the Company repaid all loans principal and related interest before the maturity date (Note 15(b)(i)).

15. Borrowings and bonds**(a) Short-term borrowings**

	1/1/2021 Carrying amount/ Amount within repayment capacity VND	Movements during the year		31/12/2021 Carrying amount/ Amount within repayment capacity VND
		Additions VND	Repayments VND	
Short-term borrowings	993,210,000,000	2,736,750,000,000	(3,700,660,000,000)	29,300,000,000

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

	Currency	Annual interest rate	31/12/2021 VND	1/1/2021 VND
Unsecured bank loans	VND	3.4%	29,300,000,000	593,210,000,000
Unsecured loan from Masan Horizon Corporation, a related company	VND	6.5%	-	400,000,000,000
			29,300,000,000	993,210,000,000

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	31/12/2021 VND	1/1/2021 VND
Long-term borrowings (i)	-	3,111,844,095,436
Long-term bonds (ii)	1,966,647,316,037	-
	<u>1,966,647,316,037</u>	<u>3,111,844,095,436</u>

(i) Long-term borrowings

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

	Annual interest rate	Year of maturity	31/12/2021 VND	1/1/2021 VND
Unsecured loans from Vietnamese – French Cattle Feed Joint Stock Company, an indirectly owned subsidiary (until 1 December 2021)				
▪ Loan 1	6.5%	2023	-	2,419,754,495,481
▪ Loan 2	6.5%	2023	-	692,089,599,955
			<u>-</u>	<u>3,111,844,095,436</u>

During the year, the Company repaid all loans principal before the maturity date.

(ii) Long-term bonds

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

	Currency	Annual interest rate	Year of maturity	31/12/2021 VND	1/1/2021 VND
Bonds issued at par					
▪ No. MMLB2126001	VND	9.5%	2026	1,999,980,000,000	-
Unamortised bonds issuance costs				(33,332,683,963)	-
				<u>1,966,647,316,037</u>	<u>-</u>

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The bonds issued by the Company 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 are 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 the bonds issuance documents. The exchange was completed on 1 December 2021 (Note 10(a)) and the Company derecognised the related issued bonds accordingly.

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.

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16. Changes in owners' equity

	Share capital VND	Share premium VND	(Accumulated losses)/ Undistributed profits after tax VND	Total VND
Balance as at 1 January 2020	3,243,274,470,000	2,119,105,015,149	(2,247,530,810,778)	3,114,848,674,371
Shares issuance under employee stock ownership plans ("ESOP") (Note 19)	23,874,000,000	(50,000,000)	-	23,824,000,000
Net loss for the year	-	-	(115,942,960,217)	(115,942,960,217)
Balance as at 1 January 2021	3,267,148,470,000	2,119,055,015,149	(2,363,473,770,995)	3,022,729,714,154
Shares issuance under ESOP (Note 19)	2,736,000,000	(50,000,000)	-	2,686,000,000
Net profit for the year	-	-	3,993,722,703,946	3,993,722,703,946
Dividends (Note 18)	-	-	(1,602,243,390,300)	(1,602,243,390,300)
Balance as at 31 December 2021	3,269,884,470,000	2,119,005,015,149	28,005,542,651	5,416,895,027,800

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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
Authorised share capital	326,988,447	3,269,884,470,000	326,714,847	3,267,148,470,000
Issued share capital				
Ordinary shares	326,988,447	3,269,884,470,000	326,714,847	3,267,148,470,000
Shares in circulation				
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 dividend 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
Opening balance	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
Closing balance	326,988,447	3,269,884,470,000	326,714,847	3,267,148,470,000

18. 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).

19. 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.

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20. Off balance sheet items

(a) Commitment under operating leases

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

	31/12/2021	1/1/2021
	VND	VND
Within 1 year	227,204,640	11,323,257,600
Within 2 to 5 years	-	1,372,449,600
	<hr/> 227,204,640	<hr/> 12,695,707,200

(b) Foreign currency

	31/12/2021		1/1/2021	
	Original	VND	Original	VND
	currency	equivalent	currency	equivalent
USD	18,086	409,656,959	451,269	10,379,183,320

21. Revenue from sales of goods

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

Net revenue comprised of:

	2021	2020
	VND	VND
Total revenue		
▪ Sales of goods	10,426,612,864,715	10,620,165,390,237
Less revenue deductions		
▪ Sales discounts	607,342,120,914	677,326,492,692
▪ Sales returns	49,120,000	19,819,850
	<hr/> 607,391,240,914	<hr/> 677,346,312,542
Net revenue	<hr/> 9,819,221,623,801	<hr/> 9,942,819,077,695

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	2021 VND	2020 VND
Cost of goods sold	9,162,424,321,210	9,310,555,410,727

23. Financial income

	2021 VND	2020 VND
Dividends income from subsidiaries	4,000,003,108,500	83,063,297,600
Interest income	135,040,388,046	76,447,393,326
Realised foreign exchange gains	3,129,014	122,174,645
	4,135,046,625,560	159,632,865,571

24. Financial expenses

	2021 VND	2020 VND
Interest expense	258,397,797,338	223,922,897,013
Bonds issuance costs	3,730,434,004	-
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	288,865,868	406,414,322
Others	59,393,985,072	58,347,308,566
	321,811,082,282	282,676,619,901

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	2021 VND	2020 VND
Staff costs	159,623,181,806	214,352,142,447
Transportation expenses	69,883,062,587	83,127,899,781
Advertising and promotion expenses	34,768,986,545	78,419,681,323
Operating leases expense	12,811,722,421	14,348,756,400
Tools and supplies	929,611,926	1,181,373,963
Others	52,062,926,552	83,044,433,680
	<hr/>	<hr/>
	330,079,491,837	474,474,287,594

26. General and administration expenses

	2021 VND	2020 VND
Staff costs	92,443,976,131	107,611,046,335
Operating leases expense	10,699,772,973	11,954,401,215
Office supplies	3,029,815,342	3,164,225,685
Depreciation and amortisation	397,341,617	272,111,504
Allowance for doubtful debts	9,091,194,831	(4,667,668,895)
Others	31,244,263,546	32,505,243,377
	<hr/>	<hr/>
	146,906,364,440	150,839,359,221

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	2021 VND	2020 VND
Accounting profit/(loss) before tax	3,993,722,703,946	(115,942,960,217)
Tax at the Company's tax rate	798,744,540,789	(23,188,592,043)
Non-deductible expenses	348,887,900	613,294,180
Tax exempt income	(800,000,621,700)	(16,612,659,520)
Unrecognised deferred tax assets	907,193,011	39,187,957,383
	-	-

(b) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	31/12/2021		1/1/2021	
	Temporary difference VND	Tax value VND	Temporary difference VND	Tax value VND
Deductible temporary differences	86,576,186,756	17,315,237,351	455,887,356,571	91,177,471,314
Tax losses	1,597,009,955,583	319,401,991,117	1,386,519,865,550	277,303,973,110
	1,683,586,142,339	336,717,228,468	1,842,407,222,121	368,481,444,424

The tax losses expire in the following years:

Year of expiry	Status of tax review	Tax losses available VND
2022	Outstanding	665,385,871,285
2023	Outstanding	202,694,631,599
2024	Outstanding	339,068,244,558
2025	Outstanding	16,014,073,272
2026	Outstanding	373,847,134,869
		1,597,009,955,583

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The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

(c) Applicable tax rate

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.

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

28. Significant transactions with related parties

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

	Transaction value	
	2021	2020
	VND	VND
Parent company		
Masan Group Corporation		
Loans granted	3,800,000,000,000	150,000,000,000
Loan collected	1,287,250,000,000	-
Interest income	27,852,410,959	2,323,972,603
Bond interest income	9,112,518,595	-
Exchangeable bonds issuance	3,756,912,000,000	-
Dividend declared	1,260,516,028,100	-
Subsidiaries		
MNS Meat Company Limited		
Capital contribution	700,000,000,000	3,000,000
MEATDeli HN Company Limited		
Purchases of goods	-	578,931,122
Loans granted	365,800,000,000	443,200,000,000
Loans collected	665,800,000,000	256,000,000,000
Interest income	10,606,998,640	18,868,983,577

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	Transaction value	
	2021	2020
	VND	VND
Agro Nutrition International Joint Stock Company		
Purchases of goods	1,096,579,809,380	1,070,527,974,600
Sales of goods	1,010,944,338	969,038,940
Warehouse rental fee	572,400,000	-
Capital contribution	-	414,000,000,000
Purchases of investments	647,778,834,600	1,999,989,111,000
Disposal of fixed assets	27,752,082	-
Vietnamese - French Cattle Feed Joint Stock Company		
Purchases of goods	4,946,973,880,135	5,324,668,548,615
Sales of goods	19,235,758,535	16,698,063,175
Loans received	741,000,000,000	-
Loans repaid	3,852,844,095,436	-
Interest expense	162,640,255,334	202,824,030,222
Disposal of tangible fixed assets	18,284,440	-
Proconco Can Tho One Member Company Limited		
Purchases of goods	27,401,743,715	2,583,523,250
Loans received	199,500,000,000	-
Loans repaid	199,500,000,000	-
Interest expense	642,772,603	-
Conco Binh Dinh Company Limited		
Purchases of goods	1,171,595,834,455	1,226,232,894,100
Sales of goods	3,607,237,955	1,783,477,065
Purchases of fixed assets	-	114,127,200
Disposal of fixed asset	227,864,500	-
Proconco Hung Yen Trading and Production Co., Ltd		
Purchases of goods	606,875,721,510	498,016,643,585
Sales of goods	430,530,040	115,531,855
Warehouse rental fee	630,000,000	693,000,000
Other related companies		
Masan Consumer Corporation		
Information and technology expenses	9,387,998,709	8,983,588,158
Project management fee	80,552,302	513,924,254
Purchases of goods	84,541,386	153,616,015
NET Detergent Joint Stock Company		
Purchases of goods	-	27,683,998
Masan Brewery Distribution Company Limited		
Purchases of goods	143,106,000	-

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	Transaction value	
	2021	2020
	VND	VND
Masan Horizon Corporation		
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	-
Exchangeable bonds issuance	650,506,000,000	-
The Sherpa Company Limited		
Loans granted	3,951,000,000,000	-
Loans collected	3,951,000,000,000	-
Interest income	17,319,452,055	-
Wincommerce General Commercial Services Joint Stock Company		
Purchases of goods	693,270,155	502,133,559

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

Remuneration, salary, bonus and other benefits of key managers

	Transaction value	
	2021	2020
	VND	VND
Members of Board of Directors		
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	-	-
Chief Executive Officer		
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
Other key managers		
Remuneration, salary and other bonus	19,681,022,335	24,984,500,292

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(*) No board fees were paid to the members of the Company's Board of Directors for the years ended 31 December 2021 and 2020.

(**) Before appointment, the Company did not pay any remuneration, salary and other bonus.

The Company provides payment guarantee for its subsidiaries' borrowings from banks, with below outstanding balance at reporting date:

	31/12/2021 VND	1/1/2021 VND
Subsidiaries		
MML Farm Nghe An Company Limited	464,000,000,000	170,322,923,047
MEATDeli HN Company Limited	502,122,375,634	95,824,630,158
3F VIET Joint Stock Company	99,873,760,099	-
Subsidiaries (until 1 December 2021)		
MNS Feed Hau Giang Company Limited	-	48,701,275,246
MNS Feed Nghe An Company Limited	-	37,515,503,772
MNS Feed Thai Nguyen Company Limited	-	22,254,022,666
Conco Binh Dinh Company Limited	-	17,656,028,973
Agro Nutrition International Joint Stock Company	-	169,375,175,585

29. 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	-
Acquisition of equity investments yet to be paid	-	1,999,989,111,000
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

