



ANNUAL REPORT 2021

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This Annual Report is made for the purpose of Annual General Meeting 2022 and available to shareholders of Masan Group, Masan Consumer, and Masan MEATLife. The annual reports of Masan Consumer and Masan MEATLife are available on their respective websites.



# CONSUMER OF THINGS

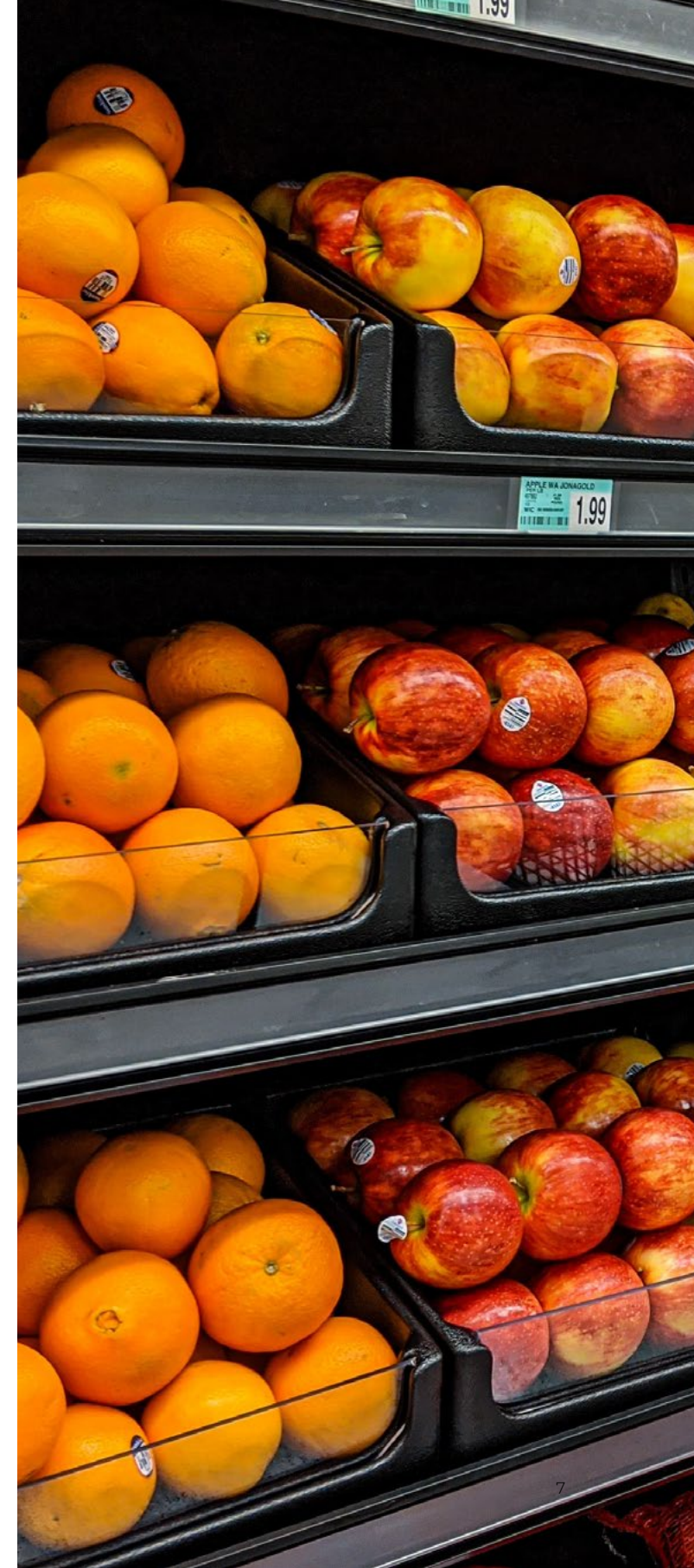






## Our offline consumer-retail network

will not only complement the digital ecosystem we are building, but also ensure profitability while digital expands.





# We are consolidating consumer wallet

with our mini mall retail format, expanding our portfolio of products and services to fulfill the needs of the family not just the individual.







## **We are taking a strategic bet on AI and ML capabilities**

**to build a consumer insight model.  
Combined with our offline insights,  
we aim to increase the success rate of  
consumer use cases beyond grocery.**





# We are building an offline-to-online financial services model

to consolidate cash and provide  
consumer loans at reasonable cost.





# **The next step of our consumer-tech journey**

**is in entertainment to uplift the spiritual  
lives of our consumers.**





# Chairman's Letter



## The Next Step in Our Consumer Journey: “Consumer-Tech”

Dear Masaners,

At our very core, we are a consumer-centric, innovation-led company and this DNA will never change, steering our “Alpha Bets”, growing our people, and most importantly, serving our consumers. Since the start of our journey, we have continuously transformed to meet the evolving demands and big unmet needs of 100 million Vietnamese consumers, from revolutionizing the fish sauce market to now redeveloping the consumer infrastructure to make consumers’ essential needs cheaper while enhancing their well-being and quality of life. This requires a true metamorphosis – shifting from a traditional business into a disruptive, tech-empowered consumer organization by:

- Scaling our offline “mini mall” across each physical WinMart store and bridging consumers’ offline habits and behaviors into a frictionless, off-to-online (“O<sup>2</sup>”) experience, lowering consumer acquisition costs and increasing retention rates versus a pure online model;
- Utilizing artificial intelligence (“AI”) and machine learning (“ML”) to improve operations and build a unique know-your-consumer (“KYC”) engine to personalize offerings for 100 million consumers;

- Creating O<sup>2</sup> financial solutions that are simple and frictionless to serve the unbanked and provide the banked added value; and
- Developing the supply chain of the future to evolve into a B2B2C business.

We are focusing our tech initiatives to solve constraints specific to our business and Vietnam’s consumption infrastructure. We have been experimenting and now have a clearer picture on which technologies to invest in and how to apply them to serve consumers better and more efficiently. Today, we are at version 0.5 of our O<sup>2</sup> platform but version 4.0 will be solidified by the end of 2022.

### Mini mall the key to consolidate consumer wallet and scaling O<sup>2</sup> platform

*“The secret of success in retailing is to give your customers what they want” – Sam Walton, founder of Walmart*

Many view Masan as a conglomerate and are questioning whether we are applying the same logic to our Point of Life, mini mall strategy – we disagree on both. The mini mall concept was developed to give consumers what they want daily under one roof. Each product or service provides a daily use case that is underpinned by a power brand: WinMart (grocery), Techcombank (financial services), Phuc

Long (tea and coffee) and a to-be-announced pharmacy partnership (health and well-being). The missing element is content and entertainment, which we will fill in shortly to grow consumer interaction and engagement exponentially and to differentiate our telecom offering (Reddi). The mini mall concept increases our addressable consumer wallet from 25% to 60-80%.

*From a business model standpoint, mini malls enable us to scale nationwide while delivering profits.*

A pure grocery format is uneconomical to go rural, where the majority of Vietnamese consumers live. The mini mall format reduces our store-level breakeven EBITDA from VND20 million revenue per day to ~VND14 million revenue per day, a winning concept. We are building a service for 100 million consumers, not just a subsegment of them.

*We abide by “serving our consumers anytime and anywhere”.*

This means creating digital lifestyle services is a must in our journey – the key is how to do it without burning money. E-commerce, while being an emerging trend, is not currently commercially viable as a standalone business due to consumer demand (5% of retail sales), purchase frequency (mainly discretionary)

and an inefficient supply chain leading to overuse of promotions to capture gross merchandise value (“GMV”). We believe in a hybrid model and leveraging our offline mini mall to digitalize successfully.

We plan to introduce an all-in-one digital kiosk at our offline stores to provide a unified solution, across shopping, telecommunication, financial and loyalty accounts. Imagine a digital machine that can act as a cashless check out point, act as a cash in and cash out point for personal finance needs, dispense sim cards, and provide consumers the latest in-store promotions and offerings. These same offerings and services will be seamlessly connected to a digital app on Reddi, enabling consumers to order products for delivery or store pick-up and access Masan’s entire lifestyle offerings anytime, anywhere. Life is both offline and online and by combining both into one integrated platform, we can scale up our digital initiatives while sticking to our fundamental business principles of generating sustainable profits.

Our job is to take the successful mini mall pilot and scale it across 30,000 stores and link it into a digital ecosystem by 2025. This may happen earlier or later than 2025, but the mini mall lifestyle is the concept for modern Vietnam.

**Artificial intelligence (“AI”) and machine learning (“ML”) as a disruptive tool to make our life and consumer lives easier**

We believe in the power of AI and ML, particularly how it can be applied to create value across our platform by saving costs, making work more efficient and service-oriented, launching innovative products with a higher success rate, and most importantly, delivering bespoke experiences for each individual consumer.

We see immediate ways to leverage AI and ML to drive cost efficiencies and business value:

- Assortment planning: figuring out and optimizing which store needs which product at what time for a network of 30,000 stores, particularly in a country where habits and preferences differ widely from region to region. We expect less loss of sales, lower inventory days, a simpler SKU basket and higher consumer satisfaction.
- Store selection: combining our historical store results with unique population traffic data to increase store opening success rate to 90%+.
- Improving store associates' productivity: utilizing camera vision and AI to simplify mundane time-consuming processes for our store associates, freeing them to act as

customer service agents to cross-sell and satisfy consumers.

Becoming a more efficient business is great, but we are more ecstatic about the potential of applying AI and ML to create a unique know your consumer (“KYC”) insight engine. We have been successful using traditional approaches such as consumer tests, surveys, and market reports. While these methods are proven and have allowed us to build power brands, these traditional approaches are more appropriate to develop macro not personalized insights.

Consumers now demand greater personalization and we believe our KYC engine will enable us to understand consumers’ shopping history, habits, and behaviors to deliver what each consumer wants. By combining the insights from our emerging Big Data platform with our understanding of “macro” consumer trends, we will be able to personalize offerings and tailor user experience at scale. Specifically, the KYC engine will:

- Provide real-time consumer data for Masan Consumer to innovate in a shorter time cycle while increasing the innovation success rate and drive our private label strategy;
- Communicate and interact with consumers in a personalized, targeted manner and predict consumer

demand and recommend tailored offerings at the right time and context. This will not only lead to greater return on sales and marketing investments but, more importantly, provide a platform to develop a revenue-generating marketing platform; and

- Power our online business model as shoppers’ habits and behavior widely differs versus offline shopping.

We are taking a huge bet on AI and ML and will make it come to life by the second half of 2022.

**O<sup>2</sup> Retail Banking Platform?**

We interact with millions of consumers every day and a majority of them do not have access to a true financial life. At the same time, we own rich consumer transaction data that gives us a competitive edge in understanding and pricing their financial needs. Financial penetration is driven by accessibility, onboarding convenience, and ability to rate credit worthiness. With accessibility addressed via our nationwide offline network, we aim to serve consumers’ financial life by developing an easy and simple onboarding process via an integrated offering: a single-ID (telephone number, i.e., Reddi) that automatically synchronizes a WCM shopper into Masan's financial ecosystem offering contactless payment solutions, savings, investment and lending products based on our AI-ML engine.

In 2022, we will rollout digital banking kiosks, enabling consumers to cash in, cash out, and access financial products, such as credit cards and insurance products. Our offline store locations will act as service points and our online portal will always keep consumers connected for on-demand services.

We aim to onboard 1 million unbanked consumers and provide them with reasonably priced credit cards, our definition of consumption financing, in 2022, a key milestone to become a O<sup>2</sup> retail banking service platform.

**B2B2C, the only way to transform the consumer infrastructure and serve 100 million consumers**

While we are transforming and digitizing our B2C platform, we are ensuring that it also works for our future B2B partners, 300,000+ general trade retailers that Masan Consumer serves directly.

We are currently in the early stages of testing the supply chain of the future, comprising of logistics fulfillment and dark store warehouses in our supermarkets powered by AI and ML for autonomy. Through centralization, technology, and the virtuous cycle of scale, we aim to achieve efficiencies with less distance to be covered, fuller



containers, and better supply and demand planning, which will reduce shrinkage costs and optimize inventory levels across the entire consumer value chain. This will also ensure that products are always available without funding and storing excessive inventory. Our future supply chain combined with our expanding offline network will be key to improve fulfillment and last mile logistics, powering our online ambitions in an economical and sustainable manner.

The goal for 2022 is to service 50% of our internal demand and scale it up to service 100% in short order. The long-term plan is to offer this solution to our merchant partners (general trade locations) to drive out the inefficiencies of Vietnam’s multi-layered, inefficient consumer infrastructure. Bringing “new retail” solutions to our merchants is the only way to make basic goods 5-10% cheaper as GT still represents 90% of the retail market.

We also want to build a win-win partnership where our merchant partners’ consumers can access Masan’s ecosystem of offerings – partnering with merchants is the only way to serve 100 million consumers.

The most important: technology powered, but people still the key

Our consumer-tech journey follows our commitment to always fulfill the evolving big unmet needs of our consumers. However, the transformation into an integrated O<sup>2</sup> platform will not be possible if we cannot deliver on people transformation. No matter how disruptive technology is, at the end of the day, people will determine if we can reach our destination, as technology on its own, can never be consumer centric. We must unify to digitalize but still stick to our mission of uplifting the material and spiritual daily lives of consumers each and every day. Many people think I have a doctorate degree in marketing as there is no direct link between my doctorate degree in nuclear physics and the consumer industry. However, I believe combining science, technology and marketing will create a nuclear reaction to serve consumers better. We will infuse our organization with PhDs to accelerate the use of science and technology to disrupt the consumer industry.

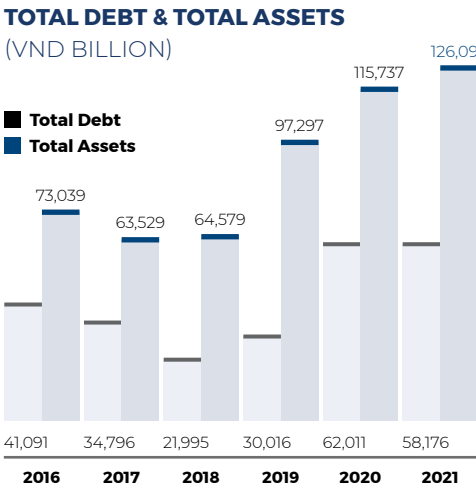
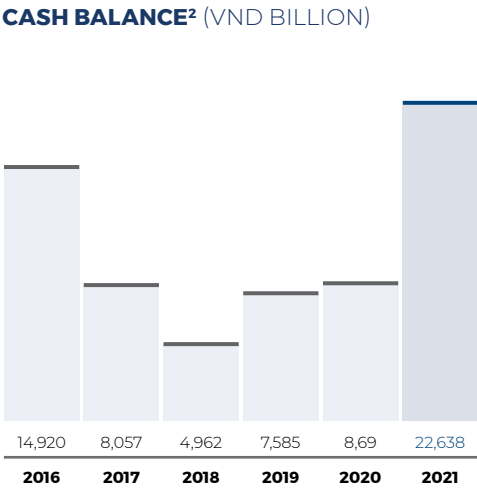
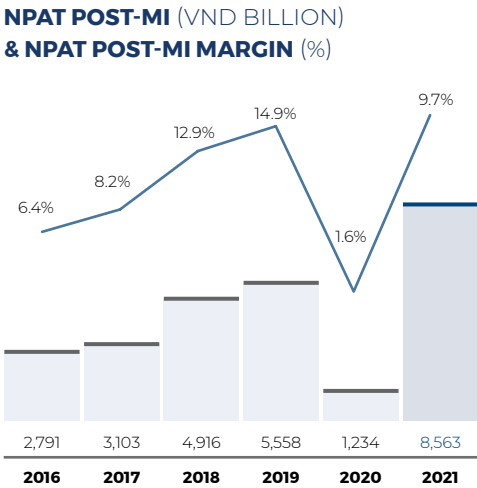
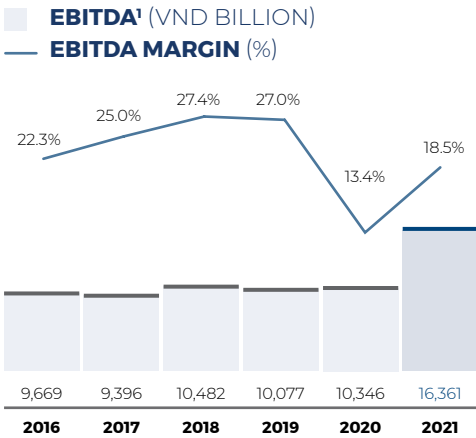
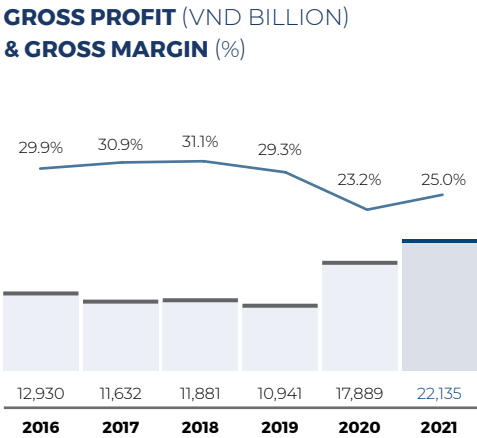
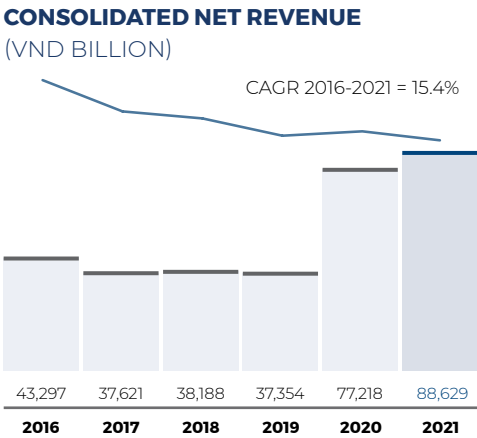
Embrace change and forever evolve. This is the mindset we need to reach the heights that we envision.

Our journey is the consumer-tech journey.



Dr. Nguyen Dang Quang  
Chairman of the Board

Financial Scorecard



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

2. Includes short-term investments.

# Our Story



## Our businesses are in sectors that together represent a majority of the consumer wallet

### Who We Are

#### An Integrated Consumer-Tech Ecosystem to Fulfill the Evolving Big Unmet Needs of 100 Million Vietnamese Consumers

Masan Group is Vietnam's leading consumer-focused business group and we believe in "Doing well by doing good." Our purpose is to provide quality products and services for Vietnam's population of nearly 100 million people, enabling them to get more value for money on their daily basic needs.

We are guided by our key principle: to continuously transform and fulfill the evolving consumer big unmet needs, which will lead to transformational value creation. As Vietnam develops economically, our consumers and their needs continue to evolve, moving beyond daily essentials to a wider array of tailored products, services and experiences that reflect their modern lifestyles and aspirations. Consumers are also increasingly tech-savvy and value convenience. Anticipating these changes, Masan Group has gone beyond being a producer of branded consumer goods and is well on its' journey to becoming an integrated offline-to-online ("O2") consumer-tech ecosystem. This is what we mean by "Our Consumer Tech Journey".

Today, the building blocks of our consumer ecosystem include subsidiaries and associates operating in sectors that include consumer retail, branded FMCG (including packaged food and beverage, and home and personal care ("HPC")), branded meat and fresh produce, financial services, retail food and beverage, and mobile telecommunications. We operate in sectors that together represent a majority of the consumer wallet share in Vietnam, where domestic consumption is the key component of GDP and driver of economic growth.

Specifically, these businesses include The CrownX, a consumer-retail platform that owns both Masan Consumer Holdings ("MCH"), our branded consumer goods segment, and WinCommerce ("WCM"), our grocery retailing segment. Our other consumer-related businesses include, Masan MEATLife ("MML"), one of Vietnam's largest branded meat platform focused on serving consumers with traceable, hygienic, and branded meat products; Phuc Long Heritage ("Phuc Long"), a leading and well-loved branded tea and coffee retail chain; and Mobicast, a mobile virtual network operator ("MVNO") operating under the brand "Reddi".





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

With the exception of MHT, Masan Group’s businesses represent key building blocks of our holistic consumer ecosystem. In 2021, we advanced our Point of Life (“POL”) strategy (converting WinMart+ locations into one stop shops) with the successful development and pilot of our mini mall concept that provides a greater array of daily essential

products and services (e.g., groceries, pharmaceuticals, financial products, and entertainment/ telecommunications offerings) under an integrated O<sup>2</sup> ecosystem. The nationwide rollout of this concept is expected to increase store foot traffic and lower breakeven sales target to improve profitability. Going forward, Masan Group aims to enhance our O<sup>2</sup> consumer ecosystem, including its integrated loyalty platform, by utilizing technology and data analytics to understand and better serve our consumers, who can experience a more rewarding shopping journey with greater convenience and personalized benefits.

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

### Doing Fewer But Bigger – Our Beliefs

Masan is often viewed as a diversified conglomerate with a variety of unrelated businesses. However, we see ourselves as consumer-focused business group with a few key business pillars that can synergistically provide Vietnamese consumers a more convenient and rewarding experience as they address their daily basic needs and beyond. This level of focus is reflected in how we build our businesses. In a dynamic market with many opportunities, we believe in being disciplined and have recognized several important criteria of a successful and sustainable business in Vietnam. These include:

#### A PASSION TO IMAGINE AND FULFILL BIG UNMET NEEDS

Masan believes that true value comes from scale and leadership in large opportunities that are underserved. We also believe that imagination and creativity are critical to not only envision such unmet needs, but to envision ways to fulfill them with innovation or new insights. We do not simply want to do what others do or do what others do slightly better - we want to change the rules of the game.

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

Today, we are focused on three large consumer categories where we believe there are big unmet needs due to structural inefficiencies and lack of innovation. We have segmented them into Grocery Life (FMCG, fresh food, grocery retail), Financial Life (credit, investments, and payment services), and Digital Life (entertainment/leisure, telecommunications, healthcare, and education). Together, these consumer categories represent approximately 80% of consumer wallet share.

Masan Group started its journey of imagining and fulfilling big unmet needs within the Grocery Life category. Over 20 years ago, Vietnamese basic foodstuff such as our national condiment, fish sauce, lacked standards, hygiene, trusted brands, and affordability due to no economies of scale and low availability due to a fragmented distribution network full of middlemen. By addressing these issues with our approach to business transformation, the “Masan Way”, we have been able to build a leading branded consumer platform in consumer categories with a combined addressable market of ~USD35 billion.

Improving consumers’ Grocery Life also involves transforming Vietnam’s retail landscape. With the acquisition of WCM, owner and operator of 122 WinMart (“WMT”) supermarkets and 2,619 WinMart+

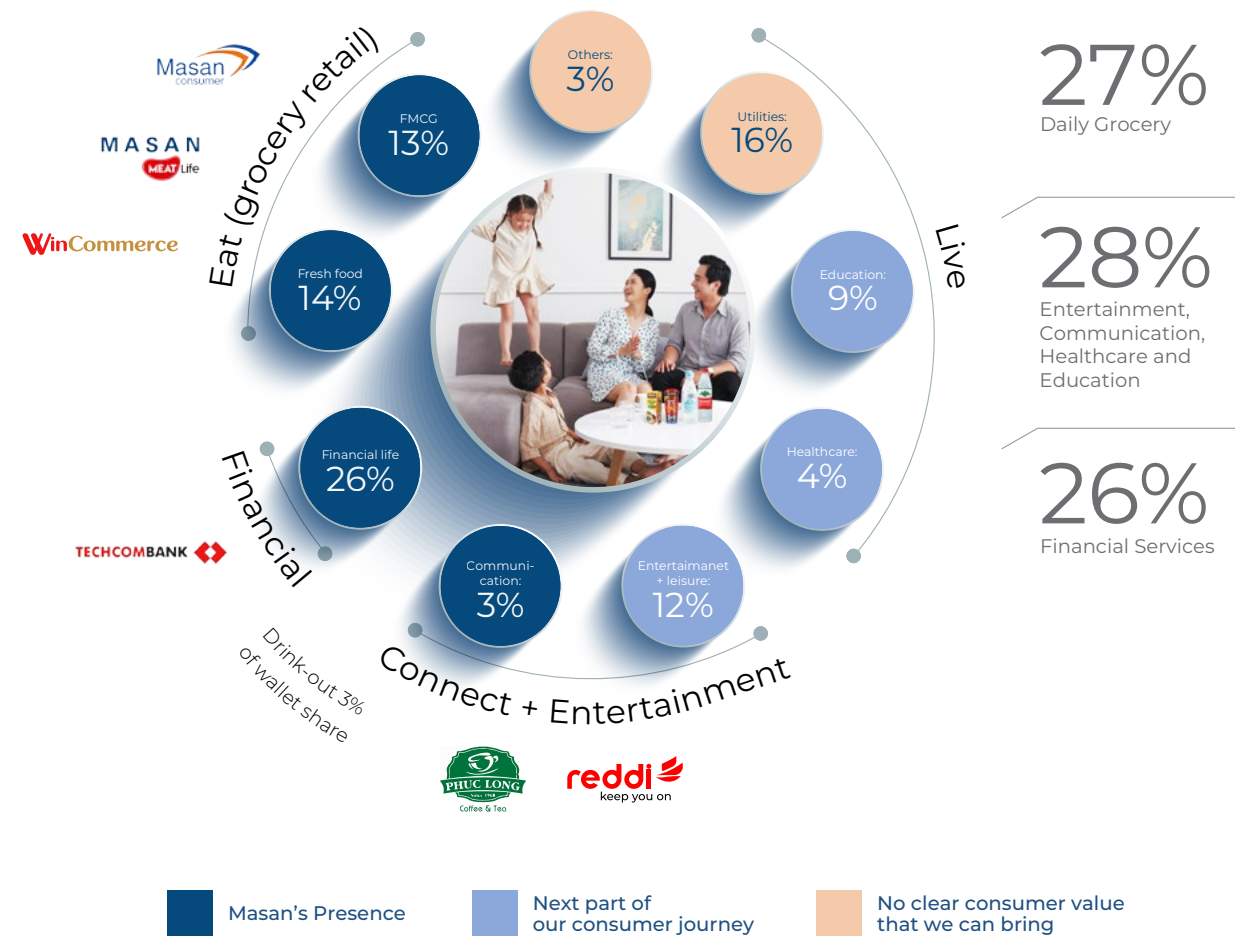
(“WMP”) minimarkets as at the end of 2021, Masan Group is now the largest grocery retailer in Vietnam. Like many categories or sectors in which Masan has entered, Vietnam’s retail sector is highly fragmented with inefficiencies that result in consumers having fewer options and paying more for less. Specifically, grocery retail is still dominated by the general trade and is the primary reason for the fragmentation of the sector. Even as a market leader in the modern trade, WCM only has ~2-3% of the total grocery retail market. However, Masan believes that Vietnam is undergoing a modern trade revolution which will accelerate as urbanization reaches 50% and the true middle class emerges (USD5,000 per capita). Modern forms of shopping are expected to compromise 30% of the retail landscape in the near future as opposed to approximately 10% today. Masan aims to be there for Vietnamese consumers as this shift takes place.

Vietnamese consumers also pay more for financial services and products as low financial inclusion means higher usage of informal financing channels which is typically 3 to 5 times more expensive than formal credit. This big unmet need in consumers’ Financial Life is the result of the high cost of banking a population that is primarily rural and the lack of credit scoring capabilities for the mass. As a result, approximately 2 out

of 3 Vietnamese consumers lack a bank account, while credit card and insurance penetration are 4% and 2.4%, respectively. Our associate Techcombank, has been taking steps to address this big unmet need by implementing a consumer centric-model and is emerging as a leader in retail banking with a healthy balance sheet and a scalable technology platform. However, more can be done and Masan Group aims to leverage its O<sup>2</sup> ecosystem using its extensive network of consumer touchpoints and digital capabilities to better serve consumers’ Financial Life.

Masan Group’s next frontier and latest consumer category is Digital Life, which encompasses telecommunications, entertainment/leisure, healthcare and education. In 2021, we entered the telecommunication space with the acquisition of 70% of Mobicast Joint Stock Company (“Mobicast” or “Reddi”), a start-up full-serviced Mobile Virtual Network Operator (“MVNO”), operating under the brand Reddi. While mobile penetration in Vietnam is high, approximately 50% of mobile subscribers only have 2G (voice-only) plans. Among mobile internet users, roughly half of them use their mobile devices mainly for call or text due to lack of digital services. Besides the unmet need in mobile telecommunication, Masan Group believes Mobicast also lays the foundation to digitalize our platforms and build a unified O<sup>2</sup> products





# 2021 EBITDA of VND16,361 billion

## Strong cash flows to invest across cycles

and services solution, our “Point of Life” consumer ecosystem. By unifying our consumer base via Reddi, Masan has the capability to create a sticky loyalty platform to deliver more value to our consumers.

Even in our non-consumer related business, we believe sustainable business success can only be achieved by addressing a big unmet need. Our tungsten mining and chemical processing business is addressing a large market with opportunities for transformation. Globally, the industrial minerals we mine and process represent a total size of approximately USD4-5 billion per annum, excluding copper. The unmet need in our resource business is evidenced by a desire from customers to buy large volumes of conflict-free minerals from a single supplier and from an alternative source outside of China. The European Union has stated that Tungsten and Fluorspar are among the four “critical raw materials” for Europe (Critical Raw Materials for the E.U., July 2010) due to concentration of supply sources and importance to European industry. With the acquisition of H. C. Starck’s global Tungsten operations, we have taken another major step in becoming an integrated global Tungsten player, going further down the value chain and expanding our addressable market by 3.5x from USD1.3 billion to USD4.6 billion.

**BUILDING SCALE AND LEADERSHIP**

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

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

As a result, today we have leading positions in most of the markets and/or categories where we compete. In 2021, our consumer retail platform, The CrownX, continued to extend its lead as the largest consumer business in Vietnam by net revenue which reached VND58 trillion. The CrownX’s two key subsidiaries, MCH and WCM, are leaders in their sectors, branded consumer products and grocery

retailing, respectively. MCH is the number one player in seasonings (where we are the leader in fish sauce, soya sauce, chili sauce and have a fast-growing granules business) and in convenience foods (where we are the number one instant noodle producer in the premium segment which makes up most of the category’s profit pool). WinCommerce, through its supermarkets and minimarts, has Vietnam’s largest modern trade footprint with approximately 30% market share in terms of modern trade retail grocery sales.

Masan MEATLife was established with the aim of transforming the meat market in Vietnam by establishing an integrated branded meat model. We successfully established a fully integrated value chain with MEATDeli as a consumer brand, pig farming for supply chain optimization, and one of the country’s largest animal feed businesses to generate robust cash flows to fund the growth of the growing meat business. In 2021, our meat business grew 89% to reach net revenue above USD196 million to account for 24% of MML’s sales, up from 15% in 2020. At the end of 2021, we divested our animal feed business to transform MML into a pureplay branded FMCG business, bringing us closer to our core of being a B2C business.

Our associate Techcombank is one of the largest joint-stock commercial banks in Vietnam with leadership position in



residential mortgages, bancassurance, Visa and debit card transactions and wealth management products. Techcombank continues to invest to further enhance its technology platform and has been experiencing significant traction with its mobile and digital channels. In 2021, the bank achieved record profit before tax of VND23.2 trillion, a year-over-year (“YoY”) growth of 47%.

Masan High-Tech Materials is a globally significant player across several key industrial minerals, namely tungsten, fluorspar, and bismuth. Our current market share is 36% of global tungsten supply outside of China. MHT is positioned as an integrated ex-China tungsten chemical champion and is building capacity to grow its mid-stream tungsten market share by 2x. After acquiring H. C. Starck’s global tungsten operations, MHT graduated from being one of the world’s largest tungsten mines, to becoming one of the world’s largest midstream tungsten companies, supplying critical industries such as mechanical engineering and tool making, mining, automotive, energy, aviation and the chemical industry. The move into midstream tungsten products is also value enhancing as these products command on average a 30-50% premium to APT products. In addition, we continue to explore strategic opportunities with down-stream tungsten players to deliver on our shareholder value creation plans.



# Continuously transforming to fulfill evolving consumer big unmet needs, which will lead to transformational value creation

## CASH FLOW GENERATING BUSINESSES

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

For the financial year 2021, we reported EBITDA of VND16,361 billion and a consolidated year-end cash balance of VND22.6 trillion, which includes short-term investments in the form of term deposits and other cash-like items.

## DISCIPLINED CAPITAL ALLOCATION AND TRACK RECORD OF OPERATIONALLY TURNING AROUND AQUIRED PLATFORMS

Since our listing on the HoSE, we have raised over USD4.5 billion in long-term capital to fund our strategic growth ambitions. We have demonstrated stringent capital allocation by using most of the proceeds to increase our ownership and invest in our existing businesses. The vast majority of capital we have raised has

been deployed to further our purpose of serving consumers and their evolving big unmet needs such as Vinacafé Bien Hoa, Vinh Hao, a brewery, Saigon Nutri Food, Masan MEATLife’s feed businesses, Quang Ninh Mineral Water, VISSAN, Net Detergent JSC, 3F VIET, WinCommerce, Phuc Long, and Mobicast. Going forward, Masan’s capital allocation strategy will focus on The CrownX and transforming it into a “Point of Life” platform to better serve consumers.

From 2008 to 2019 (pre-WCM deal), Masan delivered a net revenue CAGR of 31% with approximately half of the growth coming from acquisitions and the balance coming from organic initiatives. In 2021, net revenue grew year over year (“YoY”) by 14.8% or 16.6% when excluding the contribution from our divested animal feed business. This financial track record demonstrates that we do not acquire businesses in order to “buy revenue.” We invest in brands, people, technology, and distribution reach to accelerate our entry into new categories. Next, we focus on driving the operational turnaround of the acquired businesses. We are proud that the brands and products we introduced and launched post acquisition, today represent the majority of revenue of our acquired businesses. In addition, we have been able to increase margins across the board post acquisition to deliver shareholder value. After only one

year under Masan ownership, our retail business reached breakeven EBITDA for the first time ever in 4Q2020 and delivered its first positive quarterly net profit after tax post minority interest in 3Q2021.

## The Masan Way – Our Approach to Transformation

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

## BRANDS THAT CONSUMERS ADMIRE AND TRUST

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

## Large consumer base + power set of use cases + high interaction frequency = high engagement time in our consumer ecosystem

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

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

In 2021, Masan Consumer was among the Top Prestigious Food Companies in Vietnam according to Vietnam Report. This is the 4th time in a row Masan Consumer has been honored in this category. The company has also been recognized as Ho Chi Minh City Gold Brand 2021-2022 by Ho Chi Minh City

People's Committee. Our coffee business, Vinacafé Bien Hoa, continued to be recognized as a National Brand 2021-2022. This marks the 7th consecutive year that Vinacafé Bien Hoa was awarded this recognition.

We have also been able to apply our FMCG brand building model to our integrated meat business. In 4Q2018, we launched our branded chilled fresh meat, "MEATDeli", positioned as an innovative, delicious, safe, and value-for-money range of meat products. Our MEATDeli brand was the first in the market that advertised on television. Within 3 years of launch, MEATDeli, alongside our latest chicken brand "3F VIET", has been well-received by consumers, including capturing more than 70% market share nationwide of WCM's fresh pork and chicken sales. According to Nielsen Vietnam, 97% of consumers surveyed agreed that MEATDeli is fresh and delicious. For three consecutive years (2019-2021), MEATDeli was named among the Top 10 "Vietnam's Most Trusted Brands and Products" according to VnEconomy.

Our associate Techcombank is also a strong and nationally recognized brand in the market. Techcombank is recognized as a trusted provider of financial services and products, especially by retail and SME clients. In 2021, Techcombank won the "Best Investment Product in Vietnam"

and "Best Home Loan Solution Provider" awards by The Asian Banker.

With the merger of WinCommerce and the acquisition of Net Detergent JSC, Phuc Long, and Reddi, Masan can again leverage its brand-building capability to win in additional consumer sectors and build a stronger portfolio of brands and services under an integrated consumer ecosystem. WinCommerce has been named in Top 10 most prestigious retailers in Vietnam over five consecutive years from 2017 to 2021 by Vietnam Report.

### INNOVATION FOR THE FUTURE

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

The CrownX, Masan's integrated retail and branded goods platform is at the forefront of building innovative products and services for Vietnam's emerging consumers. WinCommerce,

## Vietnam's deepest FMCG distribution network with 300,000 points of sale / consumer touchpoints

our grocery retail platform, constantly applies innovative ideas to provide better value to consumers. In 2021, WCM advanced its Point of Life ("POL") model by developing and piloting a mini mall concept which aims to provide a greater array of daily essential products and services (e.g., groceries, pharmaceuticals, financial products, and entertainment / telecommunications offerings, altogether representing 60-80% of consumers' wallet share) under an integrated offline to online ecosystem. WinMart+ locations that have piloted this mini mall format have experienced higher foot traffic and improved profitability. Going forward, TCX's innovation will be more technology-driven, with greater investments in artificial intelligence and machine learning to transform TCX's supply chain architecture, store location selection, and a data-enabled loyalty program that can offer more personalized incentives and benefits. In doing so, Masan will be creating a truly integrated consumer-tech ecosystem.

At TCX's branded FMCG business, we have an in-house Research and Development ("R&D") team of 97 employees, who work closely together with our marketing team to develop new innovative products. We have a track record of innovating to develop more hygienic, affordable, delicious, and good for health consumer products. MCH

launched ~40 new innovations in 2021 across all the categories. Some of the key innovations included expansion of the home meal replacements category within convenience foods with different flavors and packaging, which provides consumers with a full healthy meal in a convenient format. We have expanded our home and personal care offerings with new fabric softener and detergent products since acquiring NET Detergent JSC.

MML was the first company in Vietnam to bring fresh chilled and processed meat products at affordable prices for Vietnamese meals. We have adopted a unique process by employing the Oxy-Fresh 9 technology from Europe, making us the first and only chilled meat manufacturer that meets the British Retail Consortium ("BRC") standard in Vietnam so far. To be able to deliver chilled meat products to consumers, a completely new concept in Vietnam, MEATDeli products are stored and distributed through a cold storage and transport system. In 2019, MML expanded its meat portfolio with the launch of chilled processed meat innovations which focus on products specifically geared towards Vietnamese consumers' taste and preferences. Since the acquisition of 3F VIET in 4Q2020, MML has continued to apply chilled and processed meat innovations to build chicken meat products as well. Commitment to innovation and doing

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

In financial services, we believe that our emphasis on innovation and being ahead of the competition can also be seen at Techcombank, which is developing a "Consumer-Tech" model to better serve retail clients.

Our value-added processing business has established itself as a high-tech, low-cost tungsten chemical producer and has committed up to 1% of its tungsten revenues to research and development annually. Today, MHT is developing new tungsten applications in fast-growing and more technological segments such as batteries (driven by the high demand in the electric vehicle space) and additive manufacturing.

### REACHING CONSUMERS - BEYOND JUST DISTRIBUTION

At Masan Group, we have always been proud about our ability to reach consumers. In a market where 70% of the population still resides in rural areas, being able to build a distribution network to



# Largest modern trade footprint in Vietnam: 122 supermarkets (WinMart) and 2,619 minimarkets (WinMart+)

make our products and services available is a critical driver of success.

Today, our branded consumer products, are sold at approximately 300,000 retail touchpoints and 98% of Vietnamese households has at least one of our products. WinCommerce, Vietnam's largest grocery retailer has over 2,700 supermarkets and minimarket locations nationwide. Phuc Long, a top 2 F&B chain, serves its tea and coffee products through its 90 flagship stores and 500+ kiosks within WinCommerce locations. Techcombank, our associated company, is one of Vietnam's largest retail banks with more than 300 branches and transaction centers.

However, as Masan Group builds out a consumer-tech ecosystem, having an extensive network of touchpoints, while still critical to success, is not enough. With these touchpoints, we must journey beyond to leverage our large consumer base, powerful set of use cases, and high interaction frequency to increase engagement time and win in a fast-evolving consumer landscape. Our consumer base comprises approximately 10 million loyalty consumers in our retail business (with almost 2 million monthly active users representing approximately 60% of retail revenues), 5 million Techcombank customers (mostly affluent), and Phuc Long's young and digital savvy

consumers. These consumers conduct 10 to 20 transactions per month within our ecosystem with engagement time ranging from 15 to 25 hours per month. With Reddi mobile services and digital offerings, not only will Masan gain more consumers with subscriber growth, but we will significantly increase consumer engagement time within our integrated O<sup>2</sup> consumer-tech ecosystem.

## DRIVING PRODUCTIVITY WITH BEST-IN-CLASS FACILITIES

We have built and operate 14 hi-tech farms, 16 livestock farms and 30 state-of-the art production and processing facilities in Vietnam that can be recognized as best-in-class not only in Vietnam, but globally. Through economies of scale, we aim to drive productivity that can enable us to meet the daily basic needs of consumers at more affordable price points.

For consumer products, we currently operate production facilities at Binh Duong, Ho Chi Minh City, Hau Giang, Phu Quoc, Hai Duong, Bien Hoa, Long Thanh, Binh Thuan, Phu Yen, Quang Ninh, and Nghe An. We have a network of facilities that allows us to cut distribution costs, satisfy regional taste, increase productivity, and employ world-class production technologies. As a result, our products meet the highest standards for hygiene,

safety, efficiency and quality. Notably, we were the first company in the world to engineer and build a fully automated fish sauce manufacturing line.

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

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

In December 2018, we commissioned a chilled meat processing complex in Ha Nam with technology and equipment imported from Europe. By applying European technology which meets BRC standards, we are bringing fresh chilled meat to the market, a common product in developed countries but new and



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

In WinCommerce, we are building a digital infrastructure by benchmarking ourselves against the best-in-class operators within the retail industry. We are building strategically located distribution centers equipped with state-of-the-art technology systems to reduce warehousing and logistics costs, coupled with investments in IT systems to tech-enable the entire retail platform to deliver consumers' the best O<sup>2</sup> experience.

In our high-tech materials business, we have built Vietnam's first international standard advanced minerals processing facility, producing strategic and advanced materials for a variety of high-tech applications. This facility incorporates various advanced technologies producing high quality advanced products from both its Nui Phao mine as well as from recycling of Tungsten bearing scraps and materials sourced globally. Complimenting this business, in June 2020, we acquired H. C. Starck's global tungsten recycling and powders business to deliver on our vision of becoming a fully integrated downstream tungsten chemicals business of global scale and influence. H. C. Starck Global Tungsten Powders, a 102-year-old company, is a longstanding leader of research, development and innovation excellence and quality products. At the time of writing of this annual report, H. C. Starck Tungsten had 87 worldwide patents under 16 patent families and 54 patents were in application phase. Besides the patents, H. C. Starck Tungsten has

also developed various proprietary technologies which are maintained as business secrets to ensure the sustaining technical edge and competitive advantages that H. C. Starck Tungsten commands over its competitors. In line with needs of the market, H. C. Starck Tungsten has been a pioneer of multiple, powder metallurgy based, innovative solutions and have recently added the new products for battery manufacturing and additive manufacturing applications, to its extensive products portfolio.

## BEYOND PRODUCTS AND BRANDS – BUILDING A “POINT OF LIFE”

While the aforementioned components of the Masan Way are still very relevant to building a winning business in Vietnam where many basic needs are still unmet and inefficiency abounds, Masan has spent many years preparing for the future. In the early stages of Vietnam's modern economic development, consumers were simply interested in basic products due to poverty and scarcity. Whoever could



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

manufacture such products became the winner. As these products were produced in larger quantities, companies that could make their products widely available were able to win. Afterwards, trusted brands and innovations became key differentiators to achieving success.

However, today consumers are going beyond demanding products to meet their basic needs or even brands. They want tailored experiences, convenience, and a greater number of options on what to buy, how to buy (offline or online), how to pay and even how to consume. With a robust portfolio of services and products, the ability to build brands, unparalleled reach, a commitment to investing in innovation and technology, we believe we have the key pieces of the puzzle to build a seamless O<sup>2</sup> consumer ecosystem to address the entire consumer wallet.

## A “CONSUMER-CENTRIC” TEAM JOURNEYING WITH OUR CONSUMERS

In a market where experienced talent is scarce, we have invested to build strong professional management teams at all levels in our organization. We believe in hiring professionals who have a mix of international experience and a track record of business execution in emerging markets through brand building, local distribution, product innovation, and technology-driven business

transformation. Our management team has been instrumental in transforming Masan Group from a closely held private office with a wide portfolio of businesses and investments into one of Vietnam’s largest private sector companies focused on fulfilling the big unmet needs of consumers.

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



# Our History – A Track Record of Transformation

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

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

In 2008 the company was restructured and formally named Masan Group Corporation, comprising a fast-growing food business and a 20% stake in Techcombank, which provided the company with greater scale and exposure to Vietnam’s emerging middle-class story.

Masan Group was subsequently listed on Ho Chi Minh Stock Exchange on 5 November 2009 under the symbol “MSN,” and immediately became the sixth largest listed company in Vietnam based on market capitalization. During 2009, several prominent global investors such as TPG became shareholders.

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

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

2014 marked the first year of operations for Masan Resources with the commissioning



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

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

In the first half of 2015, Masan Group established Masan Nutri-Science to enter into and transform Vietnam's animal protein value chain and ultimately better serve consumers with branded meat products.

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

launched CHIN-SU Yod Thong fish sauce in Thailand with their support.

In March 2016, in order to move towards a consumer-oriented business model and consolidate the meat value chain space through brands, distribution and best-in-class practices, we acquired 14% stake in VISSAN, Vietnam's largest branded fresh and processed meat company. In June 2016, we increased our stake in VISSAN to 24.9%. This was followed by the ground-breaking of our pig farm facility in Nghe An province, which advanced our mission to establish a 3F model and drive the productivity of the meat value chain in Vietnam.

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

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

Tungsten chemicals business of global scale and influence.

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

In September 2019, Masan Tungsten Limited Liability Company ("MTC"), a wholly owned subsidiary of Masan Resources Corporation ("MSR"), signed an agreement to purchase the tungsten business of H. C. Starck Group GmbH ("HCS"), a leading manufacturer of high-tech tungsten metal powders and carbides (mid-stream tungsten products) with global sales and operations. The acquisition was a strategic step in executing MSR's vision to become a leading vertically integrated high-tech industrial materials platform in the world. MSR's low cost, stable primary supply of APT, combined with HCS' scrap recycling platform, is expected to provide MSR a global competitive edge, generate strong and consistent cash flows across price cycles and expand MSR's addressable market by 3.5x from USD1.3 billion to USD4.6 billion.



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

In December 2019, Masan and VinGroup ("VIC") completed the merger of MCH and WCM Services and Trading Development Joint Stock Company ("WinCommerce" or "WCM"), which includes WinEco Agricultural Development and Production Limited Liability Company ("WinEco") as a wholly owned subsidiary of WCM. The merger has helped to optimize operations of both MCH and WCM by creating a new consumer goods & retail group with superior competitive advantage and size in Vietnam.

In February 2020, Masan HPC, a newly established home and personal care indirect subsidiary of MCH, acquired

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

In November 2020, Masan MEATLife Corporation ("MML") completed the acquisition of 51% charter capital in 3F VIET Joint Stock Company ("3F VIET") - a leading domestic player in poultry meat platform, through a primary injection of VND613 billion, which will be used by 3F VIET to expand its business and build a poultry power brand.

In November 2020, Masan High-Tech Materials Corporation ("MHT"), formerly known as MSR, successfully issued 109,915,542 newly issued ordinary shares via a private placement for a total cash consideration equivalent to

USD90 million to Mitsubishi Materials Corporation ("MMC"). MHT and MMC continue to work on forming a strategic alliance in the tungsten industry with an objective to develop a leading, high-tech tungsten materials platform.

In April 2021, Masan's retail turnaround strategy was validated by SK Group's USD410 million investment to acquire a 16.26% equity stake in WinCommerce. The transaction occurred following WCM delivering two consecutive quarters of positive EBITDA (4Q2020 and 1Q2021). The transaction marked SK Group's second investment into a Masan entity (the first being the October 2018 investment into Masan Group) and was subsequently followed by another investment of USD340 million in The CrownX in November 2021. Further validation of The TCX's POL strategy and profitability momentum occurred in 2021 with the USD400 million investment by a consortium led by Alibaba in May 2021 and a USD350 million investment by TPG, ADIA and Seatown in December 2021. In total, over USD1.1 billion was invested into TCX and its subsidiary WCM, in 2021.



In May 2021, Masan established a strategic partnership with Phuc Long Heritage Joint Stock Company (“Phuc Long”) to develop Phuc Long Kiosks at WinMart+’s nationwide network. The partnership also included Masan Group’s acquisition of a 20% stake in Phuc Long, which subsequently increased to 51% in January 2022. The rollout of Phuc Long Kiosk nationwide furthered Masan Group’s POL strategy by not only offering fresh and delicious coffee and tea drinks to consumers but also by playing a part in converting each WinMart+ locations in a destination for consumer’s daily needs. In November 2021, MSN announced the spin-off of its feed segment by signing strategic agreements with De Heus Vietnam (a subsidiary of the Dutch Royal De Heus Group), pursuant to which De Heus Vietnam obtained control of MML’s entire feed business. This was the final step in MML’s transformation into a branded meat player and is in alignment with Masan’s vision of becoming a pure-play integrated consumer ecosystem from products to services with The CrownX as the foundational platform. This strategic partnership is expected to ensure the food safety, productivity, and sustainability of the 3F (Feed-Farm-Food) integrated supply chain model. In particular, De Heus will supply up to 70% of the feed demand of MML’s farms and millions of live pigs to MML over the next 5 years, which helps to ensure stable pricing, high quality,

and standardized livestock to provide consumers with delicious, safe, and reasonably priced meat products. In September 2021, The Sherpa Company Limited (“The Sherpa”), a subsidiary of Masan, announced its entry into telecom sector by acquiring 70% of Mobicast Joint Stock Company (“Mobicast” or “Reddi”), operating under the brand Reddi, a start-up full-serviced Mobile Virtual Network Operator (“MVNO”), for a total cash consideration of VND295.5 billion. MVNOs such as Reddi are wireless communication service providers that do not own the wireless infrastructure, but lease them from traditional mobile network operators, thereby benefiting from an asset-light business model. The entry into the telecommunication sector lays the foundation to digitalize Masan’s platforms and build a unified off-to-online products and services solution, “Point of Life” consumer ecosystem. By unifying its consumer base via Reddi, Masan has the capability to create a sticky loyalty platform to deliver more value to its consumers – the only consumer ecosystem that spans grocery, financial and digital life accounting for approximately 80% of the consumer wallet.

As summarized in this section, Masan has continuously delivered on transformational growth that reflects the economic development of Vietnam’s

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

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

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

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





# Sustainability Report



## Serving Consumers With a Purpose, Not Just For Business Rewards

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

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

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

However, our efforts would be incomplete without addressing the importance of developing our people, contributing to our communities where we operate, giving back to society at large and reducing our environmental footprint. Improving the lives of others by better serving them only as consumers is not enough to become the “Pride of Vietnam”. That is why, throughout our journey with

our consumers, we have believed in Sustainable Development, allowing us to contribute to Vietnam’s socio-economic development more meaningfully.

### Sustainable Development

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

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

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

### Innovation in Products and Processing

#### INNOVATION WITH OUR PRODUCTS AND SERVICES

We believe we are positively contributing to Vietnam by providing innovative products and services to fulfil the daily



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

### RESPONSIBLE PROCUREMENT

For our branded food and beverage business, main input materials are the ingredients of our food products and packing materials. The principal raw materials used in production are wheat four, palm oil, green coffee, sugar, anchovies, raw fish sauce, fresh and dehydrated vegetables, soya, mineral water, meat and various flavoring and spices. In addition, packaging materials such as plastic and glass bottles, carton boxes, paper labels, paper-based cups/

bowls, and polypropylene, etc. are significant components in the production cost of our products.

As a leading fish sauce producer in Vietnam, Masan has a partnership network which covers approximately 60% of the production zones for raw materials in Vietnam. Our efforts support jobs for thousands of workers, who are working either directly or indirectly with fish sauce makers and fishermen, thereby ensuring their livelihood stability and social security. With regards to raw fish sauce, a key input material for one of our most famous consumer product categories, we have worked closely with local fishermen to raise awareness of overfishing. Not only is this a sound business practice as our fish sauce production must rely on a sustainable source of anchovies, but because we understand that overfishing will impact the ecology of our waters and leave less resources for future generations. Besides,

Masan also transfers quality assurance technology to fish sauce makers for proper transportation of fresh anchovies to chilling facilities.

In addition to production activities, we also cooperate with the academia in Vietnam, Seoul National University (South Korea), Bangkok University (Thailand), Vietnam Association of Fish Sauce, Vietnam Fisheries Society and Research Institute for Marine Fisheries (Ministry of Agriculture and Rural Development) for joint studies on enhancing fish utilization rate and sustainable development of anchovy stocks in Vietnam.

With regards to our branded meat business, the principal materials for Masan MEATLife (“MML”) products include commercial pigs and broilers. To secure a more stable supply of high-quality and drug-free hogs for our meat processing complexes, namely MEATDeli HN in Ha Nam and MEATDeli SG in Long An, MML focused on implementing a comprehensive program to partner with large-scale pig farms across the country to supplement our internal supply (from our high-tech pig farm in Nghe An) of live hogs. With our scale and experience as an industrial farmer, Masan MEATLife is a credible partner who can share its’ own expertise and replicate the model of high-tech pig farm with partners. Pigs sourced from partner farms undergo strict disease

control standards, ensuring biosecurity with high quality animal feed that is free of growth hormones and antibiotics. In November 2021, Masan MEATLife entered into a strategic partnership with De Heus Co., Ltd (“De Heus Vietnam”, a subsidiary of Royal De Heus Group from the Netherlands), where De Heus will take over MML’s feed business and invest in animal protein supply chain in Vietnam over the long-term. The partnership is expected to promote increased productivity, quality and sustainability of the 3F (Feed-Farm-Food) integrated supply chain model. In particular, De Heus will supply up to 70% of the feed demand of MML’s farms and at least 2.8 million live pigs to MML over the next 5 years. This partnership agreement marks the final step of Masan MEATLife’s transformation into a branded meat player. Since 2020, with the merger of a new member, 3F VIET, Masan MEATLife has built a closed chain from grandparent and parent chicken farms to poultry slaughterhouses. The end goal is to develop the agricultural sector in a sustainable manner, help address challenges faced by farmers and fulfill our mission to introduce fresh, delicious and affordable meat products to Vietnamese consumers.

In F&B retail chain, Phuc Long Heritage (a subsidiary since January 2022) owns tea farms in Bao Loc (Lam Dong) - a well-known tea planting region and Thai

Nguyen - the cradle of Vietnamese tea. Natural conditions, soil qualities and mild climate in Bao Loc and Thai Nguyen help deliver premium tea varieties, with a natural aroma and deep sweetness for tea drinkers. For highest tea yield and quality, Phuc Long constantly works on and applies the most innovative fertilizers, with a consistent focus on environmental protection and ecological balance.

To ensure the traceability of raw materials, we require foreign suppliers to provide us with certificates of origin, analysis, non-genetic modification and plant quarantine, and local suppliers to have certificates of food and hygiene safety, animal quarantine and good agricultural practices. Suppliers with a good track record that have demonstrated reliability over a long period of time are considered “approved suppliers” and can enter into annual contracts. To manage the price volatility of our raw materials, we constantly follow the market closely to identify the optimal time for bid invitations, allowing us to achieve favorable prices. We usually apply take-or-pay contracts with fixed prices over a long-time horizon from suppliers. Our raw material inputs are strictly monitored in terms of both quantity and quality. Our warehouses are regularly cleaned and inspected while the products undergo strict quality management by our experienced QA and QC teams.

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

### QUALITY ASSURANCE

The demand of modern consumers in Vietnam is growing for safe and quality products, superior services and shopping experiences are of prime importance.

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

In order to maintain the quality and consistency of materials from suppliers, we review our suppliers every year. Our quality



assurance team, along with other related departments such as procurement, logistics (primarily warehousing), finance, and marketing work together to review each supplier's quality criteria, namely price, production capability, delivery and fulfillment capability.

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

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



MEATDeli HN and MEATDeli SG processing complexes were officially certified BRC Global Standard for food safety. This is an international certificate to help control and minimize the risk of poisoning in the food industry and is considered a passport for food exporters. BRC audit criteria and certification process are strictly controlled and consistent around the world.

### Talent Sustainability

At Masan, we believe our people provide us our greatest competitive advantage that would set us apart in order to achieve our long-term value creation strategy. As such, we are committed to ensuring that they have an environment where they can thrive and partake in a sustainable manner. We believe in creating win-win partnerships that can unlock the potential of both the employee and the Company, allowing Masaners and Masan to contribute in a meaningful way to Vietnam.

We proactively engage talents who share our values and passion to serving the needs of consumers. We offer individuals not just a job but a career, an opportunity to grow together with the business above and beyond their expectations for the greater good of the community. We believe our business growth, wide range of opportunities, and flexible approach help

us to attract strong future leaders from diverse backgrounds and talents.

### DIVERSITY AND INCLUSION

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

As a Vietnamese company with the ambition to not only be the best in Vietnam, but also capable of competing with the best MNCs, we hire both Vietnamese and foreign talents. We prioritize locals from the communities where we have operations and foreign expatriates who are experts in their fields and are seasoned executives with track records of succeeding in emerging markets.

By the end of 2021, Masan had 14 WinEco hi-tech farms, 16 livestock farms and 30 factories in Vietnam and abroad. In the retail segment, we have 2,741 WinMart supermarkets and WinMart+ mini-marts in 63 provinces and cities across the country. In order to promote development at the local level, we

prioritize recruiting local community members and train our staff to meet ever-changing business demands.

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

In 2021, the rate of the first, second and third shot vaccine coverage among Masan’s nearly 37,000 staff, business partners and contractors was 98%, 92% and 37%, respectively.

- with outstanding performance and passion in various areas for coaching & development, as we believe that human capital is among our most valued assets. Masan Group and its member companies have 34 “Spearheads” in total, who are at the forefront of business, production and product development functions. We expect the number of “Spearheads” to increase gradually in the years to come.
- 35% of Masan's senior leadership team is comprised of women. We support the development of high-performing female leaders to advance their careers and take on more senior roles. The talent pipeline from our female leaders serves as an advantage for the business' long-term sustainability.
  - Masan Group and our subsidiaries had a total of 32,227 employees as of 31 December 2021, of which 59% were women. Our people are well trained with high qualifications, as shown below:

Qualification <sup>1</sup>	Percentage
Post graduate	1%
Undergraduate	31%
College graduate	16%
Intermediate college graduate	10%
High school graduate	26%
Secondary school graduate	28%
Others	14%
Total	100%

SAFETY

Our employees are our most valuable assets. We are committed to the well-being of our employees which is reflected in our safety track record.

*Occupational safety training and production line improvement to ensure that the most rigorous standards are met*

We are responsible for providing our employees with sufficient protective equipment, occupational safety and hygiene policies, and comfortable working conditions at the workplace. We have also carried out extensive workshops in order

to train employees about positive safety habits not only for work but also for their daily activities.

In 2021, amid complications arising from COVID-19, Masan was able to conduct health and safety training across our various businesses. Masan Consumer followed social distancing requirements and organized 9,719 hours of virtual training on occupational safety and health, fire prevention and first aid, etc. Masan MEATLife regularly organized training sessions led by external experts and internal experienced resources. The training courses at Masan High-Tech Materials played a crucially significant role in ensuring that the goal “Everyone returns home safe and sound after every working day” was always met. Being agile to successfully move training programs online helped MHT ensure that 100% of new employees participate in basic safety training courses, and experienced employees continue to take re-training or advanced training for safety. In the past year, more than 12,000 safety training sessions have been conducted at MHT.

In addition to training, we have upgraded transmission equipment, installed new machines and advanced production

lines, and renovated our factories to manage any risk to occupational safety of all officers and workers. Our factories are certified with HACCP (Hazard Analysis Critical Control Point), ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management System), and SA8000 (Social Accountability Management System), FSSC (Food Safety System Certification), HALAL, and ISO 45001 (Occupational Health and Safety Management Systems) standards.

*COVID-19 prevention while ensuring the production of essential goods*

In 2021, Masan Group made significant investments and took major actions to address the health and safety concerns related to COVID-19 while ensuring that our facilities and supply chain operated as normally as possible. As a producer and retailer of daily essentials, our continued operations were important to the general welfare of society.

Masan Group established a Steering Committee for COVID-19 Prevention and Response, to strengthen close coordination among our member companies for effective prevention through flexible implementation of government requirements while delivering safety in operation for the dual goal of “pandemic prevention and business development”. With the supports

from the Ministry of Health and the Ministry of Industry and Trade as well as central and local governments, nearly 37,000 Masan's employees, business partners and contractors were vaccinated in a timely manner, thereby ensuring the safety of frontline workers for production and supply of essential goods. The first, second and third vaccination dose coverage reached 98%, 92% and 37%, respectively.

Masan also conducted regular communication on pandemic control regulations, including regulations on screening, body temperature measurement for employees and visitors; compliance with 5K regulations, etc. In addition, Masan provided dry handwashing facilities or provided hand sanitizers in our factories, production facilities and retail stores while also installing droplet shields in the cafeteria, providing masks and vitamins to boost employees' immune system.

Masan's factories strictly adopted the “stay at the workplace” policy as required by the authorities. In order to promote smooth operations and meet the demand for fresh meat in Ho Chi Minh City and neighboring provinces at the peak outbreak of the pandemic, MEATDeli Saigon Processing Complex (Long An) adopted the “stay at the workplace” policy. More than 84% of its

workers “worked, ate/drank and rested on-site”, in addition to the pandemic prevention measures that have been strictly applied since the first outbreak. MEATDeli HN was the first company in Ha Nam province to actively develop its business plan that reflects the “stay at the workplace” policy and engage with the Ha Nam Industrial Park Management Board and the local governments for their feedback to prevent further disruptions to its supply chain. Another member company, Vinh Hao Mineral Water Corporation, set up a preparedness plan that included the “stay at the workplace” policy, covering testing kits, bedding supplies such as blankets, mattresses, pillows, etc., beyond what was then required by the provincial government. As one of the key companies in Binh Thuan province, Vinh Hao worked closely with local authorities since the beginning of the pandemic. In provinces where the “stay at the workplace” policy is required, our factories provided testing frequently to workers. For example, Masan MSI Binh Duong factory conducted testing for about 1,800 workers every 3 days.

In addition, Masan actively sought permission from the Prime Minister and local government leaders on establishment of “buffer zones” around our factories. These buffer zones can be general education schools,

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



vocational schools, warehouses, stadiums, gymnasiums, etc. located near our factories. In these areas, our workers can both have their meals served and rest, have their health monitored to stay ready for work while still complying with regulations on disease prevention.

With strict pandemic prevention measures, Masan's retail and production facilities across the country remained active to meet consumer demand, ensuring job security and welfare for tens of thousands of our workers.

**TALENT DEVELOPMENT AND RETENTION**

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

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

year by the senior leadership team to identify factors such as learning ability, leadership potential and functional/technical expertise. This process allows us to recognize those employees who can move into leadership roles.

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

**EMPLOYEES' WELFARE AND TRAINING**

We promote shared accountability between employees and their line managers to ensure that opportunities for training and development are identified and pursued. Learning opportunities are always available to all employees and are designed to address specific learning and development needs. Our learning results, including the number of courses and hours of training completed, are properly tracked for ongoing employee training and development.

We invest in continuing education and training programs for qualified and/or applicable employees. These programs

provide employees with opportunities to enhance their skills and knowledge. In addition, each of our facilities provides specific, localized instruction to employees, depending on their roles.

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

**Environmental Stewardship**

At Masan, we deeply care about our environmental footprint. We aim to ensure green practices across all of our operations, which we believe can be achieved without sacrificing business performance. Whenever a new project is under development, we take into account any potential adverse impact to the environment to develop mitigation and compliance plans before groundbreaking.

Our commitment to preserve the environment starts locally and emphasizes going green at the workplace first. We have planted trees around our factories and neighboring areas to keep the area green and provide fresh air. Masan Consumer's factories typically dedicate 20% of their total area for trees to ensure a green and environment friendly workplace, Masan MEATLife's chilled meat processing complexes have

24% - 31% of their total area covered by green trees, higher than required by local governments. In 2021, Masan High-Tech Materials continued rehabilitating in areas where land work had been completed, monitored and maintained the renovated and restored areas from previous years in order to reduce erosion and improve soil ecosystems. During the year, we completed the environmental rehabilitation of approximately 2.4 hectares in waste rock dumps. Many different types of plants and materials are used to increase efficiency in environmental rehabilitation. In 2021, NPMC planted about 4,000 Acacia

hybrids, sowed 160 kg of grass seeds and used 7,080 kg of fertilizer for the new planting and existing trees. The total area that was rehabilitated by the end of 2021 was 61.6 hectares. In addition, we also commenced trial planting of native hardwood trees to survey and evaluate the possibility of using these trees for future environmental rehabilitation programs.

Our Legal and Compliance department, together with our Safety, Health, and Environment department are responsible for nation-wide compliance and monitoring of environmental laws

and regulations. Our factories meet ISO 14001 standards, thereby reducing our environmental impacts and constant improvement of business performance. In addition, the technical department of each of our operating subsidiaries carries out sample testing of waste discharge on a periodic basis to monitor compliance with relevant environmental laws and regulations. We are fully confident in our compliance with all material aspects of environmental regulations in Vietnam. We believe we are the national leaders within our industries with regards to environmental practices.







RAISING AWARENESS

On the World Environment Day 2021, Masan High-Tech Materials organized events to raise awareness on waste segregation for a cleaner earth and provided garbage trucks and bins to two communes bordering the Nui Phao project site.

In the retail sector, WinCommerce did its part in environmental protection by introducing green solutions at our WinMart supermarkets and WinMart+ mini-marts. WinMart/WinMart+ replaced 100% plastic bags with biodegradable alternatives while reducing or replacing single-use plastic materials with environmentally friendly options, providing promotional offers to customers who use their own multiple-use bags in order to encourage adoption of green consumer behaviors in shopping at WinCommerce's retail stores. To minimize its environment impact, WinEco has replaced nylon bags and rubber bands for packaging with biodegradable materials following the standards of the Ministry of Natural Resources and Environment. In addition, WinEco also uses kraft paper and biodegradable nylon bags to harvest and package products instead of wrap and conventional nylon bags.

WATER

At Masan, one of our key priorities in environment protection is the preservation of water sources. The policy on responsible use of water resources is introduced through application of advanced technological solutions for us to better manage our water resources. We are committed to efficient water use as recommended by the World Bank. This includes reduced dependence on water exploitation, increased rate of reused water and continuously improve wastewater treatment capacity. We have invested significantly in advanced wastewater treatment systems and apply the most stringent standards to monitor the effects of plant operations on the surrounding environment. At Masan Consumer, we have invested in Dutch-designed wastewater treatment plants at production facilities in Binh

Duong, Hai Duong and Nghe An. All treated water results comply with Vietnam's highest standard of Class "A". In the spirit of transparency, our main facility has a monitoring system that reports online and on a real-time basis to Binh Duong province's Department of Natural Resources and Environment. In 2021, Masan Consumer used over 2.3 million cubic meters of water for industrial and domestic purposes. All wastewater is treated using high-tech wastewater treatment systems and about 7% of Masan Consumer's wastewater is re-circulated for watering plants and cleaning workshops.

MML Farm Nghe An's high-tech pig farm is also equipped with a modern wastewater treatment system to ensure sustainable operation of the farm in compliance with national environmental standards. In particular, Masan has invested in two

wastewater treatment systems with a capacity of treating up to 4,000 cubic meters of livestock wastewater per day. The farm has conducted periodic sampling for environmental monitoring, which shows that the analyzed wastewater achieved column B under technical regulation QCVC 62-MT:2016/ BTNMT. No waste from the farm is discharged into the environment. 100% of treated wastewater is reused by the farm for barn cleaning, surface soaking and plant watering, thereby minimizing the consumption of increasingly scarce groundwater. In 2021, MML Farm Nghe An installed an additional wastewater treatment system to ensure that treated wastewater will meet column-A standards.

Masan MEATLife's meat processing complexes adopt column-A standards for our treated wastewater according to technical regulation QCVN 40:2011 BTNMT, while running its operations in line with ISO 14001 on environmental management and having its certification granted in 2021 following a successful assessment in 2020. The factory's wastewater treatment system has a wet scrubber installed at the equalization tank, treating odors from input wastewater to avoid any impact on the environment and surrounding areas.

For all 3F VIET farms, environmental impact assessment is carried out to ensure their operations are in line with

applicable regulations. 3F VIET factories invested in wastewater treatment systems to handle both industrial and daily-life wastewater to ensure that treated wastewater meets column-B standards according to the technical regulation QCVN 62-MT/ BTNMT. The factories are compliant with monitoring requirements to ensure that treated wastewater always meets the allowable standards. In particular, for the poultry slaughtering and processing plant in Binh Duong, a wastewater treatment system with a capacity of 600 cubic meters/day has been installed to handle its wastewater in line with column A standards in QCVN 40- 2011/ BTNMT on industrial wastewater, which are currently the strictest applicable standards.

Water sources for production at MHT include, surface water and groundwater (self-extracted or provided from suppliers), deionized water and recycled water. In 2021, the total water volume used by MHT was 12,740 million liters, a slight increase compared to 2020 (12,136 million liters). MHT's mineral extraction processes in Vietnam are more water intensive than the operations in Germany, Canada and China, accounting for 86.2% of MHT's total water use. In 2021, NPMC used 8,623 million liters of wastewater for production, accounting for 78.5% and 67.7% of the total water use in its operations in Vietnam and global respectively. In

Vietnam, our wastewater from various sources (production wastewater, domestic wastewater) are collected into reservoirs, then pumped for treatment at the wastewater treatment plant with capacity 36,000 m<sup>3</sup>/day. At the discharge points, NPMC operates automatic monitoring stations to monitor the wastewater quality before being discharged into the environment. In 2022, NPMC plans to build and commission an additional physicochemical treatment system with a capacity of 400 m<sup>3</sup>/hour to enhance the treatment capacity and support the existing wastewater treatment plant.

All of our farms which grow fresh produce for WinEco are equipped with modern and advanced irrigation systems from Israel, engineered by leading companies in the field such as Netafim or Rivulis. In particular, the application of drip and splash irrigation reduces water consumption by up to 80% compared to the traditional manual overflow method, not only optimizing our operational efficiency, but also minimizing environmental impact. Modern drip irrigation systems combined with nutrient mixing and dispensing machines help distribute water and dissolved fertilizer to concentrate nutrients in the roots of plants for better absorption. In addition, this approach reduces fertilizer residues in the soil during the production process.



**RENEWABLE ENERGY & RESOURCE OPTIMIZATION**

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

At Masan Consumer, we launched the “Energy Saving Ideas” by optimizing our production process, reducing energy uses by such as taking advantage of the heat lost from frying and product sterilization, avoiding any heat-modifying processes and adopting energy-saving technologies. In addition, we provide training to our workers on the benefits of energy saving habits by regular cleaning of machines and tools for best-quality products. We adopted biogas production from rice husks and sawdust waste to generate energy for our factories. Biogas is not only an environmentally friendly and cost-effective energy source, but also results in job creation and income for local people. In 2021, we have used more than 297 million tons of steam, including steam from diesel oil or biomass (sawdust, rice husk, etc.). We believe these initiatives help factories improve energy efficiency and environmental protection.

At Masan MEATLife, we improved our boiler and grinder’s efficiency and switched to using LED lamps to save energy. MML Farm Nghe An high-tech pig farm is considered to be Vietnam’s most environmentally advanced, able to produce biogas from its operations and generate enough electricity to be self-sufficient. In early 2019, MML Farm Nghe An was certified to meet GLOBALG.A.P standards for its completion of internationally recognized set of farm standards dedicated to Good Agricultural Practices. Machinery and equipment in our meat processing complexes are imported from Europe, meeting health safety standards and delivering high and energy-efficient performance with advanced inverter technologies. The lighting systems use LED bulbs for energy saving and efficient lighting. In 3F VIET’s hatcheries, the most advanced machines in Vietnam are also installed to optimize electricity or water usage.

Being well aware that energy-saving and the efficient use of energy is the foundation for sustainable development, energy-saving solutions are always sought and promoted at factories across MHT globally. Our Goslar plant is certified to ISO 50001 - Energy Management Systems - demonstrating its commitment to continuous improvement in energy-related performance. However, as part of the matrix certification of all HCS

sites, energy targets and continuous improvement have also been implemented in Sarnia and Ganzhou. In Sarnia, four new Nitrogen Flow Meters were installed to get an improved understanding regarding the amount of nitrogen consumed in the different key areas across the distribution network. The new instruments allowed an in-depth analysis of nitrogen consumption across the network leading to significant, lasting advantages for H.C. Starck throughout the nitrogen billing process. In Vietnam, the Energy Management Board also plans to implement the application of an energy management system according to ISO 50001 standard in 2022.

In 2021, the total energy consumption of MHT was 1,309,427 GJ, an increase of 1.2 times compared to 2020. In order to achieve better comparability of the values, it is planned to collect and issue specific data in the future.

Green power and clean energy are the necessary solutions to improve carbon neutrality. Currently, NPMC has been working with a number of partners to find opportunities to develop and install solar farms at the Nui Phao mine. This project has great significance and is likely to be implemented in the NPMC’s energy use strategy in the next 5 to 10 years.



**PROMOTION OF RECYCLED MATERIALS**

Masan Consumer promoted the use of recycled materials, with sewage sludge transferred to collectors for recycling as fertilizer used in tree planting on our land.

In agriculture, WinEco completed the construction of a waste treatment facility which turns agricultural waste and by-products into compost fertilizer for 11 out of its 14 farms. At the end of December 2021, the total amount of self-composted micro-organic fertilizer at WinEco farms

was more than 3,088 tons, meeting up to 79.1% of WinEco’s needs. Composting organic fertilizer has helped reuse all of our agricultural waste and by-products. These waste and by-products are not emitted into the environment, but decomposed into compost, ensuring a closed loop of organic matters and microorganisms, returning mineral nutrients back to the production process, reducing greenhouse emissions and environmental pollution. In addition, WinEco’s composting also includes the treatment of a large amount of livestock waste from livestock farms located near WinEco farms, contributing to reducing the environmental pollution from animal husbandry. The savings from these economic and environmental efficiency programs was estimated to reach VND5.9 billion in 2021. In livestock farming, MML Farm Nghe An was certified to meet GLOBALG.A.P standards for its completion of internationally recognized set of farm standards dedicated to Good Agricultural Practices.

At Masan High-Tech Materials, clean waste soil and rock are used as construction materials for internal mine works (TSF wall-dam construction, road repairs, leveling), the remaining material is disposed into dedicated waste dumps. In 2021, NPMC reused 960,883 m³ of clean waste soil and rock to construct TSF wall-dam and other civil projects. As the world’s

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

leading producer in the field of tungsten recycling, the tungsten recycling rate in H. C. Starck plants (under Masan High-Tech Materials) in Germany, Canada and China are at high levels. HCS covers a large part of its raw material requirements in Goslar by recycling tungsten-containing scrap, which we both purchase on the market and receive from our customers for reworking. As a result, the recycling rate in the area of raw material purchasing has been increasing in recent years from 66.5% in 2017 to 82.9% in 2021. In 2021, H.C. Starck Tungsten Powders received a funding of €800,000 from the German government to develop a new cobalt recycling technology.

### Corporate Social Responsibility

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

In 2021, we contributed nearly VND5,450 billion to the State budget, fulfilling our legal obligation as a private sector leader. In addition to being one of the largest taxpayers in the provinces where we have operations, we have been working directly with local people to promote job creation and improve their quality of life. Simultaneously, we believe in giving back to the communities where we operate through sustainable initiatives that

empower people who are experiencing a variety of challenges.

### SUPPORT TO LOCAL PEOPLE AND FRONTLINE WORKERS IN COVID-19 PREVENTION

In 2021, Masan Group contributed more than VND270 billion to support local residents and frontline workers in the fight against the COVID-19 pandemic. Our forms of contribution were extremely diverse, from in-kind contribution of medical supplies and equipment such as test kits, PPE, ventilators or essential necessities to in-cash donation of VND60 billion to the Covid-19 Vaccine Fund launched by the government.

During the two-month peak outbreak of the pandemic, July and August 2021, Masan Group provided essential medical equipment to field hospitals, COVID-19 treatment hospitals, and disease control centers and government agencies, including: 2 ECMO systems & ELSA monitors, 31,000 Japanese/Korean antigen rapid test kits; 7 High Flow Nasal Cannula (HFNC) units; 3 ten-liter oxygen generators; 5 invasive ventilators; 70,000 PPE units; 50 automatic infusion pumps; 20 patient monitors with six-parameter screen; 7,000 medical gloves; 10,000 medical masks, etc. Masan Group also donated ECMO systems, dozens of high-flow oxygen systems, thousands of test

kits and PPE to Departments of Health of Long An, Binh Duong, Dong Nai or Hau Giang provinces to share the burden with local governments in the fight against the pandemic.

Since the first outbreak, essential products produced by Masan Group such as Kokomi and Omachi noodles, MEATDeli chilled meat, Ponnies sausage, Vinh Hao mineral water, etc. were quickly delivered to control posts, border posts, hospitals and isolation areas to support frontline workers in pandemic prevention and responses.

Despite the operational complications due to COVID-19, Masan Group was able to ensure sufficient stock of groceries at our supermarket and minimarket locations, preventing any potential shortage of stock and price escalation. Masan also maximized the production capacity of factories to ensure stable supply of groceries for the people's consumption needs. Common grocery products such as rice, meat, instant noodles, processed food, hand sanitizer, face mask, etc. were readily made available at our retail outlets at stable prices for consumers. In addition, MEATDeli – our chilled meat brand and the retail chain WinMart/WinMart+ also offer flexible shopping methods, including online sales via websites such as shop.meatdeli.com.vn, WinMart.com, Lazada marketplace; phone orders; home delivery

service and provide cashless payment to limit physical contact. During periods of social distancing and lockdown, our modern retail outlets implemented three lines of defense to reduce the chance of spreading COVID-19 while still servicing our consumer's grocery needs. These measures included:

- Line 1: Strict quarantine and screening to make sure only goods that meet quality standards are to be admitted into WinMart and WinMart+. At both WinMart and WinMart+, WinCommerce recommended that shoppers keep a safe distance of 2 meters.
- Line 2: All WinMart and WinMart+ employees were fully equipped with PPE including face masks, gloves, hand sanitizers, etc. The internal inspection team also performed regular checks and follow-ups, ensuring that all employees strictly comply with the regulations. WinMart and WinMart+ customers were required to go through temperature checks upon entry, wear a mask during the entire time, and use hand sanitizers upon entry and exit. WinMart managers of the locations reserved the right to refuse to serve uncooperative or unwell customers to ensure the health and safety for everyone.
- Line 3: WinCommerce also temporarily closed WinMart+ stores located in

areas with high risk of infection that can potentially jeopardize safety of customers and employees or in areas locked down by the authorities for decontamination and disinfection. These stores were reopened only when a safe shopping space could be absolutely guaranteed.

During the 4th outbreak of the COVID-19 pandemic, Binh Duong was among the hot spots, with thousands of positive cases recorded daily and many local residents isolated under local requirements, leading to surging needs for essential food. In addition, prolonged lockdowns delayed and blocked distribution of local agricultural products, including export shipments. WinCommerce worked with Binh Duong authorities in introducing social security packages to reduce the challenges faced by local residents, cooperatives and farmers. As a result, more than 700,000 welfare packages were awarded to local residents in Binh Duong. This helped drive the consumption of local agricultural products.

During the COVID-19 outbreak nationwide, WinCommerce took the initiative to reach out to city governments and listed items to purchase and support the residents. Despite numerous challenges posed by social distancing and lockdown orders, driven by the mission of serving

Vietnamese consumers, WinCommerce employees still strived to help as much as possible to facilitate the distribution of agricultural products. The purchase process was done in accelerated manner while ensuring quality, quantity and affordable prices for farmers. Product quality goes through WinCommerce's rigorous testing and meet its stringent standards.

### COMMUNITY DEVELOPMENT

At Masan, we focus on opportunities for human development, drive positive changes in society and share with all our partners the value of sustainable development and growth. To that end, we have continuously contributed to community development, economy, education, housing and infrastructure construction, training and consulting for the community.

In 2021, MML Farm Nghe An (Ha Son commune, Quy Hop district) spent over VND1.4 billion for social security activities. This includes support for the construction of medical stations, houses of gratitude, and scholarships to students besides many other community development activities. Masan believes that infrastructure development will empower the less fortunate for the long-term. To that end, over many years, we have invested heavily into social infrastructure, including health



## In 2021, Masan Group spent nearly VND270 billion to support communities impacted by COVID-19



facilities, schools, vocational trainings, and mentoring programs.

In March 2021, the People's Committee of Kien Tuong town (Long An province) cooperated with Vietnam Rural Magazine to hold the inauguration ceremony of 6 rural traffic bridges in the town. 6 bridge works including Kênh 61 bridge, Kênh Nhanh Re Cai Cat bridge, Kênh Cai Cat bridge, Kênh Rach Cai Say bridge, Kênh Op bridge, Kênh Ngon Cay bridge with a total construction cost of VND5 billion were funded by Masan Group sponsorship.

At Masan High-Tech Materials (MHT), community development and corporate social responsibility are among our sustainable development goals and translated into annual budget plan and specific community support projects. On average, each year, MHT invests approximately VND4.5 - VND5 billion in social security and community development activities such as: developing social infrastructure for the community; agricultural extension activities and sustainable livelihoods; public health, clean water and

environmental sanitation; micro credit, capacity building and sponsorship, humanitarian and charity programs, among other, in the communes affected by Nui Phao project in particular and the province and district in general.

With the philosophy of linking and sharing development benefits with the local community, since 2006, Masan High-Tech Materials has been working closely with the localities, especially areas affected by the project in building a safe tea material area, making an important contribution to a clean and safe food production as well as improving the quality and competitiveness of Thai tea products in general and Dai Tu tea products more particular. By the end of 2021, the Company has supported the establishment of 16 cooperative groups of nearly 496 households with an area of nearly 110.3 hectares to produce safe tea under VietGAP standards in the project-affected communes (Ha Thuong, Tan Linh, Phuc Linh and Hung Son township, etc.). Despite further allocation of resources by local government to safe agricultural practices (VietGAP), VietGAP-certified agricultural products have become less attractive to customers who are setting higher standards for organic food. Thus, instead of continued investment in and support to expansion of local VietGap tea farms, MHT has made efforts to link government agencies, industry, farmers

and scientists in a shared commitment to develop organic tea farming models in Tan Linh and Phuc Linh communes on an area of 13ha and covering 40 households. In 2021, Vietnam Certification Center (QUACERT) inspected, assessed and granted conversion certification for an area of 3.64ha eligible for organic conversion according to TCVN 11041-1:2017; TCVN 11041-2:2017; TCVN 11041-6:2018, the remaining area will continue to be cultivated and evaluated in 2022. In addition, MHT also supports the 4.0 high-tech tea spray irrigation model with a support budget of nearly VND50 million.

In addition to safe tea and organic tea production programs, MHT's economic recovery activities also focus on activities such as producing safe vegetables, farming cattle and poultry to develop the household economy.

### Corporate Governance

Masan Group is committed to best-in-class governance system, policies and procedures, and corporate transparency via the governance committees prescribed by Vietnam law, such as our Board of Directors and Audit Committee besides foreign investor oversight.

- Board of Directors and Audit Committee: please refer to the

“Corporate Governance” Section in the General Corporate Information.

- Strategy & Development Committee: This committee is chaired by the Company's CEO and is comprised of the CEO and other key executives of our subsidiaries, Group CFO, Group HR Head, and Head of Strategy and Development. This committee develops and approves the short and long-term development strategies,

projects, and flagship business plans of the various businesses and the overall Company; evaluate performance and propose necessary adjustments in implementing the annual business plans of the member companies; and operate the Company's shared operating platforms to ensure the highest efficiency of common resources.





### Recognitions in 2021

Our commitment to sustainable business practices over the years have resulted in many awards and honors by various third parties, including government bodies, media and agencies, both domestic and international.

#### MASAN GROUP

- Community Initiative Award by Asia Corporate Excellence and Sustainability Awards
- Top 50 listed companies in Vietnam rated by Forbes Vietnam
- Top 50 Best Performing Companies in Vietnam honored by Nhip Cau Dau Tu Magazine
- Top 10 Largest Private Companies in Vietnam rated by Vietnam Report
- Top 10 Vietnam's Most Trusted Brands by VnEconomy
- Ranked in the 17th place of the Top 100 best workplace in Vietnam according to survey by Anphabe.

#### MASAN CONSUMER

- Top Prestigious Food Company in Vietnam in 2021 according to Vietnam Report. This is the 4th time in a row Masan Consumer has been honored in this category
- Masan Consumer recognized as Ho Chi Minh City Gold Brand 2021-2022 by Ho Chi Minh City People's Committee.

#### WINCOMMERCE

- Top 10 most prestigious retailers in Vietnam in 2017, 2018, 2019, 2020, and 2021 by Vietnam Report

#### MASAN MEATLIFE

- MEATDeli - Masan's chilled meat product is named among the Top 10 "Vietnam's Most Trusted Brands and Products" by VnEconomy for three consecutive years (2019, 2020 & 2021) since the very first year of market launch (12/2018).

#### MASAN HIGH-TECH MATERIALS

- Top 100 Vietnamese Sustainable Businesses awarded by the Vietnam Chamber of Commerce and Industry (VCCI)
- Top 50 fastest growing enterprises in Vietnam and Top 50 excellent Vietnamese enterprises honored by Vietnam Report
- Top 100 Vietnamese strong brands in 2021 as voted by Vietnam Economic Times
- Nui Phao Mining won the title of "Outstanding Achievements in Strong Trade Union Organization Building" in the period of 2019 - 2021 awarded by Vietnam General Confederation of Labor.

#### VINACAFE BIEN HOA

- Vinacafe Bien Hoa recognized as National Brand 2020 - 2022. This is the 7th consecutive year in a row that Vinacafe Bien Hoa was named for this noble program. The Vietnam National Brand Program was approved by the Prime Minister assigning the Ministry of Industry and Trade to be the standing agency, responsible for coordinating with ministries and sectors to implement.
- Top 10 Beverage Companies by Vietnam Report in 2021

#### TECHCOMBANK

- Techcombank won the "Best Investment Product in Vietnam" and "Best Home Loan Solution Provider" awards in 2021 - The Asian Banker
- Best place to work in 2021 - Banking - Stevie Awards
- Best Bank in Vietnam - Euro Money
- Best Bank in Vietnam - Finance Asia

## Looking Forward

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

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

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





# Management Report



## Macro Overview

2021 was a challenging year for Vietnam's economy. While Vietnam was globally acknowledged for its success in managing the COVID-19 pandemic in 2020, the fourth wave caused by the Delta variant led to significant increase in number of cases, which resulted in stringent lockdowns and mandatory social distancing guidelines in 2021. Due to strict lockdowns implemented during the three months from July to September 2021, Vietnam's GDP dropped by 6.0% in 3Q2021. However, economic activity recovered strongly with GDP growth recorded at 5.2% in 4Q2021, lifting FY2021 GDP growth to 2.58%, according to GSO, Vietnam (General Statistics Office). The recovery of Vietnam's economy was a result of government measures on safe and effective control of the pandemic, popular support from citizens, rapid vaccination rate, and government's direct economic support to households.

Despite rising daily infections in Jan-Feb 2022, Vietnam has refrained from re-imposing harsh restrictions, as the authorities moved towards the policy of "living with the pandemic". This was made possible due to high vaccination rate in the country, from being less than 3% fully vaccinated in July 2021 to more than 75 % of its population fully vaccinated as of February 2022. While the Omicron and subsequent variants may introduce additional challenges, Vietnam's economy

appears resilient and is likely to emerge stronger in a post-pandemic world. With Vietnam easing restrictions and reopening its borders, foreign investors maintain an optimistic outlook. The country's GDP is projected to grow around 5.5% in 2022, according to World Bank estimates.

Closer to our industries, retail sales improved toward year-end but remained weak in 2021. Mandatory social distancing period in 3Q2021 led to a diminished labor force, falling household income, rising unemployment and restrictions on foreign travelers entering Vietnam, resulting in depressed domestic consumption and retail sales. However, the implementation of targeted efforts by the authorities helped retail sales of goods & services in 4Q2021 jump 28.1% quarter-over-quarter ("QoQ"), according to GSO, but they still edged down by 2.8% year-over-year ("YoY"). Overall retail sales in 2021 declined 3.8% YoY in nominal terms (versus up 1.7% in 2020) and 6.2% in real terms (versus (3.0)% YoY in 2020), as per GSO. Retail sales are expected to pick up strongly in 2022, supported by robust economic recovery, higher job creation and supportive policies by the government, including fiscal stimulus and other similar initiatives. Additionally, hospitality and tourism sectors are expected to improve in 2022 thanks to the gradual reopening of Vietnam to international visitors.



International trade, another major engine of Vietnams’ economic activity was negatively affected in 2021, due to disrupted supply chains in terms of input materials, higher transportation times and logistics issues. However, robust vaccination rates and the gradual re-opening of world’s economy helped to resume production activities and boost trade in the final quarter of 2021. Vietnam’s exports surged 19.4% YoY in 4Q2021 from only 3% in 3Q2021, leading to a trade surplus of USD6.5 billion in 4Q2021 (versus a trade deficit of USD2.0 billion in 9M2021). For full-year 2021, Vietnam’s exports and imports soared 19.0% YoY and 26.5% YoY to USD336 billion and USD332 billion, respectively, leading to a trade surplus of USD4.0 billion in 2021, according to GSO’s estimates. The US remained Vietnam’s largest export market, followed by China and the European Union. Meanwhile, the top three sources of Vietnam’s imports were China, South Korea and ASEAN countries.

In 2021, Vietnam continued to attract foreign investments despite international travel restrictions. Strong FDI inflows from exports (trade surplus of USD4.0 billion), FDI disbursement (USD19.7 billion) and overseas remittance (USD18.1 billion, according to World Bank), helped the Vietnamese Dong (“VND”) to strengthen compared to USD, despite USD appreciating against other major

currencies. As of year-end 2021, the USD/VND exchange rate was quoted at 22,826 in the interbank market, with the VND having appreciated 1.2% against the USD in 2021.

Overall, COVID-19 has had limited impact on Vietnam’s structural advantages such as its low labor costs, emerging middle class, favorable geographic position, and participation in a wide range of free trade agreements (“FTA”). Vietnam has used its participation in FTAs to ensure increased economic resilience and financial security. This will ensure that Vietnam’s economic development will continue to shift away from exporting low-tech manufacturing products to more complex hi-tech goods like electronics, machinery, vehicles, and medical devices. The implementation of the EU-Vietnam free trade agreement (“EVFTA”) last year is an example of this, while the Regional Comprehensive Economic Partnership (“RCEP”) will officially come into force on January 1, 2022. The RCEP will reduce tariffs and set trade rules and help link supply chains, particularly as governments grapple with COVID-19 effects. Estimates from the World Bank forecast that countries which are part of the RCEP will see growth in GDP by 1.5% and the partnership could add almost USD200 billion to the global economy by 2030.

Inflation, as measured by average Consumer Price Index (“CPI”), remained at a six-year low despite surging oil and other commodity prices. According to GSO, as of December 2021, CPI rose 1.81% YoY, well below the Government’s target cap of 4% and the lowest level since 2016. In 2021, inflation increased mainly due to strong surge of global oil price, offset by the declines of food/foodstuff prices and services that are under the Government’s management. In addition, reduced prices for telecom services, electricity, water and tuition fees in order to support businesses/households/individuals affected by COVID-19 helped to curb the increase caused by other factors. While rising inflation in parts of ASEAN (Thailand and Singapore) has gained attention, Vietnam’s inflation is unlikely to be a big concern in 2022 and expected to remain around the 4% inflation target set by the State Bank of Vietnam (“SBV”).

In terms of Vietnam’s equity markets, all three bourses enjoyed substantial gains in 2021. The VN-Index, which represents all stocks traded on the Ho Chi Minh City Stock Exchange (“HSX”), rose by 36%, Hanoi Stock Exchange (“HNX”) rose by 133%, and The Unlisted Public Company Market (“UPCoM”) rose by 51%, driven by strong interest from domestic investors. Average daily trading value (“ADTV”) on the three bourses combined soared from USD319 million in 2020 to USD1.15 billion in

2021, while the total number of brokerage accounts increased by nearly 50% to 4.1 million. Largely due to the strong gains in share prices in 2021, Vietnam’s total market cap at the end of 2021 increased by 46% YoY to USD344bn, representing 94% of 2021 nominal GDP, as per GSO.

While Vietnam has suffered in the last 2 years due to the pandemic, its economy is on course to record growth in 2022, as it remains a strong candidate for investment from ASEAN and beyond. Given its investor-friendly policies, relative economic and political stability, cost efficiency, and consumer demand prospects, Vietnam is likely to continue gaining from supply chains restructuring in Asia in addition to attracting a new range of investors in terms of geography and sectors.

With regards to our company, Masan Group Corporation (“MSN” or “Masan”), we believe we have navigated through the challenges brought upon by the COVID-19 pandemic well in 2021. The CrownX (“TCX”), Masan’s integrated consumer-retail platform that consolidates WinCommerce (“WCM”) and Masan Consumer Holdings (“MCH”), delivered strong growth in profitability, despite COVID-19 adversely impacting store expansion, innovation launches and supply chain/production operations. WinCommerce, formerly known as VinCommerce, delivered first





full year of positive EBITDA and expanded store network, benefiting from the growing preference for modern trade shopping. Masan Consumer Holdings delivered its second consecutive year of 20% revenue growth with strong profitability as more consumers purchased our branded consumer products for in-home consumption. Masan MEATLife (“MML”) completed its transformation into a pure branded meat business, with the deconsolidation of the feed segment and strong growth in branded meat segment. Masan High-Tech Materials (“MHT”) delivered profitability for the full year 2021, driven by higher commodity prices and consolidation of H. C. Starck (“HCS”) to become a mid-stream hi-tech chemicals player. Finally, Techcombank (“TCB”), Masan’s associated company, delivered another year of stellar profit growth driven by sustainably strong net interest margins and high asset quality.

More importantly, we continued to build our Point of Life (“POL”) strategy further by developing and piloting the mini mall concept which aims to provide a greater array of daily essential products and services (e.g., groceries, pharmaceuticals, financial products, entertainment and telecommunications offerings, altogether representing 60-80% of consumers’ wallet share) under an integrated offline to online (“O<sup>2</sup>”) ecosystem. To accelerate POL strategy, we acquired an additional

31% stake in Phuc Long Heritage (Vietnam’s top 3 coffee and tea retail brand), increasing our ownership to 51% in January 2022. Phuc Long Heritage has already demonstrated strong synergies with MSN’s POL strategy, which can now be accelerated with Phuc Long Heritage as a consolidated subsidiary of MSN. Finally, to build our integrated loyalty offerings for consumers and distribute the next wave of digital products and services, we acquired control of Mobicast Joint Stock Company (“Mobicast”), a startup mobile virtual network operator (“MVNO”) in 3Q2021. Mobicast, under the brand name Reddi, is the core connecting piece of Masan’s loyalty program, with co-branded customer acquisition schemes providing members with essentially no cost data plans as they shop across Masan’s ecosystem through cash back plans.

Looking forward, Masan believes we will be able to continue to build on the momentum experienced in 2021. Our domestically focused businesses, which encompass branded consumer products, modern retail, meat products, telecom services and financial services, are all expected to benefit from Vietnam’s continued economic growth and high consumer confidence. In 2021, we have solidified our offline mini mall concept and are ready to expand nationwide, but the next wave will be to transform The

CrownX into an integrated O<sup>2</sup> consumer-tech ecosystem. 2022 will be the year we digitalize our platform into an integrated system from manufacturing, logistics, distribution all the way up to 100 million consumers. This will drive operational cost efficiencies and, most importantly, combine our traditional consumer insights with AI and machine learning insights to better serve consumers products and services. By doing so, we envision a consumer-tech platform that accelerates our growth potential and delivers strong profits.



# Performance Overview and Outlook

## Consolidated Summary

In 2021, Masan Group consolidated net revenue grew 14.8% YoY to VND88,629 billion, slightly below 2021 Annual General Meeting (“AGM”) target of VND92,000-102,000 billion, due to deconsolidation of MML’s feed segment from 1 December 2021 and COVID-19 impacting store expansion, launches of innovations and supply chain/production disruptions. On a like-for-like basis, assuming no consolidation of feed segment in FY2021, net revenue was VND74,200 billion, completing 98% of AGM target excluding feed segment. MSN’s revenue growth was driven by 20% growth in MCH’s revenue during FY2021, 17.2% at MML, 82.7% at MHT, while WCM revenue was nearly flat compared to last year.

MSN’s consolidated 2021 EBITDA was up 58.1% to reach VND16,361 billion compared to VND10,346 billion in 2020, much higher than net revenue growth, as consolidated EBITDA margins reached 18.5% compared to 13.4% in 2020, improvement of 510 basis points (“bps”). TCX’s EBITDA was up 72.9% YoY, as WCM’s EBITDA improved by VND2,334 billion to VND1,100 billion in FY2021, versus an EBITDA loss of VND1,234 billion in FY2020, due to improvement in operating margins and closure of loss-making stores. Consolidated EBITDA growth was further supported by 19.1% growth YoY in MCH

EBITDA due to 20% revenue growth and nearly flat EBITDA margins. MHT delivered 114.2% growth in EBITDA due to strong demand and pricing for its products and the successful integration of HCS, which helped MHT to transition into a downstream high-tech materials business. MML’s EBITDA contribution however declined by 2.9%, due to lower soft commodity prices and deconsolidation of feed segment. As a result, MML completed the transformation to a pure FMCG business, while still delivering on its mission with a strong strategic partnership with De Heus.

Reported net profit after tax post minority interest (“NPAT Post-MI”) in 2021 was VND8,563 billion, growth of 593.9% compared to VND1,234 billion in 2020. Improvement in WCM EBITDA margin on a consistent basis led to 5.5% EBITDA margins in 2H2021, compared to 1.3% in 1H2021, which led to first ever half-yearly positive NPAT Post-MI for WCM in 2H2021. MCH’s profitability increased due to higher demand for consumer branded products leading to 42.3% YoY growth in profits. MHT delivered full year net profit from core activities as EBITDA more than doubled in FY2021. NPAT Post MI growth was offset by higher financial expenses and minority interest leakage due to lower economic interest in TCX in 2021 compared to 2020.

On a more normalized basis which excludes the amortization of fair value adjustments and goodwill as a result of acquisitions and one-time gains, 2021 Core NPAT Post-MI, grew by 256.3% YoY in FY2021 to VND4,400 billion. In 2021, MSN booked a significant one-time gain due to deconsolidation of MML's feed segment, while in 2020, MSN benefitted from a one-time gain from the deemed "bargain purchase" of the HCS business.

With regards to MSN's consolidated balance sheet, gross financial debt decreased to VND58,178 billion as of 31 December 2021, compared to VND62,011 billion as of 31 December 2020, decrease of VND3,833 billion. Net Debt to Last 12 months ("LTM") EBITDA reached 2.2x at the end of FY2021, compared to 5.2x at the end of FY2020, driven by 58.1% growth in EBITDA. Cash and cash equivalents balance including short-term investments (such as term deposits) and interest-bearing receivables related to treasury activities reached VND22.6 trillion as of 31 December 2021. Masan achieved its target of Net Debt to LTM EBITDA in the range of 2.5 – 3.0x earlier than expected and will aim to maintain this ratio through improved consolidated profitability across all of its segments. Free cash flow ("FCF") reached VND3,407 billion, up 75%, while capital expenditure ("Capex") was VND2,805 billion, down 24% compared to last year.

In 2022, MSN anticipates growth in net revenue and profitability across all of our businesses, driven by the ramp up of our more recent investments, more favorable market conditions, and synergies as we build up our integrated consumer platform and "Point of Life" ecosystem. In 2022, MSN aims to deliver consolidated net revenue and Core NPAT Pre-MI (excluding one-time gains/losses) within the ranges of VND90,000-100,000 billion and VND5,000-7,000 billion, respectively. Additional details shall be provided in subsequent sections of this Annual Report.

Looking much further ahead we believe our efforts in 2021 laid the foundation for Masan's next phase of transformational growth. This phase would involve scaling up our POL concept, a modern mini mall that combines the most trusted, innovative brands and services to serve consumers most of their daily life essentials from off-to-online. By integrating big data capabilities into our expanding ecosystem, we would be able to provide consumers with the next generation of digital products, which would continue to power Masan's growth in the next decade.

**The CrownX**

The CrownX was established in 2020 to be leading consumer retail platform

and build out Masan's "Point of Life" platform. In 2021, The CrownX delivered on its objectives as WCM became EBITDA profitable for the full year and MCH delivered 2<sup>nd</sup> consecutive year of 20% revenue growth, while the POL concept was further refined and expanded to multiple WCM locations. As a result, TCX net revenue reached VND58,040 billion in 2021, up 6.9% compared to VND54,277 billion in 2020, while EBITDA margin reached 13.4%, compared to 8.3% in 2020. The CrownX's modern retail subsidiary, WCM, delivered net revenue of VND30,900 billion in 2021, down 0.3% compared to last year, despite reduced number of store locations operational after network rationalization in 2020, starting 2021 with 668 less locations than at the start of 2020. WCM's profitability saw a marked improvement, as EBITDA margins improved by 760 bps to reach 3.6% in 2021, compared to (4.0)% in 2020. The CrownX's branded consumer products subsidiary, MCH, achieved VND28,764 billion in net revenue, up 20.0% compared to VND23,971 billion in 2020, due to growth in core food categories, premiumization, successful launch of new innovations and increased synergies with WCM. MCH's 2021 EBITDA grew by 19.1% YoY, as EBITDA margins were 23.8%, nearly flat compared to last year.

Mini mall concept demonstrated initial success in 2021, by transforming WinMart+ ("WMP", formerly known as VinMart+) and WinMart ("WMT", formerly known as VinMart) stores into POL locations, thereby increase revenue and profitability. Based on the initial success of the Phuc Long Kiosk model, which led to higher profitability and foot traffic for WCM locations, TCX went a step further to build the mini mall concept, combining WinMart+ (grocery), Phuc Long Kiosk (coffee and tea), pharmacy, Techcombank and Reddi (telecom) transaction point into an integrated offering. CVLife pilot stores running in 5 locations during FY2021 led to an increase in foot traffic compared to pre-CVLife model and helped to reduce grocery breakeven revenue required per day per location by 44%.

In 2022, The CrownX expects to achieve both net revenue and NPAT Post-MI growth on a consolidated basis driven by stronger performances at WCM and MCH. The expansion of POL concept is expected to provide further growth impetus, as it not only improves revenue by generating higher foot traffic at WCM locations, but also improves store level profitability for new and existing locations by providing multiple consumer products and services from a single location through both off-and-online channels.

**WINCOMMERCE**

In 2021, WCM prioritized improving profitability and fine-tuning the model for store expansion, before embarking on the next phase of network expansion, in order to build a sustainable foundation for long-term growth. Profitability improvement was driven by closing loss-making locations, improvement in total commercial margins ("TCM") and reducing store operating costs. During 2021, after optimizing the minimarket model, WCM opened 387 net new stores, with 285 stores opened in 4Q2021, which gives management confidence in its ability to further expand store count in 2022 and beyond.

In 2021, WCM's net revenue was down 0.3% YoY to VND30,900 billion from VND30,978 billion in 2020. Minimarket ("WinMart+" or "WMP") segment delivered net revenue of VND20,948 billion in 2021, up 7.7% compared to last year. Growth in WinMart+ segment was due to new fresh-focus assortment, improved store concept and consumers switching from general trade to modern trade due to health and safety concerns. Revenue/m<sup>2</sup>/month on a like-for-like ("LFL") basis, from store locations that have been in operations for more than 24 months was up 15% for the full year. Average bill size was up 24.4% compared to last year, though average bills per day was down 8.2% in the same

period due to COVID-19. 2,619 minimarkets were operational as of end 2021, compared to 2,231 locations as of end 2020, though 285 locations were opened in 4Q2021, and as such had very little impact to mini-market segment revenues in 2021. Management aims to expand the number of minimarket locations in 2022, based on the new CVLife concept across Vietnam.

Supermarket ("WinMart" or "WMT") delivered net revenue of VND9,924 billion in 2021, down 6.6% YoY. Revenue growth for supermarkets was weaker than for minimarkets as COVID-19 deterred consumers from crowded places such as malls (representing 2/3rd of WMT's locations and revenue contribution) and encouraged them towards more convenient formats such as minimarts instead. LFL revenue/m<sup>2</sup>/month was down 10.6% YoY in 2021 mainly because of COVID-19 related lockdowns. However, for supermarkets located outside of Vincom Retail shopping mall locations ("VRE"), LFL revenue/m<sup>2</sup>/month was up 4.1% YoY in FY2021, compared to decline of 18.0% for supermarkets located inside. As a result, EBITDA margin for WMT supermarkets located outside of VRE shopping malls was 6.6%, 110 bps higher compared to stores located inside. Average bill size was up 15.8% compared to last year, though average bills per day was down 24.4% in the same period. Supermarket



locations are on track to grow in 2022, based on the new format with focus on fresh assortment and integration of CVLife model in existing and new locations.

In terms of profitability, WCM delivered positive NPAT Post-MI in 2H2021, its first ever half-yearly profit, on the back of positive EBITDA margins in all 4 quarters of 2021. WCM delivered positive EBITDA margin of 3.6% in 2021, improvement of 760 bps compared to 2020. EBITDA margin improvement in FY2021, was driven largely by improvement in overall total commercial margin (“TCM”), which is gross profit plus suppliers’ incentives/ support, as initiatives to improve procurement practices and secure more favorable terms with suppliers started to yield results. For full year 2021, TCM was 27.2%, up 310 bps compared to last year, while in 4Q2021 TCM reached the highest level ever at 30.4%. Operating expenses were further reduced in 2021 due to optimization of promotional activities, improvement in logistics costs as higher percentage of goods flowed through WCM’s distribution centers and optimized SKU assortment with focus on fresh products. Fresh portfolio’s contribution to overall revenue for WCM increased to 30.7% in 2021, versus 28.1% last year, as the fastest growing categories were ready-to-eat food, seafood and vegetables. Growing fresh portfolio contribution helps to improve gross margins, as these

products have better margins compared to processed products.

In terms of new growth drivers, partnership with Lazada and scaling up of other online channels combined with COVID-19 related lockdowns, led to significant growth in online sales during 3Q2021, though daily orders declined in 4Q2021 due to roll-back of strict restrictions and opening of general trade channels. Management is now aiming to ramp up this channel in 2022 as it is a key strategic priority, by building a dark store concept for its supermarket format to improve handling of online orders, reduce time required to fulfil orders and minimize operational errors. This concept is expected to further improve profitability of supermarket segment, as online orders will be serviced by a dedicated staff backed by an optimized SKU portfolio for the online channel.

Management also piloted the concept of franchise mini-market stores in 2021, to supplement growth in number of modern trade locations, revenue and profitability for WCM, while minimizing capital expenditure requirements. 2 franchise stores were launched on 31 December 2021 in a pilot phase, to help WCM in identifying the optimal business model and better understand how to best partner with the franchisees. This initiative is expected to help expand WCM’s retail

network faster under the CVLife model at the best locations across the country to further expand WCM’s reach.

For 2022, WCM expects to deliver on the following KPI’s, increase numbers of mini-market locations, revamp supermarket model and open new stores, continue to improve TCM by working with suppliers and increasing fresh products revenue contribution, optimize logistics, and improve product availability. New growth drivers, such as online channel and franchise model will be scaled up to build an off-to-online champion. Further expansion of CVLife concept to existing and new WCM locations is expected to deliver revenue growth while maintain profitability. Subject to the successful outcome of these priorities, WCM expects to deliver consolidated net revenue between VND38,000 billion and VND40,000 billion in 2022, growth of 23% to 29% versus last year.

MASAN CONSUMER HOLDINGS

MCH’s net revenue grew by 20.0% YoY in 2021 to reach VND28,764 billion compared to VND23,971 billion in 2020, as innovations, investments in power brands supported growth, backed by higher penetration in Modern Trade (“MT”) channels, driven by increased synergies with WCM. Innovations contributed VND2,686 billion in revenue for FY2021

(9.3% revenue contribution), compared to VND1,767 billion in FY2020 (7.4% revenue contribution). Modern trade and urbanization strategy accelerated with 34.1% growth in MT sales in 2021 YoY, as MT sales contribution reached 11.3% of total sales in 2021 versus 10.1% last year. Increased synergies with our modern retail segment were evident, as sales of MCH products through WCM network grew 80% in 2021 YoY.

In terms of product categories, seasonings category was the highest contributor to overall revenues, as the category delivered VND9.7 trillion in revenue for 2021, up 19% YoY. Premiumization continues to be a key growth driver as premium fish sauce contributed 11.7% of overall revenue in 2021. Revenue for fish sauce, soya sauce, chili sauce, and granules grew by 18%, 7%, 34%, and 15%, respectively in 2021 YoY. Convenience foods category grew 27% YoY in 2021 and delivered revenue of VND8.8 trillion, as the premium segment contributed 50% of revenue while home meal replacements (“HMR”) contributed 11% of overall category revenue in 2021. MCH continues to be a trendsetter in the HMR space, with focus on new innovative products across price points to expand product portfolio and build on the growing eating-at-home trend, which has been accelerated by the pandemic. Processed meat category

delivered 52% revenue growth in 2021 YoY, as the “Ponnie” brand continued to lead the market in the pasteurized sausage segment offering high nutrition and delicious experience. “Heo Cao Boi” brand, on the other hand, became a favorite among Vietnamese children and young adults in 2021. Beverages category revenues were negatively affected by the closure of all on-premise locations in HCMC and southern provinces during 3Q2021 but recovered in 4Q2021. As a result, in 2021, beverage category revenues (excluding coffee and beer) were up 3.7%, as energy drinks was up 0.4%, nutritional drinks up 55%, while liquid beverages were down by 9% YoY. Home & personal care (“HPC”) category contributed VND1.5 trillion in net revenue in 2021, up 19% versus 2020, even though the pandemic reduced demand for HPC products. New brand “Joins” detergent and softener, launched in 2H2020, continued to track well, and contributed 13% of the category’s revenues in 2021. Launch of new dish washing detergent brand “Homey” in 2H2021 helped to expand HPC portfolio, with more launches expected in 2022. Coffee category revenue increased by 10.2% in 2021 due to launch of instant coffee products to attract new customers, while beer sales grew 54% in 2021 due to successful launch of the brand “Red Ruby”, and increased distribution through WCM network.

On the profitability front, gross margins were 41.4% in 2021, flat compared to last year, despite higher soft commodity prices and higher growth in relatively lower margins categories like convenience foods and processed meat. Flat gross margins were achieved at a consolidated level through cost cutting initiatives, muted price hikes where required to pass on inflationary pressures, and improvement in individual category margins. EBITDA (earnings before interest, tax, depreciation, and amortization) margins were 23.8% in 20201, also flat versus last year. MCH delivered VND6,845 billion in EBITDA in FY2021, a YoY growth of 19.1%.

In 2022, MCH will continue building more premium brands in its portfolio to drive sustainable top and bottom-line growth. Food portfolio (seasonings, convenience foods, coffee and processed meat) is expected to expand through focus on premiumization, product innovation and portfolio expansion. Beverages (energy drinks, bottled water and beer) segment is expected to bounce back sharply from 2022 onwards post COVID-19, as the core brands continue to gain share and MCH increases its trade and marketing investments. MCH will also focus on building a winning product portfolio in its HPC segment through increased focus on R&D and improving distribution coverage nationwide. MCH targets to achieve net revenue within the range of VND34,000

and 40,000 billion in 2022, growth of 18% to 39% compared to 2021. For its primary subsidiary, which excludes MCH's beer segment, Masan Consumer Corporation ("MSC"), a public company listed on the UPCoM, we expect net revenue of VND32,500 – VND38,000 billion in 2022, growth of 17% to 37% versus last year. For further details, please refer to MSC's official annual report and other investor relations materials available on its website.

**Masan MEATLife**

Masan MEATLife Corporation ("MML"), MSN's integrated branded meat subsidiary, completed its transformation into a branded meat player in 2021, in alignment with Masan's vision of becoming a pure-play integrated consumer ecosystem from products to services. From 1 December 2021, MML completed the spin-off of its feed business to De Heus Vietnam (a subsidiary of the Dutch Royal De Heus Group) and then entered into a long-term strategic partnership to achieve the following results, MML to focus on branded meat while De Heus Vietnam to prioritize providing animal nutrition, genetics, and husbandry solutions. The partnership is expected to ensure the food safety, productivity, and sustainability of the 3F (Feed-Farm-Food) integrated supply chain model. In particular, De Heus will supply up to 70%

of the feed demand of MML's farms and few millions of live pigs to MML over the next 5 years. This strategic partnership will help to ensure stable pricing, high quality, and standardized livestock to provide consumers with delicious, safe, and reasonably priced meat products.

MML's meat segment has grown rapidly in the last 4 years and achieved VND4,487 billion in net revenue in 2021, up 88.6% compared to VND2,379 billion in 2020. MML's consolidated net revenue (including feed segment) for 2021 was VND18,891 billion, up 17.2% versus VND16,119 billion in 2020. Excluding December 2020 feed revenue for a like-for-like comparison, net revenue grew by 16.6% in 2021 YoY. Integrated pork segment, which consolidates MML's pork supply chain (including pig farms) and branded pork products, delivered 2021 net revenue of VND2,999 billion, up 31.8% compared to 2020. MML's pork processing plants were running at 20% capacity utilization as of Dec-21, implying 5x volume growth potential in the near term. At 26% utilization, the pork segment becomes profitable, which is expected to occur in 2022. Branded chicken segment ("3F Viet"), comprising the full chicken production value chain, delivered revenue of VND1,487 billion in 2021, compared to contribution of VND943 billion in 2020. Synergies from 3F Viet's integration with Masan Group's ecosystem has led to

MML's chicken brands becoming available throughout the WCM's ecosystem.

In 2021, gross margins for the entire MML business (including feed) were 12.2%, lower compared to 16.9% in 2020 due to higher soft commodity prices dampening feed segment margin and consolidation effects of 3F Viet. Integrated pork segment delivered gross margin of 18.5% in 2021, compared to 17.5% in 2020, due to higher synergies from the integrated meat business, coupled with increasing scale and higher porker utilization rates. Integrated chicken segment delivered gross margin of (2.4)% in 4Q2021, compared to (17.4)% in 9M2021. Profitability is expected to improve further in FY2022, due to higher mix of business-to-consumer ("B2C") sales and synergies arising because of greater integration with Masan's ecosystem. In terms of EBITA margins, MML delivered 9.7% EBITDA margin in 2021, compared to 11.7% in 2020, as the integrated pork meat segment delivered EBITDA margin of 13.4% in 2021, compared to 7.8% in 2020.

Management aims to scale up MML's branded meat portfolio by leveraging on TCX's O<sup>2</sup> distribution platform and WinCommerce's "Best of Fresh" value proposition to gain market share. MML also aims to expand its product portfolio by investing in processed meat R&D for both ambient and chilled products,

catered to Vietnamese consumer tastes and preferences. Finally, expansion of the partnership model with strategic suppliers will be key to improve profitability by having a cost-competitive and high-quality raw material input supply chain. On the back of the meat segment's momentum, a diversified distribution network and expanding product portfolio, MML expects to deliver consolidated net revenue within the range of VND5,000 – VND6,500 billion in 2022, YoY growth of 11% to 45% (excluding feed segment). For further details, please refer to MML's official annual report and other investor relations materials available on its website.

**New Businesses**

**PHUC LONG HERITAGE**

During 2Q2021, Masan through its fully owned subsidiary, The Sherpa, acquired 20% stake in Phuc Long Heritage Corporation ("Phuc Long Heritage"), and in January 2022 acquired a further 31% stake, increasing its ownership to 51%. Phuc Long Heritage has demonstrated strong synergies with MSN's POL strategy, which will now be accelerated with Phuc Long Heritage as consolidated subsidiary of MSN. Food and beverage ("F&B") retail represents ~10% of consumer wallet share in Vietnam, nearly 75% of the sector is unbranded with no true nationwide champion. Through the acquisition of

Phuc Long, MSN will target increasing out-of-home consumption trend and moving towards a higher quality branded experience as Phuc Long Heritage has a strong online presence and generates 20-30% of revenue from delivery segment.

Synergies arising from combining grocery retail (WCM) with tea and coffee retail were already evident in 2021 with the launch of Phuc Long kiosks, which is a low-cost and low-capex model. Phuc Long kiosks operational in 2021 helped to increase revenue per store per day, which led to improved profitability for WCM locations, and were the building blocks in scaling up MSN's POL strategy. In 2022, Phuc Long Heritage revenue growth will be driven by expansion of network through own stores and WCM kiosks and product portfolio expansion, which shall include new food offerings.

**MOBICAST**

In September 2021, Masan announced its entry into telecom sector, as The Sherpa, Masan's fully owned subsidiary acquired 70% of Mobicast Joint Stock Company ("Mobicast" or "Reddi"), operating under the brand Reddi, a start-up full-serviced Mobile Virtual Network Operator ("MVNO"), for a total cash consideration of VND297 billion, including transaction costs. MVNOs such as Reddi are wireless communication service providers that do not own the wireless

infrastructure. Therefore, MVNOs partner with traditional Mobile Network Operators ("MNO") to use their radio spectrum-based transmissions services together with related wireless network infrastructure to provide telecom services to consumers. This is a win-win business model – MNOs realize increased network capacity utilization while MVNOs benefit from an asset-light business model.

Today, Masan's direct to consumer platforms, WinCommerce, Techcombank and Phuc Long, lack a true integrated product and service solution to serve its ~15 million digital savvy consumers. The entry into the telecommunication sector lays the foundation to digitalize Masan's platforms and build a unified off to online products and services solution, "Point of Life" consumer ecosystem. By unifying its consumer base via Reddi, Masan has the capability to create a sticky loyalty platform to deliver more value to its consumers – the only consumer ecosystem that spans grocery, financial and digital life accounting for approximately 80% of the consumer wallet. On a standalone basis, Reddi stands to benefit as it has exclusive access to Masan's consumer base and physical and online nationwide touch points. Specifically, this will significantly lower Reddi's consumer acquisition cost enabling it to reinvest the savings to develop unique digital consumer solutions. Since acquiring control of





Mobicast, Masan has piloted the launch of telecommunication data plans under the brand “Reddi” at selected WCM locations with the aim to go nationwide in 2022 and target a subscriber base of 500,000 to 1 million consumers.

Other Businesses

Masan’s other businesses also achieved noteworthy milestones in 2021. Masan High-Tech Materials, continued to deliver on its strategic goal of becoming a global high-tech industrial materials platform by successfully integrating the tungsten business of H. C. Starck (“HCS”). Combining MHT’s primary resources and HCS’s mid-stream and recycling platform helped MHT to better navigate commodity price cycles by having greater supply chain flexibility and access to a larger market to sell value-added products. As a result, due to strong demand and pricing of MHT’s products, 2021 net revenue reached record levels

of VND13,564 billion driven by higher commodity prices and improved performance at HCS.

Tungsten prices showed a small tick upwards at the beginning of October 2021 to the level of USD320/MTU where they remained for the remainder of 2021, with over 14-months of continuous gains from the cyclical lows of 2020. HCS business contributed significantly to the overall MHT result with an EBITDA of VND746 billion and vindicated the decision to purchase the HCS business in the early stages of the COVID-19 pandemic in 2020. MHT’s EBITDA increased by 114% in 2021 to VND3,070 billion, with EBITDA margin of 23% versus 20% EBITDA margin in 2020. As a result, MHT delivered NPAT Post-MI of VND196 billion for 2021, a VND157 billion increase over the same period last year. 4Q2021 NPAT Post-MI profit was VND466 billion which signals good momentum leading into 2022.

In 2022, MHT expects to deliver net revenue in the range of VND14,500 billion to VND15,000 billion, up 7% to 11% due to continued improvement in tungsten market fundamentals and strength in overall commodity markets. Additionally, management remains committed to maximizing value from monetization of copper stocks that it has accumulated over the last four years. The marked to market value of the recoverable metals in the copper stock inventory was approximately VND6,000 billion as of 31 December 2021.

In 2021, our associate company, Techcombank achieved profit before tax of VND23.2 trillion, growing by 47.1% YoY, underpinned by the bank’s consumer-centric and fee-driven financial services strategy. We believe TCB will continue to grow at a similar annual rate that it has been achieving in the recent years. For further details, please refer to TCB’s annual report and other investor relations materials available on its website.

Business Environment

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

In 2022, Vietnam’s economic recovery is expected to accelerate compared to 2021, as the pandemic is brought under control and opening of international borders. Assuming the COVID-19 pandemic will be brought under control at home and abroad, the forecast envisions that Vietnam’s services sector will gradually recover as consumer and investor confidence increases further, while the manufacturing sector benefits from

steady demand from the United States, the European Union, and China.

The outlook, however, is subject to downside risks, particularly the unknown course of the pandemic. Outbreaks of new variants may prompt renewed social distancing measures, dampening economic activity. Weaker-than-expected domestic demand in Vietnam could weigh on the recovery. In addition, many of Vietnam’s trading partners are facing tighter fiscal and monetary policies, potentially restricting their ability to further support their economies if the crisis persists, which in turn could slow the global recovery and weaken demand for Vietnamese exports. For more information on Vietnam’s economy and its impact on our existing business operations, please refer to the “Macro Overview” section of the Management Report.

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

Vietnam’s Retail Sector

In May 2021, there was a surge in the number of COVID-19 cases in Vietnam, which led the government to impose a strict lockdown in HCMC and in most southern provinces, urging people to stay

at home and only go out for necessities such as purchasing groceries or medicine, or to work at factories or businesses permitted to operate. In addition, most of traditional grocery retailers was also required to close due to the rise in the number of COVID-19 cases in the sales channel. Consequently, many consumers shopped at modern grocery retailers such as minimarkets and supermarkets for groceries.

During the lockdown, all non-grocery retailers, such as department stores and apparel and footwear specialist stores, were mandated to close. In Ho Chi Minh delivery services for non-grocery products were also prohibited. Therefore, non-grocery specialists saw a significant decline in sales in 2021. In addition, the financial impact that the health crisis had on the Vietnamese economy made consumers hesitant to spend money on non-grocery products. They mainly purchased necessities such as food, healthcare and cleaning products. Therefore, most grocery channels registered accelerated growth in 2021, while health-orientated areas like pharmacies and consumer health also recorded strong performance.

Omnichannel strategy was key to success for the big players in 2021 not only to deal with COVID-19 but also

to enhance their brands' image. For brands that traditionally operated offline, having a website or presence on an online marketplace where consumers can purchase its goods is increasingly common in the country. Additionally, apps are being utilized for sales as they simplify the purchasing process even further as well as engage with the consumers.

In 2022, overall retailing in Vietnam is expected to return to the dynamic growth rates that were being registered pre-pandemic. More consumers will be willing to spend on non-grocery items such as apparel and footwear and dishwashers as the economic outlook is positive. While Vietnam saw its lowest GDP growth for many years during the COVID-19 pandemic, its economy was nevertheless one of the best-performing, largely thanks to how successful the country was in containing the pandemic. Store-based retailing sales will therefore bounce back strongly in the year, especially as more of the population become vaccinated from COVID-19 and social distancing and consumer uncertainties regarding visiting stores subsequently ease. In turn, reliance on e-commerce will not be as great, but the channel is nevertheless poised to remain dynamic, recording further double-digit value rises. This strong demand for shopping online will be supported by consumers, especially those

in urban areas, returning to their normal hectic schedules and valuing the time and effort-saving convenience of buying groceries as well as non-groceries through apps or e-commerce websites.

During December 2019, Masan Group set the foundation for an integrated consumer platform by completing the merger of MCH and WCM to create Vietnam's largest consumer group, The CrownX. WCM is the largest modern trade grocery retailer footprint with an unparalleled fresh portfolio which is key to drive traffic and modern retail penetration in the future. WCM's fresh and quality proposition also has significant synergies with Masan's existing branded consumer and meat businesses. WCM delivered on its 2021 target by delivering positive EBITDA for full year 2021 at 3.6% and delivered positive NPAT in 2H2021. Despite COVID-19 limiting store expansion, WCM opened 387 net new stores in 2021, and is in track to further accelerate store expansion in 2022. WCM's priority in 2022 would be to increase number of modern trade locations while maintaining profitability, expansion of CVLife concept, piloting the franchise model and digitalizing the entire platform by building a seamless offline-to-online ("O<sup>2</sup>") strategy.

**Vietnam's Consumer Sector**

With one of the fastest-growing middle class in Southeast Asia, Vietnam has been experiencing phenomenal growth rates in its consumer and retail sectors. This trend looks set to continue, given its relatively young population demographics and robust consumer spending behavior.

The COVID-19 pandemic brought about major changes in the consumption habits of the Vietnamese consumers, which will, in turn, affect the trends of the F&B industry in Vietnam. Vietnam has been dealing with the pandemic for 2 years, and although many households are better prepared after experiencing previous waves of the pandemic, slower economic growth continues to create financial pressure for consumers. These pressures result in a reduction in the spending of Vietnamese consumers as they gradually become more price-sensitive, restricting purchases for non-essential activities such as beauty services, eating out, and outdoor entertainment.

Customers, however, are still willing to pay more for high-quality products with stricter demands about food safety and hygiene. In addition to their demands on how products are manufactured, they also expect the appliance of more advanced technology in processing, packaging, and preserving products. More and more

people are adopting proactive methods to manage their physical and mental health. That is reflected in consumers' choices for foods and beverages. Categories considered healthy are becoming more popular, while "less healthy" ones face an uphill battle for growth.

The COVID-19 pandemic also has changed consumption trends, creating opportunities for modern distribution channels to develop rapidly as consumers prefer shopping online or minimarkets/ supermarkets to buy quality and origin-stated products, which led to the growth of omnichannel and e-commerce.

Overall, FMCG industry grew at 6.4% in 2021 in the country's four major cities and 8.7% per cent in rural areas, according to global data and consulting company Kantar Worldpanel. This growth was lower than 2020, primarily due to effects of the pandemic.

The new consumption trends will become a growth driver for the food and beverage industry in 2022. Higher consumer incomes across sectors with potential upside tied to a recovery in tourism and related industries could support consumer sentiment. Continued rapid rise in modern trade channels, e-commerce and digital consumption will help sales volume rebound from a low 2021 base. However, despite the positive outlook,

there were still potential risks related to the pandemic and input costs that could affect the food and beverage industry next year.

**SEASONINGS**

According to Euromonitor, sauces, dressings and condiments market was estimated at VND36.2 trillion in market size during 2021, with 64% contribution from table sauces and rest from cooking ingredients like powdered seasonings, herbs and spices etc. Within the table sauces segment, fish sauce continues to be the largest segment, followed by soy sauce and chili sauce. Over the last 5 years, the entire seasonings segment grew 5.2% CAGR in value terms. Over the past few years, a clear trend towards premiumization based on better quality and healthier ingredients has started to emerge, where consumers, especially in urban areas, are willing to pay higher prices for premium branded products.

Masan continues to be a trend-setter and market leader within the seasonings segment, with its unrivalled focus on R&D, innovation pipeline, healthier and premium product offerings, backed by scale, technology and a nation-wide distribution reach. Masan's brand building capabilities backed by strong product innovation has led to the launch of several premium brands in the last 2



years. In 2021, premium fish sauce brands accounted for 11.7% of total fish sauce portfolio. A new emerging growth driver is the granules segment (powdered seasonings), which continues to scale up rapidly, accounting for 8% of entire seasonings category revenue in 2021.

CONVENIENCE FOODS

The COVID-19 pandemic led to skyrocketing demand for instant noodles around the world. The top 10 countries accounting for more than 80 per cent of global instant noodle consumption are from Asia. In 2020, China was the world's highest consumer with 46.35 billion packages, followed by Indonesia (12.64 billion) and Vietnam (7.03 billion). In terms of per capita consumption, South Korea took the lead with 79.7 servings per person. Vietnam came second with 72.2 servings per person.

Due to the huge domestic demand, Vietnam has become a manufacturing hub for instant noodle makers. As of present, there are over 50 instant noodle producers in Vietnam, with 70 per cent of the market belonging to Acecook Vietnam, Masan, and Asia Food. South Korean instant noodle makers Nongshim and Ottogi are also ramping up activities in Vietnam and are considering the country as a gateway to Southeast Asia.

According to Statista, Omachi was the fastest-growing FMCG brand in Vietnam, having a consumer reach point (“CRP”) growth rate of 39.3 per cent. Hao Hao and Omachi are among the leading instant noodle brands in the country. Instant noodles category including cups and pouches, reached VND31 trillion in 2021, with 80% revenue originating from pouch noodles and the rest from cup noodles, full-meal solutions, etc.

Instant noodles and ready-to-eat meals consumption in Vietnam surged strongly amid the coronavirus epidemic as consumers stocked up and preferred to eat at home. Masan launched multiple new innovations spanning a range of full-meal solutions to capture increasing at home eating trend during 2021. As a result, Masan continues to gain market share within the category and is already the number one player in the premium segment. During the last three years, Masan focused on premiumizing the category by introducing value-added ready-to-eat (“RTE”) meals under the “Omachi” brand. By combining its seasonings market leader brand “CHIN-SU”, innovations in premium noodles and a strong nutritional platform (Ponnie, Heo Cao Boi), Masan has introduced multiple RTE products with varied taste profiles. As a result, Masan's convenience foods portfolio continues to grow at a much

faster rate than that of traditional pouch noodles in Vietnam.

BEVERAGES

The COVID-19 pandemic had a negative impact on sales of beverages in Vietnam during 2021, as dramatic declines were seen in the on-trade channel over the course of the year. Within the overall beverages segment, RTD tea, carbonates, bottled water, coffee and energy drinks are the biggest segments by value. Masan competes in three of the biggest beverage categories in Vietnam, energy drinks, bottled water and coffee, and continues to evaluate opportunities to build market leading innovative brands in other large-scale categories within the overall beverages segment.

ENERGY DRINKS

Busier and stressful lifestyles are one of the key growth drivers contributing to the strong growth of energy drinks in Vietnam, with market size of VND22 trillion in 2021. Advertising often focuses on how energy drinks can help consumers cope with a busy work schedule by providing an energy boost. Another growth driver is demand for energy drinks from people working in blue-collar sectors such as manufacturing, agriculture and transportation.

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

BOTTLED WATER

Vietnam's bottled water market size of VND17.5 trillion in 2021, is projected to grow in double-digits in the near to medium term, on account of deteriorating water quality in many areas of the country, which is resulting in increasing demand for safe and clean drinking water. Moreover, majority of the population remains short of getting access to clean water, owing to rapidly growing population and increasing urbanization rate. Though this demand is partially fulfilled by municipal water supply, it is expected to result in huge demand for bottled water in Vietnam.

Masan started its journey within this segment by acquisition of two of Vietnam's most trusted bottled water brands, Vinh Hao and Quang Hanh. Over

the last 2 years though, Masan built the “Vivant” brand – premium mineral water innovation, which has received strong consumer response since launch.

COFFEE

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

PROCESSED MEAT

Consumers' demand for better-quality food in terms of taste, affordability and nutrition is also reflected in their evolving consumption of meat and seafood products, staples in Vietnamese cuisine. During 2021, total sales of processed meats and seafood reached nearly VND11 trillion, as per Euromonitor, with processed meat contribution 39%, processed seafood 49% and meat substitutes 12%.

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

Masan has built some of the best-known brands like Heo Cao Boi, Ponnie among others, available in the market through its partnership with Jin-Ju Ham from South Korea. As a result, sales from Masan's processed meat portfolio increased 52% in 2021, with further growth expected in the future backed by an evolving innovation pipeline suited to Vietnamese consumers' tastes and preferences.

BEER

Beer is very popular amongst Vietnamese consumers with various incomes, as the price of beer is more affordable compared with wine and spirits. Meanwhile, consumers are also switching to beer for health reasons, as it is perceived as causing lower harm to health than spirits due to its low alcohol by volume (“ABV”). Players in beer segment can launch frequent advertising campaigns, even



television advertisements, to maintain and increase brand awareness, which is not allowed by players in spirits, for instance, as these products are over 15% ABV. Rising premiumization is being seen in beer in Vietnam. More consumers are paying attention to premium beer thanks to its better quality and taste. Most players are therefore focusing on the design of their packaging labels to communicate a premium image.

Masan’s beer segment achieved 54% growth in sales in 2021, due to successful launch of the beer brand “Red Ruby”, backed by strategic marketing campaigns and increased distribution through the WCM modern trade network.

HOME AND PERSONAL CARE

The home and personal care (“HPC”) market is one of the largest and most attractive consumer sectors in Vietnam with a total market size in excess of USD4

billion, which is currently dominated by foreign players and products. Home care segment was estimated at VND40 trillion in 2021 by Euromonitor, with laundry care being the biggest segment (60%) and dishwashing 2<sup>nd</sup> largest (15%). Beauty and personal care segment were estimated to be VND53 trillion in 2021, with hair care and skin care being the 2 largest categories.

Consumers in Vietnam end up over-paying for these products, as is evident from the fact that Vietnam has the highest spending per capita for this category among Southeast Asian markets. Masan believes that the HPC market is still at the early stages of growth when compared to other developed markets and provides significant opportunities to build Vietnamese power brands.

Masan’s HPC category contributed VND1.5 trillion in net revenue in FY2021, even though the pandemic reduced demand for laundry detergent. New brand “Joins”

detergent and softener launched in 2H2020, and further portfolio expansion on track with launch of new dish washing detergent brand “Homey”. In 2022, Masan will continue to build a diversified HPC platform through an innovative portfolio and utilize Masan’s current distribution network which has a high existing overlap to unlock potential synergies.

Vietnam’s Meat Sector

The emergence of the pandemic in Vietnam had already significantly impacted demand for meat through foodservice and institutional channels in 2021 due to limited tourism and home seclusion, with the latter driving up demand through retail as local consumers prepared their meals at home. While restrictions were gradually eased in the country during the year, from May 2021, Vietnam witnessed another wave of COVID-19, with the Delta variant becoming the main source of transmissions. As a result, COVID-19 has raised health awareness amongst the Vietnamese, leading them to consider the type of food that they consume and the potential associated risks. As such, consumption of fresh food such as meat is expected to see stable growth in the long-term, driven by health awareness. During the lockdowns and movement restriction periods in 2021, when many traditional grocery retailers such as wet markets

were closed, some consumers switched to e-commerce as an alternative channel. As a result, e-commerce sales of meat have been growing but remain limited by logistic constraints.

In 2021, pork accounted for the highest production volume among main livestock products in Vietnam, amounting to over 4.18 billion metric tons, according to GSO, followed by poultry, beef and veal. However, the sector faced multiple problems, from ASF (African Swine Fever) related issues in 2020, to reduced price of live hogs in 2021. Live hog prices have been on a downward trend nationwide from February 2021, as the average live hog price in December 2021 was VND49,500 per kg in the North, down 39.6% compared to January 2021. In the southern region, the average live hog price in December 2021 was VND49,000 per kilo, down 38% compared to January 2021. With the current price of pigs, most livestock farms are suffering losses due to the high cost of raising livestock, as the price of animal feed has increased by more than 20 per cent in the last 12 months due to higher soft commodity prices. The reason for the decline in pig prices is higher supply, according to the Department of Livestock Production, as re-herding in the past two years has been successful so the total number of pigs nationwide has reached over 28 million, including 3 million sows.

In order to combat some of the inherent inefficiencies within the pork segment (market size USD10 billion), Masan built the integrated 3F (Feed – Farm - Food) model in combination with building a retail brand “MEATDeli”. In 3Q2020, MML acquired a 51% stake in 3F VIET a leading domestic poultry player, to enter the chicken segment (market size USD5 billion). Masan’s acquisition of WinCommerce has significantly increased distribution footprint, with MEATDeli pork and 3F VIET chicken brands now available in WinCommerce locations nationwide.

In November 2021, MML sold its feed business to reduce exposure to commodity driven businesses, as the feed business profitability is cyclical depending on live hog and chicken prices, in addition to supply side cost pressures due to higher soft commodity prices. As part of a strategic agreement to ensure supply chain quality, the long-term supply contract with De Heus will provide feed for MML’s farms and millions of high-quality porkers over 5 years at sustainable prices to hedge against market price volatility. In the chicken segment, supply side would be scaled up by targeting both contract and lease farm models.

The spin-off of the feed business, expansion of the “MEATDeli” and 3F

VIET brands has transformed MML into a FMCG business with an addressable market of USD15 billion and has the potential to deliver long term sustainable growth with significantly higher margins. More importantly, Masan aims to deliver safe, traceable, healthy and delicious meat products to Vietnamese consumers at affordable prices.

Vietnam’s Banking Sector

Despite the negative socio-economic consequences of COVID-19, Vietnam was one of the few countries that recorded positive economic growth in 2021. As per the GSO, Vietnam’s GDP increased by 2.6% in 2021, with manageable inflation of 2.0%, while credit growth was 13%. Since the start of the pandemic, the State Bank of Vietnam (“SBV”) has enacted policies to help businesses and consumers affected by the pandemic. Banking sector has been affected by COVID-19, but the impact varies because banks have different loan portfolios and asset structure. Some banks focus on providing loans to businesses, while others focus on retail banking and services, as a result the recovery of banks would also be different. Techcombank is one of a few banks in the region that can make money on both sides of the balance sheet, which brings profits in long term. Thanks to this, Techcombank can satisfy long-term needs such as houses and cars, to daily needs such as shopping and tourism.



A significant part of Vietnam’s population is still underserved and underbanked as far as their financial needs are concerned, as the traditional banking model is not suitable to extend distribution to all parts of the country. 2 out of 3 consumers in Vietnam do not have bank accounts, as a result, informal channels for financing consumption are prevalent, but these are typically 3-5 times more expensive than traditional bank loans. Only 2.4% of the population has access to insurance products, while credit card penetration is just 4%. The reason for such low penetration rates is consumers’ lack of trust in formal banking channels and high service cost.

Masan aims to solve for these pain points by utilizing its O<sup>2</sup> distribution network and digitalizing consumer profiles by credit scoring powered by AI and machine learning capabilities. Masan’s offline touchpoints will help to build consumer trust by providing consultation and education on financial products to serve as a first level entry into banking services. Credit scoring, screening and valuing consumers would enable Masan to personalize financial offerings such as consumer lending, partnership credit cards, buy now pay later products, saving and insurance solutions for consumers in addition to provide lead generation for banks and other financial institutions.

**Vietnam’s Telecom Sector**

Vietnam’s telecom market has witnessed strong growth in recent years and is expected to have continued growth over the long-term. The growth in the industry is mainly due to increasing urban population with rising adoption of the mobile phones that support 3G, 4G and 5G services across the country. Telecom sector is further expected to have strong growth with rising adoption of Internet of Things (“IoT”) in the sector that connect with wired and wireless broadband. The mobile telecom market in Vietnam was estimated at USD5.4 billion in 2020, as per Euromonitor estimates. Market historically grew by ~2% per annum in 2015-2020 and is expected to grow at low single digit (~2%) for the next 5 years. Fixed broadband penetration in Vietnam remains low, mainly due to a limited number of fixed lines and the dominance of the mobile platform.

Vietnam’s telecom market has witnessed strong growth in recent years, mainly driven by increasing population, communication services, and rising adoption of smartphone services. As of end-2020, the country had a total of 127 million subscribers, implying a penetration rate of ~130%. A major part of the market growth is attained by premium connectivity and content services in the country. However, consumers also enjoy



robust and forward-looking regulatory regimes for these services. Telecom service revenues increased during the pandemic, as users mainly adopted work-from-home practices and spent more time streaming video, games and other forms of entertainment. The largest players in the telecom industry are Viettel, followed by MobiFone and VinaFone.

Masan entered the telecom space in September 2021 by acquiring control of Mobicast, operating under the brand Reddi. In 2022, Mobicast aims to reach a subscriber base of 500,000 to 1 million consumers by delivering innovative telecom offers that promote the use of mobile data and digital services, rather than typical bundle of data with voice and SMS.

While the MVNO business model will lead to minimal capital expenditures, Masan also aims to support cash generation with its low customer acquisition cost (“CAC”) strategy. Masan aims to integrate telecom offers with our broader consumer ecosystem, including membership benefits and rewards when purchasing our products and services. Masan aims to leverage our large existing consumer base with millions of members across WinCommerce, Phuc Long, Techcombank and strategic O<sup>2</sup> partners. In addition, we aim to capitalize on WinCommerce’s nationwide network

of 2,700 MT stores to drive short, cost-efficient route to market with potential to expand to 300,000 GT retailers of Masan Consumer.

**Global Tungsten Sector**

Global market for tungsten was estimated at 91,500 tons in the year 2020, is projected to reach a revised size of 115,000 tons by 2026, growing at a CAGR of 3.9%, according to Roskill report. Growth in the market is set to be driven by resurgence in various end-use industries in the post COVID-19 environment. The likely post-crisis expansion in automotive production, and renewed activity in aerospace & defense, and metals & mining sectors are expected to drive demand for finished tungsten products including hard metals, alloys and milled products.

Likewise, anticipated increase in demand for electrical and electronic products in residential, commercial and industrial environments is expected to improve tungsten consumption. At the same time, potential growth in industrial engineering activity, especially in China and other Asia-Pacific countries, would drive demand for milled tungsten products such as tungsten rod, tungsten sheet, and tungsten wire. China represents a key market in Asia-Pacific region, and a major producer of primary tungsten.

Growth in the region is set to be driven by stable economic progress, rising public and private investments in industrial manufacturing, increased focus of government on enhancing the industrial output, and high business confidence indices.

During 2021, MHT successfully completed integration with HCS, to become a mid-stream high-tech chemicals player. The ability to offer cutting edge solutions to customers and the strategic flexibility of being integrated across the value chain is key to delivering sustainable growth across commodity price cycles and will continue to be a critical factor in the tungsten space. HCS business contributed significantly to the overall MHT result with an EBITDA of VND746 billion and NPAT Post-MI of VND161 billion (inclusive of amortization of goodwill adjustment from acquisition) for 2021. This result vindicates the decision to purchase the H. C. Starck business in the early stages of the COVID-19 pandemic in 2020. Based on the current demand and price fundamentals, MHT expects revenues in the range of VND14,500-15,000 billion in 2022. Management also continues to remain focused on further realizing the synergistic benefits identified as part of the HCS acquisition process.

# Factors Affecting Our Business and Results of Operations

We are a holding company whose material assets are the shares of the companies that we hold, primarily i) The Sherpa Company Limited (“The Sherpa”) which currently holds our interests in The CrownX Corporation (“TCX”), Mobicast Joint Stock Company (“Mobicast”) and Phuc Long Heritage Corporation (“Phuc Long Heritage”); ii) The CrownX Corporation, which holds our interest in the consumer-retail platform that in turn holds our interest in Masan Consumer Holdings (“MCH”) and WinCommerce Services Trading and Development JSC (“WCM”); iii) Masan Consumer Holdings, which currently holds our interests in branded food and beverage and home and personal care businesses such as Masan Consumer Corporation (“MSC”), Masan Brewery Company Limited (“MB”) and Net Detergent Joint Stock Company (“NET”); iv) WinCommerce which holds our interest in modern retail businesses like minimarts and supermarkets; v) Masan MEATLife Corporation (“MML”), an integrated branded meat producer which holds interests in MNS Meat, which is our integrated branded pork business, 3F VIET, which is our integrated branded chicken business and an associate stake in VISSAN Joint Stock Company (“VISSAN”); vi) Masan Horizon Corporation, which holds our interests in Masan High-Tech Materials Corporation (“MHT”) which holds interests in Nui Phao Mining Company Ltd (“NPM”) and H.C. Starck (“HCS”); and vii) our

associate company Techcombank (“TCB”). Thus, risks that affect the businesses of these companies could also affect our business, financial condition, results of operations and prospects.

We owned 99.99% economic interest in The Sherpa as of 31 December 2021. The Sherpa owned 20% economic interest in Phuc Long Heritage and 70% economic interest in Mobicast as of 31 December 2021. Events that affect The Sherpa’s business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

The Sherpa owned 72.65% economic interest in The CrownX as of 31 December 2021, while Masan Group directly owned 9.02% economic interest in The CrownX, implying an effective ownership of 81.67%. The remaining economic interest in The CrownX was owned by Alibaba, Barings Private Equity Asia, SK Group, Abu Dhabi Investment Authority, TPG, Seatown Holdings and others. The CrownX Corporation which is our consumer-retail platform, consolidates our economic interests in WCM and MCH, our two largest companies by revenue. Events that affect The CrownX Corporation’ business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We owned 70.01% economic interest in MCH as of 31 December 2021, with the balance being directly owned by Singha Corporation. Events that affect MCH’s business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We owned 68.65% economic interest in WCM as of 31 December 2021, with the balance being owned by SK Group. Events that affect WCM’s business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We owned 87.78% economic interest in MML as of 31 December 2021, with the balance being owned by other third-party investors. Events that affect MML and its subsidiaries’ business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

We owned 86.38% stake in MHT as of 31 December 2021, with the balance being owned by Mitsubishi Materials Corporation, management and other investors. Events that affect MHT’s business, financial condition, results of operations and prospects will directly affect our business, financial condition, results of operations and prospects.

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

WCM operates one of the largest modern trade retail businesses in Vietnam and competes mainly based on brand image, pricing, distribution network and product assortment. Modern trade penetration in Vietnam is still low compared to regional peers and therefore we are competing with not only with other modern trade retailers but also general trade outlets who tend to have the advantage of lower overhead costs. However, as modern trade penetration increases, we expect increase competition from current and potential competitors, both local foreign. Competition may cause competitors to significantly increase their advertising expenditures and promotional activities or to engage in irrational or predatory pricing behavior. WCM may be required to make substantially greater investments in technology, distribution and network expansion, branding, as well as promotions and marketing. Such expenditures may lower our profit margins and thereby adversely affect our results of operations.

Masan Consumer Holdings competes mainly based on brand image, pricing,

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

Masan MEATLife Corporation has transformed into a purely branded meat business and experience various levels of competition across its integrated meat value chain. While the animal protein market is relatively fragmented, growth of existing competitors and entrance of large companies, both domestic and foreign, may lead to irrational or predatory pricing behavior in order to gain market share at our expense. In addition, we also compete against imported meat products. While MML was a first mover in the building of power brands for its meat segments and has already invested in farming and meat processing operations of scale and best-in-class standards, there can be no assurance that we will be able to compete effectively against current or potential competitors. In market that is



still relatively commoditized, MML may have to compete on price to protect its market share, lowering our profit margins and thereby adversely affect our results of operations.

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

Mobicast is a startup mobile virtual network operator (“MVNO”), operating under the brand name Reddi. MVNO’s typically lease network bandwidth from traditional telecom players, as a result any disruption to operations of the traditional telecom player may affect Mobicast’s operations. Mobicast competes mainly based on network quality, brand image, pricing, distribution network and value-added services. Increased competition may cause competitors to significantly increase their advertising expenditures and promotional activities or to engage in irrational or predatory pricing behavior. Mobicast may be required to make substantially greater investments in research and development, as well as promotions and marketing. Such expenditures may lower our profit margins and thereby adversely affect our results of operations.

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

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

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

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

Our business outlook is directly tied to the economic prospects of Vietnam which, given the country’s reliance on FDI and export manufacturing, is also in turn tied to the larger global economy. With our material businesses operating in the consumer and retail space, an economic recession in Vietnam can result in lower consumer confidence and purchasing

power which may have a material adverse effect on our business, financial condition, results of operations and prospects.

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

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

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

COVID-19 has severely affected the global economy in 2020 and 2021. While the increasing availability of vaccines has improved sentiments, the pace of the anticipated global economic recovery is not certain. The cessation of business operations across many sectors may have knock-on effects on many of our businesses, and there is always a risk of an outbreak of a new variant of the virus.



Financial Statements

Consolidated Income Statement

Figures in VND million	2021 Audited	2020 Audited
Total Revenue	89,791,619	78,868,319
Less Sales Deductions	(1,162,852)	(1,650,511)
<b>Net sales</b>	<b>88,628,767</b>	<b>77,217,808</b>
Cost of Goods Sold	(66,493,966)	(59,329,111)
<b>Gross profit</b>	<b>22,134,801</b>	<b>17,888,697</b>
Selling Expenses	(11,786,338)	(13,166,087)
General & Administrative Expenses	(4,064,969)	(3,040,896)
Financial Income	6,799,578	1,430,663
Financial Expenses	(5,706,531)	(4,556,671)
Share of Profit in an Associate	3,896,641	2,640,068
<b>Net Operating Profit</b>	<b>11,273,182</b>	<b>1,195,774</b>
Results of Other Activities	215,602	1,129,065
<b>Profit Before Tax</b>	<b>11,488,784</b>	<b>2,324,839</b>
Tax	(1,387,403)	(929,826)
<b>Net Profit</b>	<b>10,101,381</b>	<b>1,395,013</b>
<b>Attributable to</b>		
Minority Interests	1,538,499	161,031
<b>Equity Holders of the Company</b>	<b>8,562,882</b>	<b>1,233,982</b>

Consolidated Balance Sheet

Figures in VND million	December 31, 2021 Audited	December 31, 2020 Audited
<b>CURRENT ASSETS</b>	<b>43,630,176</b>	<b>29,760,685</b>
Cash and Cash Equivalents	22,304,822	7,721,442
Short-term Investments	332,753	447,250
Net Operating Receivables	2,446,855	1,954,059
Other Receivables	4,187,554	5,097,383
Inventories	12,813,391	12,497,917
Other Current Assets	1,544,801	2,042,634
<b>LONG TERM ASSETS</b>	<b>82,463,295</b>	<b>85,975,877</b>
Long-term Receivables	1,878,478	1,592,008
Fixed Assets	42,653,939	49,582,187
Tangible Fixed Assets	31,151,629	34,321,764
Finance Lease Tangible Fixed Assets	209,550	22,278
Intangible Fixed Assets	11,292,760	15,238,145
Investment Property	810,057	14,518
Construction in Progress	2,021,827	2,274,759
Long-term Investments	24,538,803	20,353,099
Other Long-term Assets	10,560,191	12,159,306
<b>TOTAL ASSETS</b>	<b>126,093,471</b>	<b>115,736,562</b>



Figures in VND million	December 31, 2021 Audited	December 31, 2020 Audited
<b>CURRENT LIABILITIES</b>	<b>34,547,836</b>	<b>38,874,663</b>
Short-term Debt	18,805,727	22,545,046
Current Account Payable	7,970,287	6,832,649
Advance from Customers	168,183	1,074,932
Tax Payable	801,899	941,302
Payables to employees	222,205	239,074
Accrued Expense	4,996,691	4,705,417
Other current liabilities	1,582,844	2,536,243
<b>LONG TERM LIABILITIES</b>	<b>49,208,983</b>	<b>51,831,620</b>
Long-term Debt	39,371,918	39,466,043
Other Long-term Liabilities	9,837,065	12,365,577
<b>TOTAL LIABILITIES</b>	<b>83,756,819</b>	<b>90,706,283</b>
<b>EQUITY</b>	<b>42,336,652</b>	<b>25,030,279</b>
Chartered Capital	11,805,347	11,746,832
Capital Surplus	11,084,247	11,084,297
Other Capital	(8,388,147)	(8,563,690)
Other Equity Funds	(147,087)	(284,952)
Foreign exchange differences	(339,255)	(226,972)
Retained Earnings	18,795,877	2,182,124
Minority Interest	9,525,670	9,092,640
<b>TOTAL RESOURCES</b>	<b>126,093,471</b>	<b>115,736,562</b>

Performance Highlights

	December 31, 2021	December 31, 2020
Current Ratio	1.3x	0.8x
Quick Ratio	0.9x	0.4x
Total Debt/EBITDA	3.6x	6.0x
Total Debt/Total Assets	0.5x	0.5x
Inventory Turnover	5.3x	4.7x
Inventory Days	69	68
ROAE	35.1%	4.0%
ROAA	8.4%	1.0%
Net Sales/Total Assets	70.3%	66.7%
EBIT Margin	11.5%	5.6%
EBITDA Margin	18.5%	13.4%
Reported Net Margin (Post-MI)	9.7%	1.6%
Core Net Margin (Post-MI)	3.6%	1.6%

# Management Discussion and Analysis of Financial Results

In this section, we discuss and analyze the consolidated 2021 financial results of Masan Group. While key line items are based on audited numbers, certain segmental and category numbers are based on management accounts. For more detailed discussion and analysis of our other publicly listed subsidiaries and associate such as Masan Consumer Corporation (HNX-UPCoM: “MCH”), Masan MEATLife Corporation (HNX-UPCoM: “MML”), Masan High-Tech Materials Corporation (HNX-UPCoM: “MSR”), and Vietnam Technological and Commercial Joint Stock Bank (“Techcombank” or “TCB”; HSX: “TCB”), please refer to their respective official annual reports which are publicly available on their respective websites.

## Revenue

Figures in VND billion	2021 Audited	2020 Audited
Revenue by business segments		
The CrownX <sup>1</sup>	58,040	54,277
Masan Consumer Holdings (“MCH”)	28,764	23,971
WinCommerce (“WCM”)	30,900	30,978
Masan MEATLife (“MML”)	18,891	16,119
Masan High-Tech Materials (“MHT”)	13,564	7,426
<b>Total</b>	<b>88,629</b>	<b>77,218</b>

Masan Group's consolidated net revenue increased by 14.8% to VND88,629 billion in 2021 from VND77,218 billion in 2020. On a like-for-like basis, excluding December 2020 revenue from MML's feed segment, net revenue grew by 16.6% in 2021 versus last year. This increase was primarily driven by strong double-digit growth in MCH, MML and 82.7% growth in MHT due to higher commodity prices and full year consolidation of HCS. WCM revenue was down 0.3%, mainly due the effects of

COVID-19 pandemic on the supermarket segment and slower pace of store expansion.

The CrownX, which consolidates our interests in WCM and MCH, net revenue grew by 6.9% to VND58,040 billion in 2021, compared to VND54,277 billion in 2020. The CrownX's branded consumer products business, MCH, grew net revenue by 20.0% to VND28,764 billion in 2021 from VND23,971 billion in 2020.

This was the second consecutive year in which MCH delivered 20% or more revenue growth, as revenues were up 27.2% in 2020 versus 2019. Strong topline growth was driven by 18.8% growth in seasonings category, 27.4% in convenience foods, 51.7% in processed meat, 20.9% in beverages (energy drinks, bottled water, nutritional drinks, coffee and beer), and VND1.5 trillion revenue contribution from the Net Detergent Joint Stock Company (“NET”) operating in the home and

personal care segment. Growth in modern trade accelerated as synergies with WCM were evident, while higher success rate of new innovations also contributed to revenue growth.

The CrownX's retail arm, WCM achieved VND30,900 billion in net revenue for 2021, down 0.3% compared to VND30,978 billion in net revenue in 2020, despite reduced number of store locations after 2020's network rationalization, starting 2021 with 668 less locations than at the start of 2020. LFL stores (opened before 2020) revenue/m<sup>2</sup> was up 15.0% for minimarkets, but down 10.6% for the supermarkets mainly due the effects of the pandemic. While COVID-19 limited store expansion, WCM was still able to open 387 net new stores opened in 2021, out of which 285 were opened in 4Q2021, which gives management confidence in its ability to expand store count in 2022 and beyond. Expansion of the CV Life model further in 2022, is expected to improve profitability of existing store locations and reduce the time required for new stores to reach breakeven.

MML's net revenue in 2021 was VND18,891 billion, up 17.2% compared to VND16,119 billion in 2020. On a like-for-like basis, excluding December 2020 feed revenue, net revenue grew by 16.6% in 2021 compared to last year. Integrated pork segment, which includes pig farming

operation and processing plants delivered net revenue of VND2,999 billion in 2021, up 31.8% compared to 2020. MML's pork processing plants were running at an average 20% capacity utilization in 2021, implying a 5x volume growth potential soon. 3F VIET, comprising the full chicken production value chain, delivered revenue of VND1,487 billion in 2021. Synergies from 3F VIET's integration with Masan's ecosystem has led to MML's chicken brands becoming available throughout WCM's ecosystem. MML's feed segment achieved revenues of VND14,106 billion in the first 11 months of 2021, as the feed segment was deconsolidated from MML's operations at the end of November 2021.

MHT achieved VND13,564 billion in net revenue in 2021, up 82.7% compared to VND7,426 billion in 2020, due full year consolidation of HCS (12 months in 2021 compared to 7 months in 2020) and higher average APT price of USD286/MTU in 2021 compared to USD222/MTU in 2020.



1. This is management number.



Gross Profit

Figures in VND billion	2021 Audited	2020 Audited
Segment Gross Profit		
The CrownX <sup>2</sup>	17,513	15,820
Masan Consumer Holdings (“MCH”)	11,912	9,929
WinCommerce (“WCM”)	6,183	5,232
Masan MEATLife (“MML”)	2,303	2,725
Masan High-Tech Materials (“MHT”)	2,270	161
<b>Total</b>	<b>22,135</b>	<b>17,889</b>

2. This is management number.

Consolidated gross profit increased by 23.7% to VND22,135 billion in 2021, compared to VND17,889 billion in 2020. Masan Group’s gross profit margin (“GPM”) increased to 25.0% in 2021 compared to 23.2% in 2020. Increase in consolidated GPM was driven by 310 bps improvement in WCM GPM and 1,450 bps improvement in MHT’s GPM, while MCH GPM was flat compared to last year. MML GPM was down by 470 bps mainly due to higher soft commodity prices affecting the feed segment. Overall, MCH contributed 53% of Masan’s consolidated gross profits in 2021, followed by 27% from WCM, 10% from MML, and 10.0% from MHT.

The CrownX saw gross profit increasing from VND15,820 billion in 2020 to VND17,513 billion in 2021, a YoY growth

of 10.7% with GPM improving by 110 bps. MCH’s gross profit increased to VND11,912 billion in 2021 compared to VND9,929 billion in 2020, growth of 20.0% YoY. This was driven by 20.0% growth in net revenue, as GPM in 2021 was 41.4%, flat compared to last year, despite higher soft commodity prices and higher growth in relatively lower margin categories like convenience foods and processed meat. Flat gross margins were achieved at a consolidated level through cost cutting initiatives, muted price hikes where required to pass on inflationary pressures, and improvement in individual category margins. WCM achieved gross profit of VND6,183 billion in 2021 compared to VND5,232 billion in 2020, growth of 18.2% YoY. GPM in 2021 was 20.0% compared to 16.9% in 2020, as total commercial margin

(“TCM”) improved by 310 bps compared to last year. Improvement in TCM was driven by successful negotiations with over 1,000 suppliers to improve back margin, resulting in TCM reaching its highest ever level at 30.4% in 4Q2021.

MML’s gross profit decreased from VND2,725 billion in 2020 to VND2,303 billion in 2021, decline of 15.5% YoY due to higher soft commodity prices dampening feed segment margins and consolidation effects of 3F VIET. As a result, GPM decreased from 16.9% in 2020 to 12.2% in 2021. Integrated pork segment delivered 100 bps improvement in GPM during 2021, due to higher synergies from the integrated meat business, coupled with increasing scale and higher pork utilization rates. For the 3F VIET chicken

segment, gross margins improved to (2.4)% in 4Q2021, compared to (17.4)% in 9M2021, and are expected to improve further in 2022 due to higher mix of B2C sales and synergies arising from greater integration with Masan’s ecosystem.

MHT’s gross profit increased by 1,309.9% to VND2,270 billion in 2021, compared to VND161 billion in 2020, mainly due to higher commodity prices, and as a result MHT’s GPM margin increased to 16.7% in 2021 versus 2.2% in 2020.

Selling Expenses

Selling expenses decreased by 10.5% to VND11,786 billion in 2021 compared to VND13,166 billion in 2020. As a result, selling expenses as a percentage of net revenue decreased to 13.3% in 2021 compared to 17.1% in 2020.

As a percentage of net revenue, selling expenses at MCH decreased by 53 basis points in 2021 versus 2020, due to higher growth in revenue and optimization of selling expenses. WCM delivered the biggest savings, selling expenses as percentage of revenue declined by 618 bps due to significant optimization of promotional activities and overall selling expenses. MML delivered 101 bps in savings, while MHT selling expenses increased by 24 bps due to consolidation of HCS for full year in 2021.

General and Administration Expenses

General and administration expenses increased by 33.7% to VND4,065 billion in 2021 compared to VND3,041 billion in 2020. General and administration expenses as a percentage of net revenue increased to 4.6% in 2021 from 3.9% in 2020. As a percentage of revenue, general and administrative expenses increased by 18 bps at MCH, 57 bps at WCM, 105 bps at MHT, and decreased by 47 bps at MML in 2021 compared to last year.

Financial Income

Financial income increased by 375.3% to VND6,800 billion in 2021 from VND1,431 billion in 2020, mainly due to increase of interest income from treasury activities and one-time gains from deconsolidation of MML’s feed business and transfer of exchangeable bonds in 2021. Financial income in 2020 includes negative goodwill resulting from consolidation effects of HCS acquisition by MHT.

Financial Expenses

Financial expenses increased by 25.2% to VND5,707 billion in 2021 compared to VND4,557 billion in 2020, due to the increase in interest expense related to bond issuance in 2H2020.

Share Of Profit In Associates

Share of profit in associates largely comprises of Masan Group’s share of the profits of Techcombank, proportionate to our equity interest. Share of profit in associates increased by 47.6% to VND3,897 billion in 2021 from VND2,640 billion in 2020, due to higher earnings reported by Techcombank in 2021.

Net Profit After Tax

Reported net profit after tax post minority interest (“NPAT Post-MI”) increased by 593.9% in 2021 to VND8,563 billion compared to VND1,234 billion in 2020, due to higher profitability at MCH, MHT, TCB, lower losses at WCM and one-time gain due to deconsolidation of MML’s feed business and transfer of exchangeable bonds offset by higher interest expenses and higher goodwill amortization expenses. In 2020, Masan Group also benefitted from a one-time gain of VND1,342 billion from the deemed “bargain purchase” of HCS. When excluding the amortization of fair value adjustments and goodwill as a result of acquisitions and the aforementioned one-time gains, “Core” NPAT Post-MI was VND4,400 billion in 2021, up 256.3% compared to VND1,235 billion in 2020.

Cash and Cash Equivalents

Masan Group's cash and cash equivalents, including short-term investments (such as term deposits) and interest-bearing receivables related to treasury activities, increased to VND22,638 billion as of 31 December 2021 compared to VND8,169 billion as of 31 December 2020.

Cash outflows were mainly due to the VND5.3 trillion to pay for acquisitions of a new subsidiary and increase stakes in subsidiaries, VND5.1 trillion of interest paid, VND2.8 trillion of payments for capital expenditures, and cash leakage equaling VND3.4 trillion from dividends by our subsidiaries that were paid out to minority investors of our subsidiaries. Cash inflows primarily stemmed from VND17.4 trillion due to proceeds from equity issuance at subsidiaries, VND1.1 trillion generated by operating activities, VND13.7 trillion collections on disposal of investments in subsidiaries and exchangeable bonds and VND3.0 trillion from net borrowings.

Inventories

Inventories increased to VND12,813 billion as of 31 December 2021, nearly flat compared to VND12,498 billion as of 31 December 2020. Inventory days stayed flat due to deconsolidation of feed business and lower inventory days at

MHT, offset by increased inventory days at WCM.

Fixed Assets

As of 31 December 2021, fixed assets amounted to VND42,654 billion, compared to VND49,582 billion as of 31 December 2020. Decrease was mainly due to deconsolidation of MML's feed segment and depreciation and amortization of fixed assets.

Investments in Associates

Investments in associates, which represent our effective economic interest in Techcombank, Phuc Long Heritage, VISSAN and Cholimex Food JSC, was VND24,539 billion as of 31 December 2021.

Total Assets

Total assets increased by 8.9% to VND126,093 billion as of 31 December 2021 compared to VND115,736 billion as of 31 December 2020. This was primarily due to increase in cash and cash equivalents and long-term investments.

Borrowings

As of 31 December 2021, short-term and long-term borrowings decreased by 6.2% to reach VND58,178 billion compared to



VND62,011 billion as of 31 December 2020, mainly due to deconsolidation of feed business and reduction of WCM's debt balance.

Owners' Equity

Owners' equity as of 31 December 2021 was VND42,337 billion, growth of 69.2% compared to VND25,030 billion as of 31 December 2020. The significant increase in owner's equity in 2021 was primarily due to higher profits in 2021 and issuance of shares at TCX to strategic partners.





# 2022 Financial Outlook

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

On a preliminary basis, subject to change and customary corporate approvals, Masan's FY2022 financial forecast expects consolidated net revenue to be between VND90 trillion and VND100 trillion, representing a growth of 21% and 35%, compared to VND74.2 trillion (excluding feed segment revenue) in FY2021. In FY2021, revenue contribution from only consumer businesses (excluding feed and MHT) was 68%, which is expected to improve to 85% in FY2022. Core NPAT Pre-MI (excluding one-time gains/losses and feed segment) is expected to be within the range of VND5 trillion and VND7 trillion, a growth of 31% to 84% compared to VND3.8 trillion in FY2021.

We have good reasons to believe in our ability to deliver on indicative 2022 business plan. The CrownX, which

represented nearly 65% of our net revenue in 2021, is expected to deliver net revenue within the range of VND68 trillion and VND76 trillion in FY2022, up 18% to 31% compared to FY2021.

WCM is expected to deliver net revenue within range of VND38 and 40 trillion in FY2022, up 23% to 29% YoY driven by revenue growth in existing stores and expansion of store count. Expansion of new formats, focus on fresh products, private label, and expansion of CVLife model will provide further growth drivers. Target to increase profitability through better supplier terms, lower logistics costs and improved distribution capabilities.

MCH's net revenue is expected to reach between VND34 and 40 trillion in FY2022, up 18% to 39% versus FY2021, driven by premiumization, growth of core categories, innovations, and expanded availability at WCM's location and other modern trade retailers.

MML expects to deliver net revenue between VND5 and 6.5 trillion, up 11 to 45% YoY (excluding feed segment), driven by expanded branded pork and chicken product portfolio and increased distribution through WCM's locations. Profitability is expected to improve with higher utilization rates and growth in processed meat sales.

MHT expects to deliver net revenue between VND14.5 and 15 trillion, up 7 to 11% on the back of continued improvement to tungsten market fundamentals in 2022 and strength in commodity markets in general.

TCB: Masan believes the bank will be able to deliver consistent earnings growth and has reflected this view into its preliminary forecast for FY2022.

New Businesses: Phuc Long Heritage: Revenue expected to reach between VND2.5 and 3 trillion in FY2022, driven by expansion of network through own stores and WCM kiosks, and product portfolio expansion in tea and coffee categories. Mobicast through its brand Reddi, targets to expand its subscriber base in FY2022.

In summary, MSN has strong reasons to believe in its ability to deliver better consolidated financial results in 2022 as compared to 2021 given the performance outlook across all of its business segments as just described. As our newly acquired businesses begin ramping up, combined with our balance sheet deleveraging over time, MSN expects to deliver outsized profits and, more importantly, outsized value creation for our shareholders.

## 2022 BALANCE SHEET OUTLOOK

As of 31 December 2021, MSN's consolidated gross debt reached VND58,178 billion, with cash and cash equivalent balance of VND22,638 billion. Masan's consolidated Net Debt/EBITDA reached 2.2x as of end-December 2021. Over the next 12 months, Masan will continue to focus on strengthening its balance sheet and improving its leverage ratios through the following initiatives while maintaining target Net Debt/EBITDA level between 2.0x and 3.0x:

- Improving financial ratios with higher EBITDA contribution from WCM in 2022 compared to 2021
- Higher EBITDA in the near future through double-digit growth of MCH and the ramp-up of MML's purely branded meat business
- Higher commodity prices and greater integration between MHT and HCS operations globally will provide greater flexibility to deliver greater profitability
- Reducing debt at MSN and subsidiaries using free cash flow from operations and improved working capital cash conversion cycles



# Financial Report



This Financial Report is consolidated audited financial statement. Please scan this QR code for separated audited financial statements.



# Masan Group Corporation Corporate Information

Enterprise Registration Certificate No.	0303576603	18 November 2004
	The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 17 June 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	Dr Nguyen Dang Quang	Chairman
	Ms Nguyen Hoang Yen	Member
	Mr Nguyen Thieu Nam	Member
	Mr Woncheol Park	Member
	Mr Nguyen Doan Hung	Member
	Mr David Tan Wei Ming	Member
	Ms Nguyen Thi Thu Ha	Member (from 1 April 2021)
Board of Management	Mr Danny Le	Chief Executive Officer
	Mr Nguyen Thieu Nam	Deputy Chief Executive Officer
	Mr Michael Hung Nguyen	Deputy Chief Executive Officer
Legal Representative	Dr Nguyen Dang Quang	Chairman
	Mr Danny Le	Chief Executive Officer
Registered Office	Suite 802, 8th Floor, Central Plaza 17 Le Duan Street Ben Nghe Ward, District 1 Ho Chi Minh City Vietnam	
Auditor	KPMG Limited Vietnam	



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

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

The Company’s Board of Management is responsible for the preparation and fair presentation of the consolidated financial statements as at and for the year ended 31 December 2021 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In preparing those consolidated financial statements, the Company’s Board of Management is required to:

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

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

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

### Approval of the consolidated financial statements

We do hereby approve the accompanying consolidated financial statements of the Group as at and for the year ended 31 December 2021, which were prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

On behalf of the Board of Management



Danny Le  
Chief Executive Officer  
Ho Chi Minh City, Vietnam  
8 March 2022

# Independent auditor’s report

## TO THE SHAREHOLDERS

### Masan Group Corporation

We have audited the accompanying consolidated financial statements of Masan Group Corporation (“the Company”) and its subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheet as at 31 December 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 97.

### 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 Group 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.: 21-01-00241-22-4



Nelson Rodriguez Casihan  
Practicing Auditor Registration  
Certificate No. 2225-2018-007-1  
Deputy General Director  
Ho Chi Minh City, 8 March 2022

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

# 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 million	1/1/2021 VND million
<b>ASSETS</b>				
<b>Current assets</b>				
<b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>43,630,176</b>	<b>29,760,685</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>7</b>	<b>22,304,822</b>	<b>7,721,442</b>
Cash	111		6,885,412	1,930,142
Cash equivalents	112		15,419,410	5,791,300
<b>Short-term financial investments</b>	<b>120</b>		<b>332,753</b>	<b>447,250</b>
Held-to-maturity investments	123	8(a)	332,753	447,250
<b>Accounts receivable – short-term</b>	<b>130</b>	<b>9</b>	<b>6,634,409</b>	<b>7,051,442</b>
Accounts receivable from customers	131		2,480,224	2,061,915
Prepayments to suppliers	132		851,052	606,656
Receivable on short-term lending loans	135		2,452,812	1,140,000
Other short-term receivables	136		883,690	3,350,727
Allowance for doubtful debts	137		(33,369)	(107,856)
<b>Inventories</b>	<b>140</b>	<b>10</b>	<b>12,813,391</b>	<b>12,497,917</b>
Inventories	141		12,947,923	12,730,397
Allowance for inventories	149		(134,532)	(232,480)
<b>Other current assets</b>	<b>150</b>		<b>1,544,801</b>	<b>2,042,634</b>
Short-term prepaid expenses	151		256,766	303,201
Deductible value added tax	152		1,233,915	1,663,346
Taxes receivable from State Treasury	153	18(a)	54,120	76,087

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

	Code	Note	31/12/2021 VND million	1/1/2021 VND million
<b>Long-term assets</b>				
<b>(200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>82,463,295</b>	<b>85,975,877</b>
<b>Accounts receivable - long-term</b>	<b>210</b>	<b>9</b>	<b>1,878,478</b>	<b>1,592,008</b>
Receivable on long-term lending loans	215		81,150	-
Other long-term receivables	216		1,797,328	1,592,008
<b>Fixed assets</b>	<b>220</b>		<b>42,653,939</b>	<b>49,582,187</b>
Tangible fixed assets	221	11	31,151,629	34,321,764
Cost	222		48,474,105	50,777,648
Accumulated depreciation	223		(17,322,476)	(16,455,884)
Finance lease tangible fixed assets	224		209,550	22,278
Cost	225		308,899	90,061
Accumulated depreciation	226		(99,349)	(67,783)
Intangible fixed assets	227	12	11,292,760	15,238,145
Cost	228		14,362,471	19,594,216
Accumulated depreciation	229		(3,069,711)	(4,356,071)
<b>Investment property</b>	<b>230</b>	<b>13</b>	<b>810,057</b>	<b>14,518</b>
Cost	231		1,174,802	18,628
Accumulated depreciation	232		(364,745)	(4,110)
<b>Long-term work in progress</b>	<b>240</b>		<b>2,021,827</b>	<b>2,274,759</b>
Construction in progress	242	14	2,021,827	2,274,759
<b>Long-term financial investments</b>	<b>250</b>		<b>24,538,803</b>	<b>20,353,099</b>
Investments in associates	252	8(b)	24,538,803	20,320,738
Equity investments in other entities	253		-	30,589
Allowance for diminution in value of long-term financial investments	254		-	(5,628)
Held-to-maturity investments	255		-	7,400
<b>Other long-term assets</b>	<b>260</b>		<b>10,560,191</b>	<b>12,159,306</b>
Long-term prepaid expenses	261	15	6,593,682	6,533,670
Deferred tax assets	262	16	609,690	1,794,136
Goodwill	269	17	3,356,819	3,831,500
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>126,093,471</b>	<b>115,736,562</b>

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



# 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 million	1/1/2021 VND million
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		83,756,819	90,706,283
Current liabilities	310		34,547,836	38,874,663
Accounts payable to suppliers - short-term	311		7,970,287	6,832,649
Advances from customers	312		168,183	1,074,932
Taxes payable to State Treasury	313	18(b)	801,899	941,302
Payables to employees	314		222,205	239,074
Accrued expenses	315	19	4,996,691	4,705,417
Unearned revenue	318		14,532	20,706
Other short-term payables	319	20	1,513,366	2,472,126
Short-term borrowings, bonds and finance lease liabilities	320	21(a)	18,805,727	22,545,046
Provisions - short-term	321		19,101	6,517
Bonus and welfare funds	322		35,845	36,894
Long-term liabilities	330		49,208,983	51,831,620
Accounts payable to suppliers - long-term	331		25,014	27,668
Other long-term payables	337	20	227,575	180,397
Long-term borrowings, bonds and finance lease liabilities	338	21(b)	39,371,918	39,466,043
Deferred tax liabilities	341	16	3,215,395	4,651,174
Provisions - long-term	342	22	6,369,081	7,506,338

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

	Code	Note	31/12/2021 VND million	1/1/2021 VND million
EQUITY (400 = 410)	400		42,336,652	25,030,279
Owners' equity	410	23	42,336,652	25,030,279
Share capital	411	24	11,805,347	11,746,832
Capital surplus	412	24	11,084,247	11,084,297
Other capital	414		(8,388,147)	(8,563,690)
Foreign exchange differences	417		(339,255)	(226,972)
Other equity funds	420		(147,087)	(284,952)
Undistributed profits after tax	421		18,795,877	2,182,124
- Undistributed profits after tax brought forward	421a		762,441	27,383,610
- Undistributed profit after tax for the current year/ (loss after tax for the prior year)	421b		18,033,436	(25,201,486)
Non-controlling interests	429		9,525,670	9,092,640
TOTAL RESOURCES (440 = 300 + 400)	440		126,093,471	115,736,562

8 March 2022

Prepared by:

Nguyen Huy Hung  
Chief Accountant

Approved by:

Do Thi Quynh Trang  
Chief Financial Officer



Danny Le  
Chief Executive Officer

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

# Consolidated statement of income

for the year ended 31 December 2021

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 million	2020 VND million
Revenue from sale of goods and provision of services	01	27	89,791,619	78,868,319
Revenue deductions	02	27	1,162,852	1,650,511
Net revenue (10 = 01 - 02)	10	27	88,628,767	77,217,808
Cost of sales and services rendered	11	28	66,493,966	59,329,111
Gross profit (20 = 10 - 11)	20		22,134,801	17,888,697
Financial income	21	29	6,799,578	1,430,663
Financial expenses	22	30	5,706,531	4,556,671
In which: Interest expense	23		4,669,426	3,770,283
Share of profit in associates	24	8(b)	3,896,641	2,640,068
Selling expenses	25	31	11,786,338	13,166,087
General and administration expenses	26	32	4,064,969	3,040,896
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		11,273,182	1,195,774
Other income	31	33	501,150	1,613,262
Other expenses	32	34	285,548	484,197
Results of other activities (40 = 31 - 32)	40		215,602	1,129,065
Accounting profit before tax (50 = 30 + 40)	50		11,488,784	2,324,839
Income tax expense - current	51	35	1,499,249	1,086,193
Income tax benefit - deferred	52	35	(111,846)	(156,367)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		10,101,381	1,395,013

	Code	Note	2021 VND million	2020 VND million
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		10,101,381	1,395,013
Attributable to:				
Equity holders of the Company	61		8,562,882	1,233,982
Non-controlling interests	62		1,538,499	161,031
Earnings per share				
Basic earnings per share (VND)	70	37	7,269	1,054

8 March 2022

Prepared by:

Approved by:

Nguyen Huy Hung  
Chief Accountant

Do Thi Quynh Trang  
Chief Financial Officer



Danny Le  
Chief Executive Officer

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

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



# 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	Note	2021 VND million	2020 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Accounting profit before tax	01		11,488,784	2,324,839
Adjustments for				
Depreciation and amortisation	02		4,631,679	4,583,989
Negative goodwill on acquisition of a subsidiary	02		-	(1,341,663)
Allowances and provisions	03		21,659	252,266
Exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04		(24,706)	10,910
Profits from investing activities	05		(10,025,168)	(3,235,762)
Interest expense and other financial expenses	06		5,093,022	4,008,435
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>11,185,270</b>	<b>6,603,014</b>
Change in receivables and other assets	09		(800,894)	175,576
Change in inventories	10		(2,232,630)	(1,116,607)
Change in payables and other liabilities	11		(655,218)	12,219
Change in prepaid expenses	12		373,150	449,482
Change in trading securities	13		-	472,134
			<b>7,869,678</b>	<b>6,595,818</b>
Interest paid	14		(5,068,896)	(4,213,385)
Corporate income tax paid	15		(1,652,600)	(1,029,120)
Other payments for operating activities	17		(4,269)	(2,014)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>1,143,913</b>	<b>1,351,299</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(2,805,427)	(3,678,162)
Proceeds from disposals of fixed assets and other long-term assets	22		19,279	56,309
Payments for granting loans and term deposits	23		(9,264,755)	(13,414,750)
Receipts from collecting loans and term deposits	24		9,235,690	11,438,600
Payments for investments	25		(5,260,675)	(27,213,440)
Business combination, net of cash acquired	25	5	5,153	(1,607,289)
Proceeds from disposals of investments	26		13,682,023	-
Receipts of interest, dividends and others	27		734,931	661,442
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>6,346,219</b>	<b>(33,757,290)</b>

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

	Code	Note	2021 VND million	2020 VND million
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from equity issued to the Company's shareholders and to non-controlling interests of subsidiaries	31		17,363,923	2,386,092
Payments for share repurchases of a subsidiary	32		(9,777,448)	-
Proceeds from borrowings and bonds	33		60,085,748	87,379,259
Payments to settle borrowings and bonds principals	34		(57,114,898)	(55,031,426)
Payments to settle finance lease liabilities	35		(19,537)	(894)
Payments of dividends to the Company's shareholders and to non-controlling interests of subsidiaries	36		(3,442,095)	(1,402,069)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>7,095,693</b>	<b>33,330,962</b>
<b>Net cash flows during the year (50 = 20 + 30 + 40)</b>	<b>50</b>		<b>14,585,825</b>	<b>924,971</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>		<b>7,721,442</b>	<b>6,800,528</b>
<b>Effect of exchange rate fluctuations</b>	<b>61</b>		<b>(2,445)</b>	<b>(4,057)</b>
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>7</b>	<b>22,304,822</b>	<b>7,721,442</b>

8 March 2022

Prepared by:

Nguyen Huy Hung  
Chief Accountant

Approved by:

Do Thi Quynh Trang  
Chief Financial Officer



Danny Le  
Chief Executive Officer

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

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

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

(b) Principal activities

The principal activity of the Company is investment holding.

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

No.	Name	Note	Principal activities	Address	Percentage of economic interests at	
					31/12/2021	1/1/2021
Direct subsidiaries						
1	Masan Horizon Corporation (formerly known as Masan Horizon Company Limited) (“MH”)		Investment holding	Suite 802, 8th Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%
2	Masan MEATLife Corporation (“MML”)		Investment holding, animal protein trading	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	87.8%	87.9%
3	The SHERPA Company Limited (“SHERPA”)		Investment holding	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%

No.	Name	Note	Principal activities	Address	Percentage of economic interests at	
					31/12/2021	1/1/2021
Indirect subsidiaries						
1	The CrownX Corporation (“CrownX”)		Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	81.7%	84.8%
2	Masan Consumer Holdings Company Limited (“MCH”)		Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	70.0%	72.7%
3	Masan Brewery Company Limited (“MB”)	(i)	Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	46.7%	48.5%
4	Masan Master Brewer Company Limited (“MMBr”)	(i)	Beer and beverage trading	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	46.7%	48.5%
5	Masan Brewery PY One Member Company Limited (“MBPY”)	(i)	Beer and beverage manufacturing	Hoa Hiep Industrial Park, Hoa Hiep Bac Ward, Dong Hoa District, Phu Yen Province, Vietnam	46.7%	48.5%
6	Masan Brewery HG One Member Company Limited (“MBHG”)	(i)	Beer and beverage manufacturing	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam	46.7%	48.5%
7	Masan Brewery Distribution One Member Company Limited (“MBD”)	(i)	Beer and beverage trading	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	46.7%	48.5%
8	Masan Brewery MB Company Limited (“MBMB”)	(i)	Beer and beverage manufacturing	Area B, Nam Cam Industrial Park – Dong Nam Nghe An Economic Zone, Nghi Long Commune, Nghi Loc District, Nghe An Province, Vietnam	46.7%	48.5%
9	Masan Consumer Corporation (“MSC”)	(i)	Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	65.6%	68.9%
10	Masan Consumer (Thailand) Limited (“MTH”)	(i)	Trading and distribution	No. 83, 4 <sup>th</sup> Floor, Amnuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand	65.6%	68.9%



# 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	Note	Principal activities	Address	Percentage of economic interests at	
					31/12/2021	1/1/2021
Indirect subsidiaries						
11	Masan Food Company Limited ("MSF")	(i)	Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	65.6%	68.9%
12	Masan Industrial One Member Company Limited ("MSI")	(i)	Seasonings, convenience food manufacturing and packaging	Lot 6, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An City, Binh Duong Province, Vietnam	65.6%	68.9%
13	Viet Tien Food Technology One Member Company Limited ("VTF")	(i)	Seasonings manufacturing	Lot III-10-Industrial Group III, Tan Binh Industrial Park, Tan Phu District, Ho Chi Minh City, Vietnam	65.6%	68.9%
14	Masan HD One Member Company Limited ("MHD")	(i)	Convenience food manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Vietnam	65.6%	68.9%
15	Masan PQ Corporation ("MPQ")	(i)	Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc City, Kien Giang Province, Vietnam	65.6%	68.9%
16	Nam Ngu Phu Quoc One Member Company Limited ("NPQ")	(i)	Convenience food manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc City, Kien Giang Province, Vietnam	65.6%	68.9%
17	Masan HN Company Limited ("HNF")	(i)	Sản xuất thực phẩm tiện lợi	Lot CN-08 and CN-14, Dong Van IV Industrial Zone, Dai Cuong Commue, Kim Bang District, Ha Nam Province, Vietnam	65.6%	68.9%
18	Masan Long An Company Limited ("MLA")	(i)	Seasonings, convenience food manufacturing and packaging	Hamlet 2, Thanh Hoa Commune, Ben Luc District, Long An Province, Vietnam	65.6%	68.9%
19	VinaCafé Bien Hoa Joint Stock Company ("VCF")	(i)	Beverage manufacturing and trading	Bien Hoa I Industrial Zone, Bien Hoa City, Dong Nai Province, Vietnam	64.9%	68.0%
20	Café De Nam Joint Stock Company ("CDN")	(i)	Beverage trading and manufacturing	Lot C.I.III-3+5+7, Long Thanh Industrial Park, Tam An Commune, Long Thanh District, Dong Nai Province, Vietnam	63.4%	57.8%

No.	Name	Note	Principal activities	Address	Percentage of economic interests at	
					31/12/2021	1/1/2021
Indirect subsidiaries						
21	Vinh Hao Mineral Water Corporation ("VHC")	(i)	Beverage manufacturing and trading and packaging	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam	59.2%	62.1%
22	Kronfa., JSC ("KRP")	(i)	Beverage manufacturing	Km 37, National Road 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam	59.2%	62.1%
23	Masan Beverage Company Limited ("MSB")	(i)	Beverage trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City,Vietnam	65.6%	68.9%
24	Masan MB One Member Company Limited ("MMB")	(i)	Seasonings, convenience food manufacturing and packaging	Area B, Nam Cam Industrial Park, Dong Nam Nghe An Economic Zone, Nghi Long Commune, Nghi Loc District, Nghe An Province, Vietnam	65.6%	68.9%
25	Masan HG One Member Company Limited ("MHG	(i)	Convenience food manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam	65.6%	68.9%
26	Masan Jinju Joint Stock Company ("MSJ")	(i)	Convenience food manufacturing and trading	Factory F5, Lot 6, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An City, Binh Duong Province, Vietnam	49.2%	51.6%
27	Quang Ninh Mineral Water Corporation ("QNW")	(i)	Beverage manufacturing and trading	Group 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam	43.2%	45.3%
28	Masan HPC Company Limited ("HPC")	(i)	Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	65.6%	68.9%
29	Net Detergent Joint Stock Company ("NET")	(i)	Homecare products manufacturing and trading	D4 Street, Loc An-Binh Son Industrial Park, Binh Son Ward, Long Thanh District, Dong Nai Province, Vietnam	34.3%	36.0%
30	Masan Innovation Company Limited ("INV")	(i)	Trading and distribution	12 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	65.6%	68.9%

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No.	Name	Note	Principal activities	Address	Percentage of economic interests at	
					31/12/2021	1/1/2021
Indirect subsidiaries						
31	Hi-Fresh Company Limited ("HIF")	(i)	Trading and distribution	8 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	65.6%	68.9%
32	Joins Pro Professional Laundry Company Limited ("JPR")	(i)/ (a)	Providing laundry services	8 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	65.6%	-
33	VCM Services and Trading Development Joint Stock Company ("WCM")		Investment holding	6 <sup>th</sup> Floor, International Center, 17 Ngo Quyen Street, Trang Tien Ward, Hoan Kiem District, Hanoi, Vietnam	68.6%	80.1%
34	Wincommerce General Commercial Services Joint Stock Company (formerly known as Vincommerce General Commercial Services Joint Stock Company) ("WinCommerce")	(ii)	Consumer retail	5 <sup>th</sup> Floor, MPlaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	68.6%	80.1%
35	WinEco Agricultural Investment Development and Production LLC (formerly known as VinEco Agricultural Investment Development and Production LLC) ("WinEco")	(ii)	Agriculture	7 Bang Lang 1 Street, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Ha Noi City, Vietnam	68.6%	80.1%
36	Dong Nai - WinEco Agricultural Company Limited (formerly known as Dong Nai - VinEco Agricultural Company Limited) ("WinEco Dong Nai")	(ii)	Agriculture	Km 13, National Road 51, Long Khanh Hamlet, Tam Phuoc Commune, Bien Hoa City, Dong Nai Province, Vietnam	53.2%	62.1%
37	WinEco - Tam Dao Agricultural Investment Development and Production Limited Liability Company (formerly known as VinEco - Tam Dao Agricultural Investment Development and Production Limited Liability Company) ("WinEco Tam Dao")	(ii)	Agriculture	Co Quan Hamlet, Gia Khanh Commune, Binh Xuyen District, Vinh Phuc Province, Vietnam	61.1%	71.3%

No.	Name	Note	Principal activities	Address	Percentage of economic interests at	
					31/12/2021	1/1/2021
Indirect subsidiaries						
38	Masan High-Tech Materials Corporation ("MHT")	(v)	Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	86.4%	86.4%
39	Masan Thai Nguyen Resources Company Limited ("MRTN")	(iii)	Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	86.4%	86.4%
40	Thai Nguyen Trading and Investment Company Limited ("TNTI")	(iii)	Investment holding	8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	86.4%	86.4%
41	Nui Phao Mining Company Ltd ("NPM")	(iii)	Exploring and processing mineral	Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam	86.4%	86.4%
42	Masan Tungsten Limited Liability Company ("MTC")	(iii)	Deep processing of nonferrous metals and precious metals (Tungsten)	Hamlet 11, Ha Thuong Commune, Dai Tu District, Thai Nguyen Province, Vietnam	86.4%	86.4%
43	H.C. Starck Holding (Germany) GmbH ("HCS")	(iii)	Investment holding	Im Schleeke 78-91, 38642, Goslar, Germany	86.4%	86.4%
44	ChemilYtics Beteiligungs GmbH	(iii)	Investment holding	Im Schleeke 78-91, 38642, Goslar, Germany	86.4%	86.4%
45	H.C. Starck GmbH	(iii)	Investment holding	Im Schleeke 78-91, 38642, Goslar, Germany	86.4%	86.4%
46	Chemische Fabriken Oker und Braunschweig AG	(iii)	Producing chemicals for manufacturing of paper and additives for the absorptive materials industry	Im Schleeke 78-91, 38642 Goslar, Germany	86.4%	86.4%
47	H.C. Starck Infrastructure GmbH & Co. KG	(iii)	Deep processing of nonferrous metals and precious metals (Tungsten)	Landsberger Str. 98, 80339 Munich, Germany	86.4%	86.4%



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No.	Name	Note	Principal activities	Address	Percentage of economic interests at	
					31/12/2021	1/1/2021
Indirect subsidiaries						
48	ChemiLytics GmbH & Co. KG	(iii)	Chemical analysis and physical measurement data	Im Schleeke 78-91, 38642 Goslar, Germany	86.4%	86.4%
49	H.C. Starck Tungsten GmbH	(iii)	Deep processing of nonferrous metals and precious metals (Tungsten)	Landsberger Str. 98, 80339 Munich, Germany	86.4%	86.4%
50	H.C. Starck Nonferrous Metals Trading (Shanghai) Co. Ltd.	(iii)	Tungsten trading and distribution	Room 301, 69 Yonghong Road, Minhang District, Shanghai, China	86.4%	86.4%
51	H.C. Starck Canada Inc.	(iii)	Deep processing of nonferrous metals and precious metals (Tungsten)	933 Vidal Street South, P.O. Box 3098, Samia, Ontario, N7T 8H8, Canada	86.4%	86.4%
52	H.C. Starck Tungsten GK	(iii)	Tungsten trading and distribution	2-20, Kaigan 1-chome, Minato-ku, Tokyo, Japan	86.4%	86.4%
53	H.C. Starck Tungsten LLC	(iii)	Tungsten trading and distribution	45 Industrial Place, Newton, MA 02461-1951, the United States of America	86.4%	86.4%
54	H.C. Starck Jiangwu Tungsten Specialities (Ganzhou) Co. Ltd.	(iii)	Deep processing of nonferrous metals and precious metals (Tungsten)	Shuixi Nonferrous and Metallurgical Industrial Base, Zhanggong District, Ganzhou, Jiangxi Province, People's Republic of China	51.8%	51.8%
55	Mapleleaf Company Limited ("MPL")	(v)	Investment holding	Suite 802, 8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	99.9%
56	Masan Blue Corporation ("MBL")	(v)	Trading and distribution	8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.8%	99.8%

No.	Name	Note	Principal activities	Address	Percentage of economic interests at	
					31/12/2021	1/1/2021
Indirect subsidiaries						
57	Blue Tek Vietnam Joint Stock Company (“Blue Tek”)	(v)	Software publishing	8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	50.9%	50.9%
58	MNS Feed Corporation (previously known as MNS Feed Company Limited) (“MNS Feed”)	Note 6	Investment holding	Lot A4, Street No. 4, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	-	87.9%
59	MNS Feed Tien Giang Company Limited (“MNS Feed Tien Giang”)	Note 6	Animal protein	Lot 22-23B, Long Giang Industrial Park, Tan Lap 1 Ward, Tan Phuoc District, Tien Giang Province, Vietnam	-	87.9%
60	MNS Feed Nghe An Company Limited (“MNS Feed Nghe An”)	Note 6	Animal protein	C Area, Nam Cam Industrial Park, Dong Nam Nghe An Industrial Zone, Nghi Xa Ward, Nghi Loc District, Nghe An Province, Vietnam	-	87.9%
61	MNS Feed Hau Giang Company Limited (“MNS Feed Hau Giang”)	Note 6	Animal protein	Street No. 4, Tan Phu Thanh Industrial Park – Phase 1, Tan Phu Thanh Commune, Chau Thanh A District, Hau Giang Province, Vietnam	-	87.9%
62	MNS Feed Thai Nguyen Company Limited (“MNS Feed Thai Nguyen”)	Note 6	Animal protein	Lot B5-B6, Trung Thanh Industrial Park, Trung Thanh District, Pho Yen Town, Thai Nguyen Province, Vietnam	-	87.9%
63	MNS Feed Vinh Long Company Limited (“MNS Feed Vinh Long”)	Note 6	Animal protein	Area 4, Co Chien Industrial Park, Long Ho District, Vinh Long Province, Vietnam	-	87.9%
64	Agro Nutrition International Joint Stock Company (“ANCO”)	Note 6	Animal protein	Lot A4, Street No. 4, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	-	87.8%
65	Agro Nutrition International Binh Dinh One Member Limited Company (“ANCO Binh Dinh”)	Note 6	Animal protein	Lot B4.06, Nhon Hoi Industrial Park (Area A), Nhon Hoi District, Quy Nhon Town, Binh Dinh Province, Vietnam	-	87.8%

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No.	Name	Note	Principal activities	Address	Percentage of economic interests at	
					31/12/2021	1/1/2021
Indirect subsidiaries						
66	Vietnamese – French Cattle Feed Joint Stock Company (“Proconco”)	Note 6	Animal protein	Bien Hoa I Industrial Zone, Bien Hoa City, Dong Nai Province, Vietnam	-	66.0%
67	Proconco Can Tho One Member Company Limited (“Proconco Can Tho”)	Note 6	Animal protein	Lot 13 and Lot 14, Tra Noc 1 Industrial Park, Tra Noc Ward, Binh Thuy District, Can Tho City, Vietnam	-	66.0%
68	ConCo Binh Dinh Co., Ltd. (“Proconco Binh Dinh”)	Note 6	Animal protein	Lot A-2-5 and Lot A-2-6, Nhon Hoa Industrial Park, Nhon Hoa Ward, An Nhon Town, Binh Dinh Province, Vietnam	-	66.0%
69	Proconco Hung Yen Trading and Production Co., Ltd. (“Proconco Hung Yen”)	Note 6	Animal protein	Yen Phu Hamlet, Giai Pham Commune, Yen My District, Hung Yen Province, Vietnam	-	66.0%
70	MNS Meat Company Limited (“MNS Meat”)	(iv)	Investment holding	Lot A4, Street No. 4, Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam	87.9%	87.9%
71	MNS Farm Company Limited (“MNS Farm”)	(iv)	Investment holding	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	87.9%	87.9%
72	MML Farm Nghe An Company Limited (formerly known as MNS Farm Nghe An Company Limited) (“MNF Nghe An”)	(iv)	Swine breeding and trading	Con Son Village, Ha Son Commune, Quy Hop District, Nghe An Province, Vietnam	87.9%	87.9%
73	MNS Meat Processing Company Limited (“MNS Meat Processing”)	(iv)	Investment holding	10 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	87.9%	87.9%
74	MEATDeli HN Company Limited (formerly known as MNS Meat Ha Nam Company Limited) (“MEATDeli HN”)	(iv)	Meat processing and trading	Lot CN-02, Dong Van IV Industrial Park, Dai Cuong Village, Kim Bang District, Ha Nam Province, Vietnam	87.9%	87.9%
75	MEATDeli Sai Gon Company Limited (“MEATDeli Sai Gon”)	(iv)	Meat processing and trading	Lot 2 Street No. 15, Lot 3-5-7 Street No. 17, Lot 2 Street No. 17, Lot 9 Street No. 19, Tan Duc Industrial Park, Huu Thanh Ward, Duc Hoa District, Long An Province, Vietnam	87.9%	87.9%

No.	Name	Note	Principal activities	Address	Percentage of economic interests at	
					31/12/2021	1/1/2021
Indirect subsidiaries						
76	3F Viet Joint Stock Company ("3F Viet")	(iv)	Chicken breeding and trading	68 Nguyen Hue Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	44.8%	44.8%
77	3F Viet Food Company Limited ("3F Viet Food")	(iv)	Meat processing and trading	Kien An Hamlet, An Lap Ward, Dau Tieng District, Binh Duong Province, Vietnam	44.8%	44.8%
78	Mobicast Joint Stock Company ("MOB")	(ix)/ Note 5	Telecommunic ations	4 <sup>th</sup> Floor, V1 Home City, 177 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Ha Noi	70.0%	-
79	Draco Investment Corporation ("DRC")	(ix)/ (b)	Investment holding	8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	-
80	Fornax Investment Corporation ("FOR")	(ix)/ (b)	Investment holding	8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	-
81	Surpa Joint Stock Company ("Surpa")	(ix)/ (b)	Investment holding	8 <sup>th</sup> Floor, Central Plaza, 17 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	99.9%	-



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No.	Name	Note	Principal activities	Address	Percentage of economic interests at	
					31/12/2021	1/1/2021
Direct associate						
1	Vietnam Technological and Commercial Joint Stock Bank ("Techcombank")		Banking	Techcombank Tower, 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam	Note 8(b)	
Indirect associates						
1	Cholimex Food Joint Stock Company ("Cholimex")	(vi)	Seasonings manufacturing and trading	Lot C40 - 43/I, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.	32.8%	32.8%
2	Thuan Phat Packing Joint Stock Company ("Thuan Phat")	Note 6	Packaging manufacturing	Tan Bien Ward, Bien Hoa City, Dong Nai Province, Vietnam	-	25.0%
3	Abattoir Long Binh Joint Stock Company ("Abattoir")	Note 6	Animal processing	Long Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam	-	25.0%
4	Vissan Joint Stock Company ("Vissan")	(vii)/ (d)	Food manufacturing and retailing	420 No Trang Long Street, Ward 13, Binh Thanh District, Ho Chi Minh City, Vietnam	24.9%	24.9%
5	Jiangwu H.C. Starck Tungsten Products Co., Ltd.	(viii)	Deep processing of nonferrous metals and precious metals Tungsten)	Shuixi Nonferrous and Metallurgical Industrial Base, Zhanggong District, Ganzhou, Jiangxi Province, People's Republic of China	30.0%	30.0%
6	Phuc Long Heritage Corporation ("Phuc Long Heritage")	(x)/ (c)	Food and beverage	42/24 - 42/26 Street No. 643, Ta Quang Buu, Ward 4, District 8, Ho Chi Minh City, Vietnam	20.0%	-

- (a) Joints Pro Professional Laundry Company Limited ("JPR") was established under the Enterprise Registration Certificate No. 0317020365 dated 9 November 2021, issued by the Department of Planning and Investment of Ho Chi Minh City. As at the date of issuance of these consolidated financial statements, JPR has not started its operation yet.
- (b) Draco Investment Corporation ("DRC"), Fornax Investment Corporation ("FOR") and Surpa Joint Stock Company ("Surpa") were established under the Enterprise Registration Certificates No. 0317104738 dated 31 December 2021, No. 0317104713 dated 31 December 2021 and No. 0317101342 dated 30 December 2021, respectively, issued by the Department of Planning and Investment of Ho Chi Minh City.
- (c) On 29 May 2021, SHERPA, a direct subsidiary of the Company acquired 20.0% equity interest in Phuc Long Heritage Corporation ("Phuc Long Heritage") for total consideration of VND345,600 million, not including transaction costs. In December 2021, SHERPA has transferred this 20.0% equity interest in Phuc Long Heritage to Draco Investment Corporation, a newly established subsidiary of SHERPA, in accordance with the restructuring plan of the Group.
- (d) On 30 November 2021, MML entered into an agreement with ANCO, a subsidiary of MNS Feed, to reacquire all shares of Vissan. Accordingly, MML completed the reacquisition of 20,180,026 shares of Vissan from ANCO on 5 December 2021. Under terms of the agreement, the transfer price was determined by reference to the price on Upcom on the transaction date. As a result, Vissan became a direct associate of MML.
- The percentage of economic interests for subsidiaries represents the effective percentage of economic interests of the Company both directly and indirectly in the subsidiaries, which is determined based on percentage of equity owned (directly and indirectly) in the subsidiaries, except for other arrangements (if any). The percentage of economic interests for associates represents the direct percentage of economic interests of the Company and its subsidiaries in the associates.
- (i) These entities are direct and indirect subsidiaries of MCH.
- (ii) These entities are direct and indirect subsidiaries of WCM.
- (iii) These entities are direct and indirect subsidiaries of MHT.
- (iv) These entities are direct and indirect subsidiaries of MML.
- (v) These entities are direct and indirect subsidiaries of MH.
- (vi) This entity is an indirect associate of MCH.
- (vii) This entity is a direct associate of MML.
- (viii) This entity is an indirect associate of MHT.
- (ix) These entities are direct subsidiaries of SHERPA.
- (x) This entity is an indirect associate of SHERPA.

## (c) Normal operating cycle

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

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2. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

- (i) Common-control business combination  
Business combination where the same group of shareholders ("the Controlling Shareholders") control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling

Shareholders. Such common control business combination is specifically excluded from the scope of Vietnamese Accounting Standard No. 11 Business Combination and in selecting its accounting policy with respect to such transaction, the Group has considered Vietnamese Accounting Standard No. 01 Framework and Vietnamese Accounting Standard No. 21 Presentation of Financial Statements. Based on these standards, the Group has adopted the merger ("carry-over") basis of accounting. The assets and liabilities of the combining companies are consolidated using the existing book values from the Controlling Shareholders' perspective. Any difference between the cost of acquisition and net assets acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in undistributed profits after tax under equity.

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

- (ii) Non-common control business combination  
Non-common control business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

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

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

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

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

- (iv) Associates (equity accounted investees)  
Associates are those entities in which the Group has significant influence, but not control, over the financial

and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for in the consolidated financial statements using the equity method (equity accounted investees). They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. The carrying amount of investments in equity accounted investees is also adjusted for the alterations in the investor's proportionate interest in the investees arising from changes in the investee's equity that have not been included in the statement of income (such as foreign exchange translation differences, etc.). When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

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

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

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



# Notes to the consolidated financial statements

for the year ended 31 December 2021  
(continued)

- contribution at a premium or surplus in which case the difference is recorded in other capital.
- (vi)

Loss of control  
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated income statement. 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.
- (vii)

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

Foreign currency
- (i)

Foreign currency transactions  
Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.
- Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the rates at the end of the annual accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions.  
All foreign exchange differences are recorded in the
- consolidated statement of income.

(ii)

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

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

(c)

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

Investments

(i)

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

(ii)

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

(iii)

Equity investment in other entities  
Equity investments in other entities of which the Company or its subsidiaries have no control or significant influence are initially recognised at cost, which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss which may cause the Group to lose their 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.

(e)

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

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

If the Group:

- Transfers substantially all the risks and rewards of ownership of the receivables, the Group derecognises the receivables and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer;
  - Retains substantially all the risks and rewards of ownership of the receivables, the Group continues to recognise the receivables;
  - Neither transfers nor retains substantially all the risks and rewards of ownership of the receivables, the Group determines whether it has retained control. If the Group does not retain control, it derecognises the receivables and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Group retains control, it continues to recognise the receivables to the extent of its continuing involvement in the receivables.
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The extent of continuing involvement in the transferred assets is the extent to which it is exposed to changes in the value of the transferred assets, which is the lower of the carrying amount of assets and the maximum amount of the consideration that the Group could be required to pay ("the guarantee amount").

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

**(f) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and 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 or construction cost, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure

incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets. In situations where the self-constructed tangible assets have been completed and are put into used but their cost is not finalised, their historical cost will be recorded to provisional cost using temporarily estimated value and they shall be adjusted with the difference after the finalised cost are approved. Tangible fixed assets also comprise fair value of other assets from business combination.

Upon completion of the mine construction phase, the assets are transferred into "building and structures", "machinery and equipment" or "other mining assets" in tangible fixed assets. Other mining assets comprise mine rehabilitation assets and fair value of mineral reserves and mineral resources from business combination.

(ii) Depreciation  
*Machinery and equipment directly related to mineral processing activities and fair value of mineral reserve from business combination*

Machinery and equipment which are directly related to mineral processing activities and fair value of mineral reserves from business combination are depreciated on a unit-of-production method with the depreciation bases calculated using the proved and probable mineral reserve and a portion of resources expected to be converted into reserves.

Effective from 1 January 2021, NPM, an indirect subsidiary of the Company updated its estimates of mineral reserves

and resources, using (i) the result of mining specialist's technical assessments on mineral reserve inside Nui Phao project area; (ii) a portion of mineral resources expected to be converted into reserves; and (iii) further mineral resource which can be reprocessed from NPM's oxide tails cell ("OTC"). These updates are estimates of the amount of production volume that can be economically and legally extracted from the Group's mining assets.

Detail of changes in the remaining ore equivalent quantity served as depreciation basis as at 1 January 2021 are as follow:

	Increased by Tonnes of ore
Machinery and equipment relating to mineral processing activities	6,422,588
Machinery and equipment relating to mineral processing activities and to be used in OTC retreatment	21,742,588
Fair value of mineral reserves from business combination	21,742,588

These changes lead to the depreciation charge for the current year decreased by VND206,676 million.

*Machinery and equipment directly related to mineral production activities*

Machinery and equipment which are directly related to the deep processing of tungsten products of MTC are depreciated over its estimated useful lives on a unit-of-production basis. The estimated total production quantity output which tangible fixed assets are depreciated on a unit-of-production basis are as follows:

	Tonnes of ore
ST plant	171,865
APT plant	166,990

*Others*

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

■ Buildings and structures	4 – 50 years
■ Leasehold improvements	3 – 5 years
■ Machinery and equipment	2 – 25 years
■ Office equipment and others	3 – 25 years
■ Motor vehicles	3 – 25 years
■ Other mining assets	26 years

Construction assets which are completed and put into use before construction costs being finalised, are stated at provisional cost. On the date the construction costs are finalised and approved, provisional cost shall be adjusted to finalised cost and accumulated depreciation shall not be adjusted. The subsequent depreciation charge is determined as the approved value minus the accumulated depreciation made for the period up to the approval of finalisation of fixed assets divided by the remaining depreciation period of the fixed assets according to relevant regulations.

**(h) Intangible fixed assets**

(i) Land use rights  
Land use rights with indefinite term are stated at cost and are not amortised. Land use rights with definite term are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over their estimated useful lives ranging from 10 to 50 years. Fair value of land use right acquired in a business combination is determined using direct comparison method by comparing recent asking/transacted price of similar properties in a similar area.



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(ii)	Software Costs of software comprises: <ul style="list-style-type: none"><li>■ Cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over a period ranging from 2 to 10 years; and</li><li>■ Cost incurred during actual software development phase when the following conditions are met:<ul style="list-style-type: none"><li>• Respective costs are attributable directly to the software development stage;</li><li>• There is well-founded expectation – verifiable by program designs, models, or the like that the development activities to be capitalised will be finalised successfully and thus the intention to complete the development project should be given;</li><li>• The Group will be able to implement and use the software after its development;</li><li>• Adequate technical, financial and personnel resources should be available to complete the software development successfully; and</li><li>• The Group is able to measure expenditure attributable to the software development project reliably.</li></ul></li></ul> Self-developed software is amortised on a straight-line basis over period of up to 4 years starting from the date on which the respective modules are completed.	(iv)	Customer relationships Customer relationships that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible fixed asset. The fair value of customer relationships is amortised on a straight-line basis over the estimated useful lives ranging from 5 to 36 years.  The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.		recent asking/transaction price of similar interests located in a similar area. In the multi-period excess earnings method, subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.		■ Development activities that are acquired by the Group in the acquisition of subsidiary is capitalised and presented as an intangible fixed asset. The fair value of development activities acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of development activities is amortised on a straight-line basis over the estimated useful live of 16 years.
		(v)	Mining rights The mining rights are calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree No. 67/2019/ND-CP dated 31 July 2019 (“Decree 67”) which became effective from 15 September 2019, replacing Decree No. 203/2013/ND/CP dated 28 November 2013. Cost of mining rights was stated at an amount equal to the present value of mining rights fee and was capitalised and treated as an intangible asset. Amortisation of mining rights is computed on a straight-line basis over the economic life of proved and probable mineral reserve and a portion of resources expected to be converted into reserves.	(vii)	Mineral water resources exploitation rights Expenditure on obtaining exploitation rights for mineral water resources is capitalised and treated as an intangible fixed asset. Amortisation is computed on a straight-line basis over the estimated useful lives ranging from 4 to 30 years.		
				(viii)	Technology Technology that is acquired by the Group in the acquisition of subsidiary is capitalised and presented as an intangible fixed asset. The fair value of technology is amortised on a straight-line basis over the estimated useful lives ranging from 5 to 31 years.  The fair value of technology acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.	(x)	License License that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible fixed asset. The fair value of license is amortised on a straight-line basis over the estimated useful lives of 12 years.  The fair value of license 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.
				(ix)	Development costs Development costs comprise: <ul style="list-style-type: none"><li>■ Expenditure on the Group’s development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised include the costs of materials, direct labour and an appropriate portion of overheads. Other development expenditure, including expenditure on internally generated goodwill and brands, is recognised in the consolidated statement of income as an expense as incurred.</li></ul>	(i)	<b>Investment property</b>
(iii)	Brand name Brand names that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible fixed asset. The fair value of brand names is amortised on a straight-line basis over the estimated useful lives ranging from 9 to 30 years.  The fair value of brand name acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned.	(vi)	Mineral water resources Mineral water resources that are acquired by the Group in the acquisition of subsidiary are capitalised and presented as an intangible fixed asset. The fair value of mineral water resources is amortised on a straight-line basis over the estimated useful lives ranging from 10 to 37 years.  Fair values of mineral water resources acquired in a business combination are determined using either the direct comparison method or the multi-period excess earnings method. The direct comparison approach estimates the value of mineral resources by comparing			(i)	Cost Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase prices and any directly attributable expenditure of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the management of the Company or its subsidiaries. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repair and maintenance cost, is charged to the consolidated statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed

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standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property. Land use rights with indefinite term are not amortised. The estimated useful lives of buildings and infrastructures are as follows:

■ Buildings	20 - 60 years
■ Infrastructures	5 – 20 years

(j) Construction in progress

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

Mineral assets under development comprise mineral reserve and related development costs acquired in a business combination and subsequent development expenditure. These assets are qualified for capitalisation when the mineral reserve to which they relate is proven to be commercially and technically viable. They are initially recognised at their fair value as part of business combination accounting and subsequent development expenditure are capitalised net of proceeds from the sale of ore extracted during the development phase. On completion of development, defined as the time when saleable materials begin to be extracted from the mine, all assets are reclassified to either “machinery or equipment” or “other mining assets” in tangible fixed assets or in long-term prepaid expenses.

(k) Long-term prepaid expenses

(i) Other mining costs

In accordance with the Official Letter No. 12727/BTC-TCDN dated 14 September 2015 from the Ministry of Finance which provides guidance that mining related costs could be recognised as long-term prepaid expenses under non-current assets.

Other mining costs comprise of:

- Exploration, evaluation and development expenditure (including development stripping); and
- Production stripping (as described below in “Deferred stripping costs”).

*Deferred stripping costs*

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore body. Stripping costs incurred in the development phase of a mine (development stripping costs) are recorded as part of the cost of construction of the mine. All development stripping expenditure incurred during construction phase are transferred to other mining costs.

The costs of removal of the waste material during a mine’s production phase (production stripping costs) are deferred where they give rise to future benefits:

a) It is probable that the future economic benefits will flow to the Group;

b) The component of the ore body for which access has been improved can be identified; and

c) The costs incurred can be measured reliably.

Production stripping costs are allocated between inventories and long-term prepaid expenses in accordance with the life of mine strip ratio of the identified components of the ore bodies.

The life of mine strip ratio represents the estimated total volume of waste, to the estimated total quantity of

economically recoverable ore, over the life of the mine of the identified components of the ore bodies. These costs are recognised as long-term prepaid expenses where the current period actual stripping ratio is higher than the average life of mine strip ratio.

The development and production stripping costs are amortised systematically based on the mineral reserves and mineral resources expected to be converted to mineral reserves of the relevant components. During the year, NPM, a subsidiary indirectly owned by the Company, has updated its estimate of mineral reserves and resources which serves as basis for calculation and amortisation of development and production stripping costs. The revision was based on the result of mining specialist technical assessments on mineral reserve within Nui Phao project area and the portion of resources expected to be converted into reserves as disclosed in Note 3(g)(ii). The effect on the amortisation charge for the current year was to decrease the amortisation charge by VND8,799 million.

(ii) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under 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.

(iii) Land compensation costs

Land compensation costs comprise costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the terms of the leases.

(iv) Printing axles, tools and supplies

Tools and supplies include assets held for use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation.

Printing axles, tools and supplies are initially stated at cost and amortised on a straight-line basis over their useful lives ranging from over 1 to 3 years.

(v) Goodwill from equitisation

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

(vi) Swine breeders

Swine breeders is recognised as long-term prepaid expenses and amortised on a straight-line basis over their expected useful lives ranging over 1 to 3 years. The amortisation of swine breeders that directly relates to farming of swine in work in progress is capitalised as part of the cost of work in progress.



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

(l) Goodwill

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

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

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

(m) Accounts payable

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

(n) Provisions

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

(i) Mining rights fee  
In accordance with the Law on Minerals 2010, NPM, a subsidiary indirectly owned by the Company has an obligation to pay the government fees for mining rights grant. Mining rights is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights which is defined under the prices to calculate the resource royalty in accordance with the law on resource royalty at the time of determining the charge for granting mining rights officially which is Decree 67.

The prices to calculate the resource royalty is the price applicable for NPM's products which is determined by the provincial People's Committee. The conversion method is based on various parameters of the conversion coefficient under guidelines of Decree 67.

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

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation proportional to the degree of influence on the environment existing at the end of the annual accounting period.

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

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

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

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

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

(iii) Severance allowance  
Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more ("the eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee's compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their average salary for the six-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Group are excluded.

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

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

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years. The Group's contributions are to be recognised as expenses in the year in which they are incurred. Under a defined benefit plan, employees will receive a defined amount of pension benefit on retirement, usually dependent on one or more factors such as age, years of service and compensation. The provision to be recognised for a defined benefit plan is calculated as the present value of the defined benefit obligations at the end of the annual accounting period. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting estimated future cashflow using interest rates of high-quality AA-corporation bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximation to the terms of the related pension liability. The Group determines the net interest expense on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the accounting period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions. Net interest expense and other expenses related to defined benefit plans are recognised in consolidated statement of income. The remeasurement of defined benefit obligation involves estimation of future cashflow, employee turnover, mortality and future increase in salaries

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

(o) Bonds issued

Straight bonds  
At initial recognition, straight bonds are measured at cost which comprises proceeds from the issuance net of issuance costs. Any discount, premium or issuance costs

are amortised on a straight-line basis over the terms of the bonds.

(p) Taxation

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

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

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

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

(q) Equity

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

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

(r) Revenue

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

For sales of minerals, the sales price is usually determined on a provisional basis at the date of revenue recognition. Adjustments to the sales price subsequently occurs based on movements in quoted market or contractual prices up to the date of final pricing. The period between provisional invoicing and final pricing is typically between 30 and 60 days, but in some cases can be as long as 90 days to 180 days. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. In cases where the terms of the executed contractual sales agreement allow for an adjustment to the sales price based on a survey of the goods by the customer, assay results issued by a third party are preferable, unless customer's survey is within executed contractual tolerance, then sale is based on the most recently determined product specifications. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods. Revenue from sale of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) Services rendered  
Revenue from services rendered is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction. The stage of completion is assessed by reference to surveys of work

performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(s) Financial income and financial expenses

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

(ii) Financial expenses  
Financial expenses comprise interest expense on borrowings and bonds, bond and borrowing issuance costs (collectively referred to as "borrowing costs"), losses from disposal of investments 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.

(t) Leases

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

Depreciation on finance leased assets is computed on a straight-line basis over the shorter of the lease term and the estimated useful lives of the leased assets unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful lives of



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finance leased assets are consistent with the useful lives of tangible fixed assets as described in Note 3(g). Assets held under other leases are classified as operating leases and are not recognised in the Group's consolidated balance sheet.

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

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

(u) Earnings per share

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

(v) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment

(geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary and secondary formats for segment reporting are based on business segments and geographical segments, respectively.

(w) Related parties

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

(x) Employee stock ownership plans

Shares issued to employees based on the employee stock ownership plans are issued at the price as stipulated in the Board of Directors' resolution.

(y) Comparative information

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

Comparative information 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.

4. SEGMENT REPORTING

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

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

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

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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.

	Branded consumer products		MEATLife		High-tech materials		Consumer retail		Others		Elimination		Total	
	2021 VND million	2020 VND million	2021 VND million	2020 VND million	2021 VND million	2020 VND million	2021 VND million	2020 VND million	2021 VND million	2020 VND million	2021 VND million	2020 VND million	2021 VND million	2020 VND million
External segment revenue	27,053,090	23,296,007	17,169,943	15,529,986	13,564,291	7,428,668	30,840,035	30,963,147	1,408	-	-	-	88,628,767	77,217,808
Internal segment revenue	1,711,104	675,008	1,720,945	589,020	-	-	60,375	14,649	-	-	(3,492,424)	(1,278,677)	-	-
Segment gross margin	11,881,069	9,919,495	2,298,153	2,709,784	2,346,482	175,466	5,623,171	5,083,952	(14,074)	-	-	-	22,134,801	17,888,697
Segment results	4,996,383	3,796,422	149,374	472,582	434,498	(123,868)	(1,446,273)	(4,185,951)	3,836,496	2,646,245	-	-	7,970,478	2,605,430
Net unallocated income/ (expenses)													2,130,903	(1,210,417)
<b>Net profit</b>													<b>10,101,381</b>	<b>1,395,013</b>

	Branded consumer products		MEATLife		High-tech materials		Consumer retail		Others		Total	
	31/12/2021 VND million	1/1/2021 VND million	31/12/2021 VND million	1/1/2021 VND million	31/12/2021 VND million	1/1/2021 VND million	31/12/2021 VND million	1/1/2021 VND million	31/12/2021 VND million	1/1/2021 VND million	31/12/2021 VND million	1/1/2021 VND million
Segment assets	25,362,822	18,243,868	8,744,473	18,126,855	38,796,639	39,020,014	21,538,910	21,709,258	22,152,192	17,729,569	116,595,036	114,829,564
Unallocated assets											9,498,435	906,998
<b>Total assets</b>											<b>126,093,471</b>	<b>115,736,562</b>
Segment liabilities	11,842,493	11,738,539	6,097,973	9,509,060	24,787,455	25,901,313	14,829,258	14,248,831	43,701	-	57,600,880	61,397,743
Unallocated liabilities											26,155,939	29,308,540
<b>Total liabilities</b>											<b>83,756,819</b>	<b>90,706,283</b>

	2021 VND million	2020 VND million	2021 VND million	2020 VND million	2021 VND million	2020 VND million	2021 VND million	2020 VND million	2021 VND million	2020 VND million	2021 VND million	2020 VND million
Capital expenditure	982,176	1,477,834	710,921	1,010,843	921,560	623,090	179,768	549,624	1,393	-	2,795,818	3,661,391
Unallocated capital expenditure											9,609	16,771
Depreciation	727,504	669,645	510,150	453,987	1,258,760	1,385,169	621,333	726,095	-	-	3,117,747	3,234,896
Unallocated depreciation											4,791	3,838
Amortisation	335,186	338,130	363,767	373,730	581,108	357,643	1,224,298	1,425,328	5,474	-	2,509,833	2,494,831
Unallocated amortisation											2,389	870



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## (b) Geographical segments

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

	Domestic		Overseas		Total	
	2021 VND million	2020 VND million	2021 VND million	2020 VND million	2021 VND million	2020 VND million
Segment revenue	74,135,889	68,538,284	14,492,878	8,679,524	88,628,767	77,217,808
Capital expenditure	2,730,106	3,678,162	75,321	-	2,805,427	3,678,162

	Domestic		Overseas		Total	
	31/12/2021 VND million	1/1/2021 VND million	31/12/2021 VND million	1/1/2021 VND million	31/12/2021 VND million	1/1/2021 VND million
Segment assets	113,572,466	103,483,836	12,521,005	12,252,726	126,093,471	115,736,562

## 5. BUSINESS COMBINATION

### Mobicast Joint Stock Company (“MOB”)

On 1 September 2021, SHERPA, a subsidiary directly owned by the Company, successfully acquired 70.0% equity interest in Mobicast Joint Stock Company, a local telecommunication service provider, for a total consideration of VND297,025 million including transactions costs. Such transaction resulted in MOB becoming a subsidiary indirectly owned by the Company.

The business combination had the following effect on the Group’s consolidated financial statements on the business

	Pre-acquisition carrying amounts VND million	Fair value adjustments VND million	Recognised value on acquisition VND million
Cash and cash equivalents	302,178	-	302,178
Accounts receivable from customers – short-term	44	-	44
Prepayments to suppliers	200,336	-	200,336
Other current assets	44,777	-	44,777
Intangible fixed assets – net	14,198	120,500	134,698
Construction in progress	2,827	-	2,827
Other long-term assets	2,245	-	2,245
Accounts payable to suppliers – short-term	(2,730)	-	(2,730)
Short-term borrowings	(247,963)	-	(247,963)
Other current liabilities	(23,893)	-	(23,893)
Deferred tax liabilities	-	(24,100)	(24,100)
Net identifiable assets and liabilities	292,019	96,400	388,419
Net assets acquired			271,866
Goodwill on business combination (Note 17)			25,159
Total consideration transferred			297,025
Cash and cash equivalents acquired			302,178
Net cash inflow			5,153

For the period from acquisition date to 31 December 2021, the acquired business contributed net revenue of VND1,407 million and loss of VND27,494 million to the Group’s results.

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6. SIGNIFICANT DISPOSAL DURING THE YEAR

Loss of control in MNS Feed Corporation (“MNS Feed”) and its subsidiaries and associates

In October 2021, Masan MEATLife Corporation (“MML”), a subsidiary directly owned by the Company, issued bonds No. MMLH2124001 to its shareholders of MML in accordance with the resolution of Board of Directors No. 475/2021/NQ-HDQT dated 28 September 2021.

In November 2021, De Heus Limited Liability Company, a third party purchased issued bonds No. MMLH2124001 from bondholders.

This third party then exercised its right to exchange for 99.99% equity interest of MNS Feed at the exchange price in accordance with the terms of issuance document. The exchange was completed on 1 December 2021. As a result, as at 1 December 2021, MNS Feed and its subsidiaries and associates were no longer indirect subsidiaries and associates of the Company.

As at 1 December 2021, 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 (“Vissan”) - Refer to Note 1(d) for the reacquisition of Vissan by MML.

As at 1 December 2021, there were following effects on the Group's consolidated financial statements:

	Carrying amount VND million
Cash and cash equivalents	917,940
Accounts receivable – short-term	1,948,821
Inventories – net	1,918,206
Other current assets	44,645
Accounts receivable – long-term	270
Tangible fixed assets – net	1,111,145
Intangible fixed assets – net	3,066,390
Construction in progress	62,737
Long-term financial investments, excluding investments in Vissan	41,455
Long-term prepaid expenses	116,461
Deferred tax assets	9,568
Accounts payable to suppliers – short-term	(790,983)
Taxes payable to State Treasury	(59,532)
Other current liabilities	(408,865)
Short-term borrowings	(1,225,137)
Long-term provisions	(27,420)
Other long-term liabilities	(415,091)
Non-controlling interest	(1,012,351)
Net identifiable assets and liabilities	5,298,259
Cash and cash equivalents of MNS Feed and its subsidiaries at 1 December 2021 (*)	(917,940)

(\*) In addition to the effect arising from the cash and cash equivalents of MNS Feed and its subsidiaries due to deconsolidation as at 1 December 2021, cash flows from investing activities in the consolidated statement of cash flows recognised VND7,742,790 million, which also arises from the Group's total receipts from the transfer of exchangeable bonds to a third party (Note 9(c)) and the effect of derecognition of exchangeable bonds issued by a subsidiary (Note 21(b) and Note 38). Refer to Note 23 and Note 29 for the impact of these transactions in the consolidated statement of income and other capital.



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## 7. CASH AND CASH EQUIVALENTS

	31/12/2021 VND million	1/1/2021 VND million
Cash on hand	90,468	103,598
Cash at banks	6,772,287	1,804,062
Cash in transit	22,657	22,482
Cash equivalents	15,419,410	5,791,300
Cash and cash equivalents in the consolidated statement of cash flows	22,304,822	7,721,442

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, cash at bank with carrying value of VND81,527 million (1/1/2021: VND115,396 million) were pledged with banks as security for loans granted to the Group (Note 21(a)).

## 8. INVESTMENTS

	31/12/2021 VND million	1/1/2021 VND million
<b>Short-term financial investments</b>		
Held-to-maturity investments (a)	332,753	447,250
<b>Long-term financial investments</b>		
Investments in associates (b)	24,538,803	20,320,738
Equity investments in other entities	-	30,589
Allowance for diminution in value of long-term financial investments	-	(5,628)
Held-to-maturity investments	-	7,400
	<b>24,538,803</b>	<b>20,353,099</b>

## (a) Held-to-maturity investments

Held-to-maturity investments – short-term represented term deposits in VND at banks with original terms to maturity of more than three months and less than 12 months from their transaction dates. As at 31 December 2021, term deposits with carrying value of VND44,728 million were pledged with banks as security for loans granted to the Company (Note 21(b)).

## (b) Investments in associates

	31/12/2021				1/1/2021			
	% of equity owned over charter capital	% of voting rights over charter capital	Carrying value at equity accounted VND million	Fair value VND million	% of equity owned over charter capital	% of voting rights over charter capital	Carrying value at equity accounted VND million	Fair value VND million
Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") (**)	19.9%	19.9%	21,595,443	37,575,302	19.9%	19.9%	17,729,570	23,672,458
Cholimex Food Joint Stock Company ("Cholimex")	32.8%	32.8%	249,392	(*)	32.8%	32.8%	249,392	(*)
Vissan Joint Stock Company ("Vissan")	24.9%	24.9%	2,135,490	(*)	24.9%	24.9%	2,135,490	(*)
Jiangwu H.C. Starck Tungsten Products Co., Ltd. (China) ("Jiangwu")	30.0%	30.0%	180,510	(*)	30.0%	30.0%	195,227	(*)
Phuc Long Heritage Corporation ("Phuc Long Heritage")	20.0%	20.0%	377,968	(*)	-	-	-	-
Thuan Phat Packing Joint Stock Company ("Thuan Phat")	-	-	-	-	25.0%	25.0%	4,289	(*)
Abattoir Long Binh Joint Stock Company ("Abattoir")	-	-	-	-	25.0%	25.0%	6,770	(*)
			<b>24,538,803</b>				<b>20,320,738</b>	

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

	Techcombank VND million	Cholimex VND million	Vissan VND million	Jiangwu VND million	Phuc Long Heritage VND million	Thuan Phat VND million	Abattoir VND million	Total VND million
Opening balance	17,729,570	249,392	2,135,490	195,227	-	4,289	6,770	20,320,738
New acquisitions	-	-	-	-	363,968	-	-	363,968
Share of post-acquisition profit/(loss) of associates during the year	3,865,873	13,296	-	3,065	14,000	(80)	487	3,896,641
Dividends declared	-	(13,296)	-	-	-	-	(600)	(13,896)
Currency translation differences	-	-	-	(17,782)	-	-	-	(17,782)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	-	-	-	-	-	(4,209)	(6,657)	(10,866)
<b>Closing balance</b>	<b>21,595,443</b>	<b>249,392</b>	<b>2,135,490</b>	<b>180,510</b>	<b>377,968</b>	<b>-</b>	<b>-</b>	<b>24,538,803</b>

(\*) The Group has not determined the fair values of investments in these 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 values.

For the disclosure purpose, the fair values of investments in Techcombank as at 31 December 2021 and 1 January 2021 were determined by reference to the quoted prices at these respective dates on Ho Chi Minh City Stock Exchange.

(\*\*) The Group has 19.9% direct equity holding and 1.5% economic interest in Techcombank that is subject to a forward sale agreement (1/1/2021: 19.9% direct equity holding and 1.5% economic interest subject to a forward sale agreement). The forward transaction has not been completed and is subject to the terms of the agreement.

## (c) Transactions with non-controlling interests in subsidiaries for the year ended 31 December 2021

### (i) Transactions with non-controlling interests in The CrownX Corporation (“CrownX”)

The Company's economic interests in CrownX decreased from 84.8% to 81.7% as a result of the following transactions:

- In June 2021, CrownX issued 4,278,260 ordinary shares, equivalent to 5.5% equity interests in CrownX to Investors as mentioned below for net consideration of VND8,804,947 million, resulting in the following effects:

	VND million
Consideration received from shares issued not subscribed by the Group, net of transaction costs	8,804,947
Proportionate carrying amount of net assets diluted	(2,297,239)
Difference recorded as an increase in undistributed profits after tax	<b>6,507,708</b>

- On 29 June 2021, SHERPA acquired 534,783 ordinary shares, equivalents to 0.68% equity interests in CrownX for consideration of VND1,147,087 million, resulting in the following effects:

	VND million
Consideration transferred	(1,147,087)
Proportionate carrying amount of net assets acquired	148,059
Difference recorded as a decrease in undistributed profits after tax	<b>(999,028)</b>

- On 30 June 2021, CrownX repurchased 3,743,482 of its ordinary shares, equivalent to 4.79% equity interests for consideration of VND8,029,616 million, resulting in the following effects:

	VND million
Consideration transferred	(8,029,616)
Proportionate carrying amount of net assets acquired	2,099,466
Difference recorded as a decrease in undistributed profits after tax	<b>(5,930,150)</b>

- On 12 November 2021, the Company acquired 50,500 ordinary shares, equivalents to 0.07% equity interests in The CrownX for consideration of VND106,732 million, resulting in the following effects:

	VND million
Consideration transferred	(106,732)
Proportionate carrying amount of net assets acquired	10,485
Difference recorded as a decrease in undistributed profits after tax	<b>(96,247)</b>



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- In December 2021, CrownX issued 3,333,333 ordinary shares, equivalent to 4.29% equity interests in CrownX to Investors as mentioned below for net consideration of VND7,806,293 million, resulting in the following effects:

	VND million
Consideration received from shares issued not subscribed by the Group, net of transaction costs	7,806,293
Proportionate carrying amount of net assets diluted	(2,040,881)
Difference recorded as an increase in undistributed profits after tax	5,765,412

In connection with share issuance transactions in June 2021 and December 2021, the Company, SHERPA and CrownX entered into agreements (“Shareholder Agreements”) with Alibaba.Com Singapore E-Commerce Private Limited, Thunbergia Pte. Limited, Credit Suisse AG, Singapore Branch, TCX Madrid Holdings Pte.Ltd and Seatown Master Fund (collectively referred to as “Investors”) pursuant to which the Group undertake with the Investors that they shall use best effort to procure an initial public offering (“IPO”) of the shares of CrownX by 11 June 2026 (which may be extended for a maximum of one year at the discretion of the Group) (the “IPO Deadline”). In the event that CrownX fails to achieve the IPO on the agreed conditions, each of the Investors will have an option to require SHERPA, the parent company of CrownX or its nominee, to purchase the shares subscribed by the Investors in this round at the agreed price in the agreement. This option shall be exercisable after the IPO Deadline and remain exercisable until the date that is 9 years and one month from the closing date – ie: 11 June 2021. It can only be exercised once with respect to all of the aforementioned shares.

SK Investment Vina Pte.Ltd (“SK”) also entered into the above Shareholder Agreement and entitled benefits same as above Investors on 3,636,521 shares of CrownX which SK acquired from a third party.

- On 30 December 2021, CrownX repurchased 814,855 of its ordinary shares, equivalent to 1.05% equity interests for consideration of VND1,747,831 million, resulting in the following effects:

	VND million
Consideration transferred	(1,747,831)
Proportionate carrying amount of net assets acquired	1,291,423
Difference recorded as a decrease in undistributed profits after tax	(456,408)

(ii) **Transactions with non-controlling interests in Café De Nam Joint Stock Company (“CDN”)**

The Company’s economic interests in CDN increased from 57.8% to 63.4% as a result of the following transactions:

- In January 2021, CDN issued 17,000,000 ordinary shares, equivalent to 12.77% equity interests to VCF for consideration of VND170,000 million, resulting in the following effects:

	VND million
Proportionate carrying amount of net assets acquired/difference recorded as a decrease in undistributed profits after tax	(11,935)

- Transactions with non-controlling interests in CrownX as mentioned in Note 8(c)(i).

(iii) **Transactions with non-controlling interests in Masan Consumer Corporation (“MSC”)**

The Company’s economic interests in MSC decreased from 68.9% to 65.6% as a result of the following transactions:

- In September 2021, MSC reissued 7,084,612 treasury shares to its employees under employee stock ownership plan in accordance with shareholders’ approval, resulting in the following effects:

	VND million
Consideration received from share issued not subscribed by the Group, net of transaction costs	495,373
Proportionate carrying amount of net assets diluted	(251,451)
Difference recorded as an increase in undistributed profits after tax	243,922

- Transactions with non-controlling interests in CrownX as mentioned in Note 8(c)(i).

(iv) **Transactions with non-controlling interests in Masan MEATLife Corporation (“MML”)**

In October 2021, MML issued 273,600 shares to its employees under employee stock ownership plan in accordance with shareholders’ approval. As a result of this transaction, the Company’s economic interests in MML has decreased from 87.9% to 87.8% and resulting in the following effects:

	VND million
Consideration received from share issued not subscribed by the Group, net of transaction costs	2,686
Proportionate carrying amount of net assets diluted	(5,039)
Difference recorded as a decrease in undistributed profits after tax	(2,353)

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(v) Transactions with non-controlling interests in VCM Services and Trading Development Joint Stock Company (“WCM”)

- The Company’s economic interests in WCM decreased from 80.1% to 68.6% as a result of the following transactions:
- In April 2021, SHERPA acquired 1.2% equity interests in WCM;
  - Thereafter, in April 2021, SHERPA disposed all of its equity interests (10.2%) in WCM.
  - In June 2021, WCM issued 8,752,760 ordinary shares, equivalent to 1.3% equity interests to CrownX for consideration of VND789,998 million;
  - In December 2021, WCM issued 3,907,798 ordinary shares, equivalent to 0.6% equity interests to CrownX for consideration of VND352,706 million; and
  - Transactions with non-controlling interests in CrownX as mentioned in Note 8(c)(i).

As a result of above transactions, the Group’s undistributed profits after tax increased by VND4,379,101 million.

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

Transactions with non-controlling interests in Masan High-Tech Materials Corporation (“MHT”)

Pursuant to an agreement between Mitsubishi Materials Corporation (“MMC”) and MHT, MHT granted a put option to MMC. In the event that (i) MHT and MMC (or their affiliate) fail to establish a joint operation of midstream tungsten business within 18 months after closing date of this transaction or (ii) if there is a change in control in MHT, MMC will have an irrevocable right to request MHT or its nominee to purchase 109,915,542 MHT’s shares that MHT issued on 26 October 2020 at the amount equal to consideration of VND2,094,331 million less the aggregate of any proceeds received by the Investor from disposing MHT’s shares, dividends and distributions paid by MHT subject to customary adjustments from dilutive events. The deadline to take actions necessary to effect the close the put option is 18 months from the date that MHT receives put option exercise notice from MMC. The exercise of the put option will be subject to approval of Board of Directors, shareholders and Vietnamese regulators. The put option has not been exercised as of the date of issuance of these consolidated financial statements.

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

As at 31 December 2021 and 1 January 2021, a part of short-term receivables was pledged with banks as security for loans granted to a subsidiary (Note 21).

As at 31 December 2021, prepayments to suppliers of the Group amounting to VND452,976 million (1/1/2021: VND344,157 million) were related to fixed assets.

(a) Receivable on short-term lending loans

Receivable on short-term lending loans granted to third parties were unsecured, earned interest rate at 6.5% per annum and are mature in 2022 (1/1/2021: 6.5% per annum).

(b) Receivable on long-term lending loans

Receivable on long-term lending loans to the founding shareholders who are also key management personnel of a subsidiary were secured by 7,170,640 shares of shareholders in Mobicast Joint Stock Company, earned interest rate at 12% per annum and are mature on 31 October 2024.

(c) Other receivables

Other receivables comprised of:	31/12/2021 VND million	1/1/2021 VND million
<b>Other short-term receivables</b>		
Receivables from disposals of exchangeable bonds (****)	283,750	-
Short-term deposits (*)	77,946	2,841,337
Interest income receivable	47,787	143,548
Advances to employees	17,917	18,975
Others (**)	456,290	346,867
	<b>883,690</b>	<b>3,350,727</b>
<b>Other long-term receivables</b>		
Long-term deposits	270,358	357,616
Others (***)	1,526,970	1,234,392
	<b>1,797,328</b>	<b>1,592,008</b>

(\*) As at 1 January 2021, included in short-term deposits was VND2,750,000 million of deposits paid to third parties for the investments.

(\*\*) Included in other short-term receivables was VND241,979 million of receivables for mining rights fee (“MRF”) of Nui Phao Mining Project (1/1/2021: VND239,835 million). MRF represents additional mining rights fee of the Nui Phao Mining Company Ltd (“NPM”) – an indirect subsidiary of the Company for the year 2018 and 2019 and relevant administrative charges that NPM paid to the authorities based on temporary calculation by the General Department of Geology and Minerals (“GDGM”) under the Official Letter No. 3724/DCKS-KTDCKS dated 28 December 2018 (“the Official Letter 3724”).

NPM does not agree with the amount and basis of the Official Letter 3724 as the management of NPM is of the opinion that it is unreasonable and does not comply with current regulations, because:

- The price used to calculate the charge for granting mining rights (or mining right fee) (“G-price”) is based on the prices to calculate the resource royalty. In accordance with regulations of the Government’s Decree No. 12/2015/ND-CP dated 12 February 2015 and guidance of the Ministry of Finance’s Circular No. 152/2015/TT-BTC dated 2 October 2015 on Royalties, if enterprises extracted natural resources undergo further processing instead of being sold, their price is exclusive of processing cost provided that it must be within the taxable price bracket imposed by the Provincial People’s Committee. NPM’s products are industrial products, for which the taxable price for resource royalty is determined on the basis of the higher of selling price minus (-) processing cost and the taxable price imposed by the Provincial People’s Committee. GDGM did not use the taxable price applied for industrial products, instead they used the taxable price applied for tungsten ore (0.1%< WO3<0.3%).

NPM has made payment for MRF in accordance with Decision 500/QD-BTNMT (“Decision 500”) issued by the Ministry of Natural Resources and Environment (“MONRE”) on 4 March 2015, which used estimated taxable price for resource royalty for industrial products.

NPM has also sent letters to different levels of authorities to highlight the issues and seek for proper resolutions of NPM’s MRF. In 2021, as instructed by the Prime Minister under Letter No. 978/VPCP-KTTH dated 28 February 2021 and Letter No. 5987/VPCP-KTTH dated 28 August 2021, the case is under review by MOF, MONRE, Thai Nguyen PPC and Thai Nguyen Department of Finance. By reporting date, MONRE and Thai Nguyen PPC are still working together to determine the taxable price applied for NPM’s industrial products.



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On 23 August 2021, MONRE has issued Decision No. 1640/QD/BTNMT ("Decision 1640") to determine the MRF of Nui Phao Mine, replacing the temporary MRF calculation in Decision 500 and Official Letter 3724 despite that the taxable price applied for NPM's industrial products has not yet been determined. In issuing this Decision 1640, MONRE continued to use the taxable price applied for tungsten ore (0.1% < WO<sub>3</sub> < 0.3%) instead of the taxable price applied for industrial products, the issue of which had been highlighted by NPM before. According to Decree 67, Article 15 Point 3, in case the MRF is paid on temporary basis, if the prices for calculating resource royalties announced by provincial People's Committees are valid and compliant with regulations on prices of minerals for determining mining right fee, those prices shall be officially applied and replace prices when making temporary payments. Because the taxable price applied for NPM's industrial products has not yet been determined by MONRE and Thai Nguyen PPC, the G-price which serves as the basis for computation of MRF under Decision 1640 is not in accordance with the prevailing laws and regulations.

As such, after the issuance of Decision 1640, NPM submitted several petition letters to the Prime Minister, MONRE to request for delaying the implementation of Decision 1640 and re-determining the MRF price.

Management of NPM believes that it had adequately provided for its liabilities for MRF from 2015 up to present based on its interpretation of relevant legislation relating to mining rights and natural resources tax, i.e., using the price as determined in Decision 500. Accordingly, the Group accounted the additional payment in 2019 under Official Letter 3724 as other receivables and did not account for additional amount under Decision 1640 as liabilities. Management of NPM expects that it will be able to claim back this receivable when the taxable price applied for NPM's industrial products is determined.

(\*\*\*) Included in other long-term receivables was VND1,230,754 million of receivables from State Treasury for the land compensation cost of Nui Phao Mining Project at Ha Thuong Commune, Dai Tu District, Thai Nguyen Province (1/1/2021: VND1,234,392 million). The amount could be netted off with annual land rental fee of future years.

(\*\*\*\*) In 2021, the Company and a subsidiary transferred all exchangeable bonds acquired before from another subsidiary as disclosed in Note 21(b)(\*\*) to a third party with total consideration of VND8,944,480 million. This receivables represented the remaining receivable of the Company for the transfer of exchangeable bonds.

	2021 VND million	2020 VND million
Opening balance	107,856	105,744
Allowance made during the year	22,150	21,991
Allowance utilised during the year	(289)	(6)
Written back during the year	(23,539)	(19,873)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(72,809)	-
<b>Closing balance</b>	<b>33,369</b>	<b>107,856</b>

## 10. INVENTORIES

	31/12/2021		1/1/2021	
	Cost VND million	Allowance VND million	Cost VND million	Allowance VND million
Goods in transit	495,299	-	620,516	-
Raw materials	2,065,947	(10,658)	3,316,920	(8,145)
Tools and supplies	974,310	(14,150)	1,042,761	(33,515)
Work in progress	1,618,576	(30,974)	1,321,341	(43,269)
Finished goods	3,791,447	(54,953)	3,163,599	(132,213)
Merchandise inventories	3,837,320	(23,797)	3,211,214	(15,338)
Goods on consignment	165,024	-	54,046	-
	<b>12,947,923</b>	<b>(134,532)</b>	<b>12,730,397</b>	<b>(232,480)</b>

As at 31 December 2021 and 1 January 2021, a part of inventories was pledged with banks as security for loans granted to a subsidiary (Note 21).

Included in inventories as at 31 December 2021 was VND37,733 million (1/1/2021: VND34,993 million) of slow-moving inventories.

Included in inventories as at 31 December 2021 was VND1,945,479 million (1/1/2021: VND1,905,558 million) of inventories carried at net realisable value.

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

	2021 VND million	2020 VND million
Opening balance	232,480	68,810
Increases from business combination	-	26,161
Allowance made during the year	172,176	255,920
Allowance utilised during the year	(80,147)	(7,631)
Written back during the year	(186,072)	(110,780)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(3,905)	-
<b>Closing balance</b>	<b>134,532</b>	<b>232,480</b>

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## 11. TANGIBLE FIXED ASSETS

	Buildings and structures VND million	Leasehold improve- ments VND million	Office equipment and others VND million	Machinery and equipment VND million	Other mining assets VND million	Motor vehicles VND million	Total VND million
<b>Cost</b>							
Opening balance	17,797,784	93,148	239,043	27,355,934	5,095,927	195,812	50,777,648
Additions	15,224	1,078	7,009	333,267	-	9,453	366,031
Transfers from construction in progress	750,150	-	27,585	917,345	-	12,030	1,707,110
Transfers (to)/from long-term prepaid expenses	(49)	-	(832)	92,418	-	-	91,537
Transfers to intangible fixed assets	-	-	(23,217)	-	-	-	(23,217)
Transfers to investment property	(1,220,894)	-	-	-	-	-	(1,220,894)
Disposals/Written off	(10,578)	(248)	(1,672)	(123,715)	-	(16,792)	(153,005)
Other (decrease)/increase	(4,279)	-	-	16,270	-	-	11,991
Currency translation differences	(92,558)	-	-	(269,225)	-	-	(361,783)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(1,252,707)	-	(30,814)	(1,404,053)	-	(33,739)	(2,721,313)
Closing balance	15,982,093	93,978	217,102	26,918,241	5,095,927	166,764	48,474,105
<b>Accumulated depreciation</b>							
Opening balance	3,518,651	82,040	212,293	11,239,569	1,339,998	63,333	16,455,884
Charge for the year	916,030	4,577	44,816	1,944,545	151,305	29,699	3,090,972
Transfers (to)/from long-term prepaid expenses	(35)	-	(767)	54,273	-	-	53,471
Transfers to intangible fixed assets	-	-	(19,154)	-	-	-	(19,154)
Transfers to investment property	(315,295)	-	-	-	-	-	(315,295)
Disposals/Written off	(4,170)	(248)	(826)	(90,810)	-	(16,617)	(112,671)
Reclassification	(23,415)	-	-	19,517	-	3,898	-
Currency translation differences	(42,797)	-	30	(177,796)	-	-	(220,563)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(592,292)	-	(19,290)	(974,758)	-	(23,828)	(1,610,168)
Closing balance	3,456,677	86,369	217,102	12,014,540	1,491,303	56,485	17,322,476
<b>Net book value</b>							
Opening balance	14,279,133	11,108	26,750	16,116,365	3,755,929	132,479	34,321,764
<b>Closing balance</b>	<b>12,525,416</b>	<b>7,609</b>	<b>-</b>	<b>14,903,701</b>	<b>3,604,624</b>	<b>110,279</b>	<b>31,151,629</b>

Included in tangible fixed assets were assets costing VND2,062,829 million which were fully depreciated as at 31 December 2021 (1/1/2021: VND2,220,364 million), but are still in active use.

As at 31 December 2021, tangible fixed assets with net book value of VND14,806,212 million (1/1/2021: VND15,048,524 million) were pledged with banks as security for loans granted to and bonds issued by the subsidiaries (Note 21).

## 12. INTANGIBLE FIXED ASSETS

	Land use rights VND million	Software VND million	Brand name VND million	Customer relation- ships VND million	Mining rights VND million	Mineral water resources VND million	Mineral water resources exploita- tion rights VND million	Tech- nology VND million	Develop- ment costs VND million	Others VND million	Total VND million
<b>Cost</b>											
Opening balance	4,017,955	981,908	4,076,431	6,412,892	588,373	412,698	72,122	2,215,021	790,331	26,485	19,594,216
Additions	-	9,334	-	-	204,284	-	888	37,155	-	-	251,661
Increases from business combination (Note 5)	-	14,198	-	-	-	-	-	-	-	120,500	134,698
Transfers to long-term prepaid expenses	-	(310)	-	-	-	-	-	-	-	-	(310)
Transfers from tangible fixed assets	-	23,217	-	-	-	-	-	-	-	-	23,217
Transfers from construction in progress	-	16,146	-	-	-	-	-	-	-	-	16,146
Transfers to investment property	(37,536)	-	-	-	-	-	-	-	-	-	(37,536)
Written off	-	(1,402)	-	-	-	-	-	-	-	-	(1,402)
Currency translation differences	(2,757)	(24,536)	(104,082)	(21,376)	-	-	-	(143,571)	(63,707)	(970)	(360,999)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(213,685)	(58,004)	(1,645,999)	(2,670,099)	-	-	-	(669,433)	-	-	(5,257,220)
Closing balance	3,763,977	960,551	2,326,350	3,721,417	792,657	412,698	73,010	1,439,172	726,624	146,015	14,362,471



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	Land use rights VND million	Software VND million	Brand name VND million	Customer relation- ships VND million	Mining rights VND million	Mineral water resources VND million	Mineral water resources exploita- tion rights VND million	Tech- nology VND million	Develop- ment costs VND million	Others VND million	Total VND million
<b>Accumulated amortisation</b>											
Opening balance	194,227	663,269	1,099,152	1,257,754	188,669	117,268	23,973	713,511	95,019	3,229	4,356,071
Charge for the year	142,705	117,760	205,548	253,746	47,064	21,935	3,321	98,714	42,599	5,112	938,504
Transfers to long-term prepaid expenses	-	(161)	-	-	-	-	-	-	-	-	(161)
Transfers from tangible fixed assets	-	19,154	-	-	-	-	-	-	-	-	19,154
Written off	-	(1,021)	-	-	-	-	-	-	-	-	(1,021)
Currency translation differences	-	(26,130)	(4,821)	(782)	-	-	-	(9,088)	(10,996)	(189)	(52,006)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(40,925)	(37,431)	(549,689)	(893,352)	-	-	-	(669,433)	-	-	(2,190,830)
Closing balance	296,007	735,440	750,190	617,366	235,733	139,203	27,294	133,704	126,622	8,152	3,069,711
<b>Net book value</b>											
Opening balance	3,823,728	318,639	2,977,279	5,155,138	399,704	295,430	48,149	1,501,510	695,312	23,256	15,238,145
<b>Closing balance</b>	<b>3,467,970</b>	<b>225,111</b>	<b>1,576,160</b>	<b>3,104,051</b>	<b>556,924</b>	<b>273,495</b>	<b>45,716</b>	<b>1,305,468</b>	<b>600,002</b>	<b>137,863</b>	<b>11,292,760</b>

Included in intangible fixed assets were assets costing VND62,493 million which were fully amortised as of 31 December 2021 (1/1/2021: VND621,642 million), but are still in active use.

As at 31 December 2021, intangible fixed assets with carrying value of VND591,246 million (1/1/2021: VND434,986 million) were pledged with banks as security for loans granted to subsidiaries (Note 21).

## 13. INVESTMENT PROPERTY

	Land use rights VND million	Buildings and infrastructures VND million	Total VND million
<b>Cost</b>			
Opening balance	-	18,628	18,628
Transfers from tangible fixed assets	-	1,220,894	1,220,894
Transfers from intangible fixed assets	37,536	-	37,536
Currency translation differences	(3,487)	(98,769)	(102,256)
<b>Closing balance</b>	<b>34,049</b>	<b>1,140,753</b>	<b>1,174,802</b>
<b>Accumulated depreciation</b>			
Opening balance	-	4,110	4,110
Charge for the year	-	70,797	70,797
Transfers from tangible fixed assets	-	315,295	315,295
Currency translation differences	-	(25,457)	(25,457)
<b>Closing balance</b>	<b>-</b>	<b>364,745</b>	<b>364,745</b>
<b>Net book value</b>			
Opening balance	-	14,518	14,518
<b>Closing balance</b>	<b>34,049</b>	<b>776,008</b>	<b>810,057</b>

The fair value of investment property held to earn rental has not been determined as the Group has not performed a valuation.

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## 14. CONSTRUCTION IN PROGRESS

	2021 VND million	2020 VND million
Opening balance	2,274,759	3,278,972
Additions during the year	2,315,665	3,101,890
Increases from business combination	2,827	150,908
Transfers to tangible fixed assets	(1,707,110)	(3,619,140)
Transfers to intangible fixed assets	(16,146)	(46,668)
Transfers to long-term prepaid expenses	(646,171)	(585,134)
Transfers to long-term receivables	(120,701)	-
Disposals	(14,089)	(65)
Written off	-	(12,657)
Currency translation differences	(4,470)	6,653
Decrease due to deconsolidation of MNS Feed and its subsidiaries	(62,737)	-
<b>Closing balance</b>	<b>2,021,827</b>	<b>2,274,759</b>

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

	31/12/2021 VND million	1/1/2021 VND million
Buildings and structures	353,777	342,841
Land compensation	337,970	774,196
Machinery and equipment	938,564	564,194
Software	13,160	4,528
Others	378,356	589,000
	<b>2,021,827</b>	<b>2,274,759</b>

As at 31 December 2021, construction in progress with carrying value of VND1,446,340 million (1/1/2021: VND1,340,472 million) were pledged with banks as security for loans granted to and bonds issued by the subsidiaries (Note 21).

During the year, borrowing costs amounting to VND29,435 million were capitalised into construction in progress (2020: trial-run expenses, borrowing costs and amortisation of land use rights capitalised into construction in progress amounting to VND14,799 million, VND48,035 million and VND12,090 million, respectively).

## 15. LONG-TERM PREPAID EXPENSES

	Other mining costs VND million	Prepaid land costs VND million	Land compensation costs VND million	Printing axles, tools and supplies VND million	Goodwill from equitisation VND million	Swine breeders VND million	Others VND million	Total VND million
Opening balance	1,527,265	1,641,475	994,085	982,483	15,673	59,004	1,313,685	6,533,670
Additions	205,410	-	-	290,207	-	-	127,760	623,377
Increases from business combination	-	-	-	822	-	-	-	822
Transfers (to)/from short-term prepaid expenses	-	(46)	-	2,864	-	-	305	3,123
Transfers from long-term receivables	-	-	124,339	-	-	-	-	124,339
Transfers to tangible fixed assets	-	-	-	(38,066)	-	-	-	(38,066)
Transfers from intangible fixed assets	-	-	-	149	-	-	-	149
Transfers from/(to) construction in progress	106,227	(8,514)	433,138	64,568	-	30,429	20,323	646,171
Amortisation for the year	(128,316)	(39,806)	(79,828)	(458,139)	(3,134)	(29,622)	(355,554)	(1,094,399)
Disposals/Written off	-	-	-	(7,768)	-	(24,067)	(10,473)	(42,308)
Other increase/(decrease)	-	107	(46,748)	(247)	-	-	153	(46,735)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	-	(96,597)	-	(12,937)	-	-	(6,927)	(116,461)
<b>Closing balance</b>	<b>1,710,586</b>	<b>1,496,619</b>	<b>1,424,986</b>	<b>823,936</b>	<b>12,539</b>	<b>35,744</b>	<b>1,089,272</b>	<b>6,593,682</b>

As at 31 December 2021, prepaid land costs, swine breeders, chicken breeders and tools and supplies with total carrying values of VND569,350 million (1/1/2021: VND561,866 million) were pledged with banks as security for loans granted to the subsidiaries (Note 21).



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## 16. DEFERRED TAX ASSETS AND LIABILITIES

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

	31/12/2021 VND million	1/1/2021 VND million
<b>Deferred tax assets:</b>		
Accrued expenses and provisions (*)	312,216	58,764
Remeasurement of the net defined benefit liability (**)	653,730	1,490,456
Unrealised profits on intra-group transactions	32,003	21,322
Tax losses carried forward	185,644	202,507
Tangible fixed assets (*)	762	1,041
Net off (*)	(590,702)	-
Others	16,037	20,046
Total deferred tax assets	609,690	1,794,136
<b>Deferred tax liabilities:</b>		
Tangible fixed assets (*)	(1,248,701)	(1,348,088)
Intangible fixed assets	(2,167,063)	(2,820,805)
Unrealised losses on intra-group transactions	(11,439)	(45,054)
Accrued expenses, provisions and others	(105,633)	(435,031)
Investments in associates	(297,477)	-
Net off (*)	615,032	-
Others	(114)	(2,196)
Total deferred tax liabilities	(3,215,395)	(4,651,174)
<b>Net deferred tax liabilities</b>	<b>(2,605,705)</b>	<b>(2,857,038)</b>

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

	1/1/2021 VND million	Recognised in profit or loss VND million	Recognised in equity VND million	Business combination VND million	Decrease due to deconsolidation of MNS Feed and its subsidiaries VND million	31/12/2021 VND million
Accrued expenses, provisions and others	(376,267)	587,664	41,457	-	(46,271)	206,583
Remeasurement of the net defined benefit liability (**)	1,490,456	(442,723)	(394,003)	-	-	653,730
Unrealised profits/(losses) on intra-group transactions	(23,732)	44,307	-	-	(11)	20,564
Tax losses carried forward	202,507	(13,422)	(3,441)	-	-	185,644
Tangible fixed assets	(1,347,047)	58,537	38,954	-	1,617	(1,247,939)
Intangible fixed assets	(2,820,805)	152,557	75,096	(24,100)	450,189	(2,167,063)
Investments in associates	-	(297,477)	-	-	-	(297,477)
Others	17,850	22,403	-	-	-	40,253
	<b>(2,857,038)</b>	<b>111,846</b>	<b>(241,937)</b>	<b>(24,100)</b>	<b>405,524</b>	<b>(2,605,705)</b>

(\*) Deferred tax assets and liabilities include items mainly arose from HCS and its subsidiaries. These items were presented on a net basis because the subsidiaries have a legally enforceable right to net off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authorities on the same taxable entities.

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

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## 17. GOODWILL

	VND million
<b>Cost</b>	
Opening balance	5,027,526
Business combination (Note 5)	25,159
<b>Closing balance</b>	<b>5,052,685</b>
<b>Accumulated amortisation</b>	
Opening balance	1,196,026
Amortisation for the year	499,840
<b>Closing balance</b>	<b>1,695,866</b>
<b>Net book value</b>	
Opening balance	3,831,500
<b>Closing balance</b>	<b>3,356,819</b>

## 18. TAXES

### (a) Taxes receivable from State Treasury

	31/12/2021 VND million	1/1/2021 VND million
Corporate income tax	41,898	66,518
Personal income tax	15	261
Other taxes	12,207	9,308
	<b>54,120</b>	<b>76,087</b>

### (b) Taxes payable to State Treasury

	1/1/2021 VND million	Incurred VND million	Paid VND million	Net-off/ Reclassified VND million	Decrease due to deconsolidation of MNS Feed and its subsidiaries VND million	31/12/2021 VND million
Value added tax	155,859	9,821,164	(1,709,061)	(8,122,683)	(904)	144,375
Special consumption tax	58,171	580,376	(547,469)	-	-	91,078
Import-export tax	36	309,537	(309,418)	17	(172)	-
Corporate income tax	659,918	1,499,249	(1,652,600)	13,762	(57,748)	462,581
Personal income tax	33,211	394,320	(378,497)	(21,234)	(708)	27,092
Other taxes	34,107	909,891	(854,896)	(12,329)	-	76,773
	<b>941,302</b>	<b>13,514,537</b>	<b>(5,451,941)</b>	<b>(8,142,467)</b>	<b>(59,532)</b>	<b>801,899</b>

## 19. ACCRUED EXPENSES

	31/12/2021 VND million	1/1/2021 VND million
Advertising and promotion expenses	1,020,912	757,608
Bonus and 13th month salary	907,902	632,890
Interest expense	710,036	910,860
Operation costs	440,674	360,013
Purchases not yet received invoices	316,383	173,670
Logistic expenses	312,945	286,640
Construction works	264,051	369,207
Consultant fees	172,704	42,429
Natural resource taxes and fees	159,702	25,767
Exhibition and market expenses	65,764	68,902
Sales discounts and sales support	64,299	415,411
Information and technology expenses	44,464	15,006
Others	516,855	647,014
	<b>4,996,691</b>	<b>4,705,417</b>



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## 20. OTHER PAYABLES

	31/12/2021 VND million	1/1/2021 VND million
<b>Short-term</b>		
Payable to domestic banks under letter of credit arrangements (*)	1,404,689	-
Dividends payable	29,757	39,968
Trade union fees, social, health and unemployment insurance	19,148	23,800
Short-term deposits received	13,452	14,357
Payable for purchasing shares in CrownX	-	2,300,000
Others	46,320	94,001
	<b>1,513,366</b>	<b>2,472,126</b>
<b>Long-term</b>		
Long-term deposits received	38,823	27,894
Others	188,752	152,503
	<b>227,575</b>	<b>180,397</b>

(\*) These were payables to domestic banks under letter of credit arrangements. The outstanding balances bore fixed fees at rates ranging from 4.7% to 6.5% per annum over the deferred payment period ranging from 4 to 6 months and were secured by 110 million shares of a subsidiary. In the event that, the Group misses payment when the term is due, these payables will be converted to borrowings. Movements of these payables during the year were as follows:

	2021 VND million	2020 VND million
Opening balance	-	-
Additions	4,313,935	3,928,633
Payments	(2,909,246)	(3,928,633)
Closing balance	<b>1,404,689</b>	<b>-</b>

## 21. BORROWINGS, BONDS AND FINANCE LEASE LIABILITIES

	31/12/2021 VND million	1/1/2021 VND million
<b>Short-term borrowings, bonds and finance lease liabilities (a)</b>		
Short-term borrowings	14,947,096	18,829,506
Current portion of long-term borrowings, bonds and finance lease liabilities	3,858,631	3,715,540
	<b>18,805,727</b>	<b>22,545,046</b>
<b>Long-term borrowings, bonds and finance lease liabilities (b)</b>		
Long-term borrowings, bonds and finance lease liabilities	43,230,549	43,181,583
Repayable within twelve months	(3,858,631)	(3,715,540)
<b>Repayable after twelve months</b>	<b>39,371,918</b>	<b>39,466,043</b>

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

	1/1/2021	Movements during the year			31/12/2021	
	Carrying amounts/ Amounts within repayment capacity VND million	Additions VND million	Repayments VND million	Decrease due to deconsolidation of MNS Feed and its subsidiaries VND million	Revaluation VND million	Carrying amounts/ Amounts within repayment capacity VND million
Short-term borrowings	18,829,506	55,705,376	(58,367,919)	(1,225,137)	5,270	14,947,096
Current portion of long-term borrowings, bonds and finance lease liabilities	3,715,540	3,883,236	(3,740,145)	-	-	3,858,631

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

	Currency	Annual interest rate	31/12/2021 VND million	1/1/2021 VND million
Secured bank loans	VND	2.4% - 8.7%	5,033,775	6,560,992
Secured bank loans	USD	2.9% - 5.2%	1,845,380	1,671,948
Unsecured bank loans	VND	1.5% - 5.5%	6,554,942	8,338,156
Unsecured bank loans	USD	1.1% - 2.5%	1,512,999	668,410
Unsecured loans from third parties	VND	6.5%	-	1,590,000
			<b>14,947,096</b>	<b>18,829,506</b>

The bank loans were secured by the following assets of the Group:

- (i) 224 million shares of a subsidiary (1/1/2021: 210 million shares);
- (ii) Fixed assets of a subsidiary with carrying value of VND14,846 million (1/1/2021: VND14,927 million);
- (iii) A part of inventories and short-term receivables of a subsidiary;
- (iv) Current bank accounts with carrying value of VND81,527 million (1/1/2021: VND67,735 million); and
- (v) Corporate guarantee of the Company and subsidiaries.

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

	31/12/2021 VND million	1/1/2021 VND million
Long-term borrowings	8,088,738	8,081,895
Straight bonds	34,931,580	35,088,757
Finance lease liabilities	210,231	10,931
	<b>43,230,549</b>	<b>43,181,583</b>

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

	Currency	Annual interest rate	Year of maturity	31/12/2021 VND million	1/1/2021 VND million
<b>Long-term borrowings (*)</b>					
Secured bank loans	VND	3.85% - 11.0%	2022 - 2028	3,500,738	3,443,895
Secured bank loans	USD	3.61%	2022 - 2023	4,588,000	4,638,000
				<b>8,088,738</b>	<b>8,081,895</b>
<b>Straight bonds (**)</b>					
(including issuance costs)	VND	7.08% - 10.9%	2022 - 2026	34,931,580	35,088,757
<b>Finance lease liabilities (***)</b>	VND	6.9% - 11.16%	2022 - 2035	210,231	10,931

### (\*) Long-term borrowings

The outstanding bank loans were secured by the following assets of the Group:

- (i) Fixed assets of subsidiaries with carrying value of VND4,488,713 million (1/1/2021: VND4,213,513 million);
- (ii) Construction in progress of subsidiaries with carrying value of VND435,411 million (1/1/2021: VND90,728 million);
- (iii) Long-term prepaid expenses of subsidiaries with carrying value of VND558,990 million (1/1/2021: VND551,455 million);
- (iv) Term deposits of the Company with carrying value of VND44,728 million (1/1/2021: cash in banks of the Company with carrying value of VND47,661 million);
- (v) 15% contributed capital of a subsidiary, and all related benefits; and
- (vi) Corporate guarantee by subsidiaries.

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

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**(\*\*)    Straight bonds**

The carrying value of the outstanding issued bonds comprised the followings:

	31/12/2021 VND million	1/1/2021 VND million
Straight bonds	35,401,629	35,700,805
Unamortised bond issuance costs	(470,049)	(612,048)
	<b>34,931,580</b>	<b>35,088,757</b>

- (i)

VND2,100 billion (1/1/2021: VND2,100 billion) bonds with a maturity of 10 years (2024) at an interest rate of 8.0% per annum in 10 years. The bonds were guaranteed by Credit Guarantee and Investment Facility and secured over 75.7 million shares (1/1/2021: 75.7 million shares) of a subsidiary;
- (ii)

VND500 billion (1/1/2021: VND500 billion) bonds with a maturity of 5 years (2023) at an interest rate of 10.0% per annum in the first year and 3.25% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 51.6 million shares (1/1/2021: 51.6 million shares) of a subsidiary;
- (iii)

VND1,500 billion (1/1/2021: VND1,500 billion) bonds with a maturity of 5 years (2023) at an interest rate of 10.0% per annum in the first year and 3.25% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by certain long-term assets of a subsidiary (1/1/2021: 154.8 million shares of another subsidiary);
- (iv)

VND500 billion (1/1/2021: VND500 billion) bonds with a maturity of 5 years (2024) at an interest rate of 10.2% per annum in the first year and 3.3% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 55.6 million shares (1/1/2021: 55.6 million shares) of a subsidiary;
- (v)

VND300 billion (1/1/2021: VND300 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 31.1 million shares (1/1/2021: 31.1 million shares) of a subsidiary;
- (vi)

VND200 billion (1/1/2021: VND200 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 20.8 million shares (1/1/2021: 20.8 million shares) of a subsidiary;
- (vii)

VND500 billion (1/1/2021: VND500 billion) bonds with a maturity of 5 years (2024) at an interest rate of 10.2% per annum in the first year and 3.3% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured by certain long-term assets of a subsidiary (1/1/2021: 55.5 million shares of another subsidiary and certain long-term assets of a subsidiary);
- (viii)

VND100 billion (1/1/2021: VND100 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 10.7 million shares (1/1/2021: 13.4 million shares) of a subsidiary;

- (ix)

VND190 billion (1/1/2021: VND190 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by certain long-term assets of a subsidiary (1/1/2021: 25.4 million shares of another subsidiary and certain long-term assets of a subsidiary);
- (x)

VND210 billion (1/1/2021: VND210 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 22.3 million shares (1/1/2021: 27.2 million shares) of a subsidiary;
- (xi)

VND1,600 billion (1/1/2021: VND1,600 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by the Company and certain long-term assets of a subsidiary for both years;
- (xii)

VND1,000 billion (1/1/2021: VND1,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by the Company and certain long-term assets of a subsidiary for both years;
- (xiii)

VND700 billion (1/1/2021: VND700 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were guaranteed by the Company and certain long-term assets of a subsidiary for both years;
- (xiv)

VND1,000 billion (1/1/2021: VND1,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 107.9 million shares (1/1/2021: 136 million shares) of a subsidiary;
- (xv)

VND1,000 billion (1/1/2021: VND1,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.1% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 107.9 million shares (1/1/2021: 136 million shares) of a subsidiary;
- (xvi)

VND1,500 billion (1/1/2021: VND1,500 billion) bonds with a maturity of 3 years (2022) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xvii)

VND3,000 billion (1/1/2021: VND3,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xviii)

VND7,000 billion (1/1/2021: VND7,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 9.3% per annum in the first year and 2.5% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xix)

VND4,000 billion (1/1/2021: VND4,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 4.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured. As at 31 December 2021, VND2,998 billion of the issued bonds were owned by the Company's subsidiaries and eliminated in the consolidated financial statements;



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- (xx) VND600 billion (1/1/2021: VND600 billion) bonds with a maturity of 3 years (2023) at an interest rate of 9.8% per annum in the first year and 3.8% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxi) VND1,000 billion (1/1/2021: VND1,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 9.9% per annum in the first year and 3.9% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxii) VND1,000 billion (1/1/2021: VND1,000 billion) bonds with a maturity of 3 years (2023) at an interest rate of 10.0% per annum in the first year and 4.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured;
- (xxiii) VND3,000 billion (1/1/2021: VND3,000 billion) bonds with a maturity of 5 years (2025) at an interest rate of 9.9% per annum in the first year, 10.9% per annum in the second year and 3.9% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 181 million shares (1/1/2021: 181 million shares) of a subsidiary. The bonds were also guaranteed by the Company;
- (xxiv) VND1,500 billion (1/1/2021: VND200 billion) bonds with a maturity of 5 years (2025 and 2026) at an interest rate of 9.2% per annum in the first year and 3.2% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were secured over 150 million shares (1/1/2021: 150 million shares) of a subsidiary and 38 million shares (1/1/2021: 38 million shares) of another subsidiary. The bonds were also guaranteed by the Company;
- (xxv) VND500 billion bonds with a maturity of 3 years (2024) at an interest rate of 10.0% per annum in the first year and 3.9% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured.
- (xxvi) VND500 billion bonds with a maturity of 3 years (2024) at an interest rate of 9.9% per annum in the first year and 3.9% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured.
- (xxvii) VND400 billion bonds with a maturity of 3 years (2024) at an interest rate of 10.0% per annum in the first year and 4.0% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. These bonds were unsecured.
- (xxviii)VND1,000 billion bonds with a maturity of 3 years (2024) at an interest rate of 9.2% per annum in the first year and 3.625% per annum plus the amalgamated average 12 months deposit rates of selected major banks in the remaining periods. The bonds were guaranteed by certain long-term assets of a subsidiary;
- (xxix) VND1,999 billion bonds 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. The bonds were guaranteed by the Company.

As at 31 December 2021, the associates of the Group held VND318,780 million (1/1/2021: VND652,458 million) of the issued bonds.

In addition, as disclosed in Note 6, in October 2021, a subsidiary issued exchangeable bonds, in which, a number of exchangeable bonds were issued to third parties was VND2,876,572 million. As at 1 December 2021, after the exchange completed, the Group derecognised the obligation of the related issued exchangeable bonds.

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

**(\*\*\*) Finance lease liabilities**

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

	31/12/2021 VND million	1/1/2021 VND million
Within one year	32,553	6,355
From two to five years	114,736	5,442
More than five years	225,620	-
	<b>372,909</b>	<b>11,797</b>

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## 22. PROVISIONS – LONG-TERM

	31/12/2021 VND million	1/1/2021 VND million
Pensions	5,708,907	6,963,327
Mining rights fee	533,117	390,248
Mine rehabilitation	108,700	103,801
Severance allowance	18,357	48,962
	<b>6,369,081</b>	<b>7,506,338</b>

Movements of provisions during the year were as follows:

	Pensions VND million	Mining rights fee VND million	Mine rehabilitation VND million	Severance allowance VND million	Total VND million
Opening balance	6,963,327	390,248	103,801	48,962	7,506,338
Provision made during the year	17,683	216,016	4,899	691	239,289
Provision written back during the year	-	-	-	(2,930)	(2,930)
Remeasurement of the net defined benefit liability (*)	(483,845)	-	-	-	(483,845)
Provision utilised during the year	(201,538)	(73,147)	-	(946)	(275,631)
Currency translation differences	(586,720)	-	-	-	(586,720)
Decrease due to deconsolidation of MNS Feed and its subsidiaries	-	-	-	(27,420)	(27,420)
Closing balance	<b>5,708,907</b>	<b>533,117</b>	<b>108,700</b>	<b>18,357</b>	<b>6,369,081</b>

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

## 23. CHANGES IN OWNERS' EQUITY

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

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	Share capital VND million	Capital surplus VND million	Other capital VND million	Foreign exchange differences VND million	Other equity funds VND million	Undis-tributed profits after tax VND million	Equity attributable to equity holders of the Company VND million	Non-controlling interests VND million	Total VND million
<b>Balance as at 1 January 2021</b>	11,746,832	11,084,297	(8,563,690)	(226,972)	(284,952)	2,182,124	15,937,639	9,092,640	25,030,279
Issuance of new shares	58,515	(50)	-	-	-	-	58,465	-	58,465
Transactions with non-controlling interests	-	-	-	-	-	9,400,022	9,400,022	1,890,763	11,290,785
Business combination	-	-	-	-	-	-	-	116,553	116,553
Net profit for the year	-	-	-	-	-	8,562,882	8,562,882	1,538,499	10,101,381
Dividends declared by the Company (*)	-	-	-	-	-	(1,416,642)	(1,416,642)	-	(1,416,642)
Dividends declared by the subsidiaries	-	-	-	-	-	-	-	(2,015,242)	(2,015,242)
Appropriation to bonus and welfare funds	-	-	-	-	-	(3,041)	(3,041)	(4,964)	(8,005)
Remeasurement of the net defined benefit liability, net of tax	-	-	-	-	137,865	-	137,865	21,713	159,578
Impact due to deconsolidation of MNS Feed and its subsidiaries (Note 6)	-	-	175,543	-	-	-	175,543	(1,012,351)	(836,808)
Currency translation differences	-	-	-	(112,283)	-	-	(112,283)	(30,767)	(143,050)
Others	-	-	-	-	-	70,532	70,532	(71,174)	(642)
<b>Balance as at 31 December 2021</b>	<b>11,805,347</b>	<b>11,084,247</b>	<b>(8,388,147)</b>	<b>(339,255)</b>	<b>(147,087)</b>	<b>18,795,877</b>	<b>32,810,982</b>	<b>9,525,670</b>	<b>42,336,652</b>

(\*) The Annual General Meeting of Shareholders of the Company on 1 April 2021 and Resolutions of Board of Management on 31 May 2021 and 3 December 2021 resolved to distribute dividends by cash amounting to 9.5% of par value per share and 2.5% of par value per share. In July and December 2021, the Company distributed the dividends by cash amounting to VND1,416,642 million to shareholders.

## 24. SHARE CAPITAL AND CAPITAL SURPLUS

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

	31/12/2021		1/1/2021	
	Number of shares	VND million	Number of shares	VND million
<b>Authorised share capital</b>				
Ordinary shares	1,180,534,692	11,805,347	1,174,683,246	11,746,832
<b>Issued share capital</b>				
Ordinary shares	1,180,534,692	11,805,347	1,174,683,246	11,746,832
<b>Capital surplus</b>	-	11,084,247	-	11,084,297

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

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

	2021		2020	
	Number of shares	VND million	Number of shares	VND million
Opening balance	1,174,683,246	11,746,832	1,168,946,447	11,689,464
Issuance of new shares for cash (Note 25)	5,851,446	58,515	5,736,799	57,368
<b>Closing balance</b>	<b>1,180,534,692</b>	<b>11,805,347</b>	<b>1,174,683,246</b>	<b>11,746,832</b>



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## 25. EMPLOYEE STOCK OWNERSHIP PLANS

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

In June 2021, the Company issued 5,851,446 shares (2020: 5,736,799 shares) to employees at price as stipulated in the Board of Directors's resolution.

## 26. OFF BALANCE SHEET ITEMS

### (a) Operating lease commitments

	31/12/2021 VND million	1/1/2021 VND million
Within 1 year	1,588,922	2,030,535
Within 2 to 5 years	2,999,839	3,758,008
More than 5 years	1,409,901	2,023,820
	<b>5,998,662</b>	<b>7,812,363</b>

### (b) Capital expenditure

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

	31/12/2021 VND million	1/1/2021 VND million
Approved and contracted	855,617	1,047,690
Approved but not contracted	1,378,147	1,094,316
	<b>2,233,764</b>	<b>2,142,006</b>

### (c) Foreign currencies

	31/12/2021		1/1/2021	
	Original currency	VND million equivalent	Original currency	VND million equivalent
USD	14,416,772	326,544	12,988,342	298,544
EUR	8,071,934	205,576	10,166,623	285,438
JPY	341,132,473	66,309	149,538,241	33,005
THB	47,731,914	31,742	77,731,377	58,299
CNY	8,405,767	28,496	10,586,983	36,747
CAD	451,970	7,970	763,489	13,650
		<b>666,637</b>		<b>725,683</b>

### (d) Forward contract

As at 31 December 2021, a subsidiary of the Company had the commitments to buy USD32 million equivalent to VND733,000 million under the foreign exchange contracts which were presented as an off balance sheet item (1/1/2021: Nil).

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## 27. REVENUE FROM SALE OF GOODS AND PROVISION OF SERVICES

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

Net revenue comprised of:

	2021 VND million	2020 VND million
Total revenue	89,791,619	78,868,319
■ Sale of goods and others		
Less revenue deductions		
■ Sale discounts	1,078,350	1,518,872
■ Sale returns	84,502	131,639
	1,162,852	1,650,511
	<b>88,628,767</b>	<b>77,217,808</b>

## 28. COST OF SALES AND SERVICES RENDERED

	2021 VND million	2020 VND million
Total cost of sales and services rendered		
■ Goods sold and other sales	66,507,862	59,183,971
■ Allowance for inventories	(13,896)	145,140
	<b>66,493,966</b>	<b>59,329,111</b>

## 29. FINANCIAL INCOME

	2021 VND million	2020 VND million
Interest income from:		
■ Deposits	506,963	231,914
■ Other investing activities	122,676	522,240
Foreign exchange gains	410,280	215,787
Gains on transferring exchangeable bonds and loss of control in subsidiaries (Note 6)	5,699,147	-
Others	60,512	460,722
	<b>6,799,578</b>	<b>1,430,663</b>

## 30. FINANCIAL EXPENSES

	2021 VND million	2020 VND million
Interest expenses	4,669,426	3,770,283
Bond and borrowing issuance costs and disposal costs of issued exchangeable bonds	590,271	238,152
UPAS letter of credit fees	81,596	74,696
Foreign exchange losses	202,118	263,095
Others	163,120	210,445
	<b>5,706,531</b>	<b>4,556,671</b>

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## 31. SELLING EXPENSES

	2021 VND million	2020 VND million
Staff costs	3,024,634	3,635,660
Outside services	2,605,008	3,420,873
Promotion and advertising expense	3,308,859	3,071,506
Logistic expenses	1,340,098	1,165,065
Exhibition expenses	49,400	227,097
Others	1,458,339	1,645,886
	<b>11,786,338</b>	<b>13,166,087</b>

## 32. GENERAL AND ADMINISTRATION EXPENSES

	2021 VND million	2020 VND million
Staff costs	1,402,043	1,174,506
Amortisation of fair value uplift on assets arising in business combinations	380,498	363,053
	499,840	487,231
Amortisation of goodwill	255,004	127,616
Depreciation and amortisation	108,566	92,062
Office rental	115,577	81,624
System lease line and IT services	50,222	44,397
Research and development expenses	392,906	240,400
Outside services	860,313	430,007
	<b>4,064,969</b>	<b>3,040,896</b>

## 33. OTHER INCOME

	2021 VND million	2020 VND million
Support income from suppliers	190,629	132,747
Income from insurance claims	87,326	-
Gains from disposal of fixed assets	8,284	17,343
Negative goodwill from business combination	-	1,341,633
Others	214,911	121,539
	<b>501,150</b>	<b>1,613,262</b>

## 34. OTHER EXPENSES

	2021 VND million	2020 VND million
Losses from disposal of fixed assets	30,611	171,934
Donation	65,000	-
Others	189,937	312,263
	<b>285,548</b>	<b>484,197</b>



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## 35. INCOME TAX

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

	2021 VND million	2020 VND million
<b>Current tax expense</b>		
Current year	1,499,473	1,136,361
Over provision in prior years	(224)	(50,168)
	1,499,249	1,086,193
<b>Deferred tax benefit</b>		
Origination and reversal of temporary differences	(95,426)	(158,576)
Write down of recognised deferred tax assets	(16,420)	2,209
	(111,846)	(156,367)
<b>Income tax expense</b>	<b>1,387,403</b>	<b>929,826</b>

### (b) Reconciliation of effective tax rate

	2021		2020	
	%	VND million	%	VND million
Accounting profit before tax	100.0%	11,488,784	100.0%	2,324,839
Tax at the Company's income tax rate	20.0%	2,297,757	20.0%	464,968
Effect of different tax rates in subsidiaries	(7.3%)	(835,165)	(16.0%)	(365,823)
Effect of consolidation transactions	0.0%	(3,087)	(10.0%)	(236,323)
Non-deductible expenses	0.5%	61,431	5.0%	119,951
Effect of share of profits in associates	(6.8%)	(779,328)	(23.0%)	(533,911)
Unrecognised deferred tax assets	9.5%	1,090,641	66.0%	1,532,353
Over provision in prior years	0.0%	(224)	(2.0%)	(50,168)
Tax losses utilised	(3.7%)	(428,202)	(0.1%)	(3,430)
Write down of recognised deferred tax assets	(0.1%)	(16,420)	0.1%	2,209
	<b>12.1%</b>	<b>1,387,403</b>	<b>40.0%</b>	<b>929,826</b>

### (c) Applicable tax rates

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

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

### (d) Tax contingencies

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

## 36. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Related party	Nature of transaction	Transaction value	
		2021 VND million	2020 VND million
<b>Associates</b>	Loans received	3,400,628	8,345,833
Vietnam Technological and Commercial Joint Stock Bank and its subsidiaries	Loans repaid	2,710,840	7,300,748
	Bonds issued (acting as an agent) (*)	4,399,980	21,900,139
	Bonds repurchased (acting as an agent)	109,198	38,824
	Bonds issuance fees	105,208	587,956
	Purchases of trading securities	6,567,146	-
	Sales of trading securities	4,571,678	1,250,000
	Interest expense	284,365	156,055
<b>Other related parties</b>			
Key management personnel	Remuneration to key management personnel (**)	185,652	181,279

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

(\*) The bonds were sold to a broader set of investors according to issuance agreements.

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

## Notes to the consolidated financial statements

for the year ended 31 December 2021  
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Included in the remuneration to key management personnel, the actual board fees, salary and bonus for each member of the Company's Board of Directors and the Company's Chief Executive Officer during the years was as follows:

Name	Position	2021 VND million	2020 VND million
<b>Board of Directors</b>			
Dr Nguyen Dang Quang	Chairman	-	-
Ms Nguyen Hoang Yen	Member	-	-
Mr Nguyen Thieu Nam	Member	-	-
Mr Woncheol Park	Member	-	-
Mr Nguyen Doan Hung	Member	-	-
Mr David Tan Wei Ming	Member	-	-
Ms Nguyen Thi Thu Ha	Member	-	-

	2021 VND million	2020 VND million
<b>Chief Executive Officer</b>		
Mr Danny Le		
Salaries, bonus and other benefits	12,247	9,535

### 37. EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2021 was based on the net profit attributable to ordinary shareholders of VND8,562,882 million (2020: VND1,233,982 million) of the Company and a weighted average number of ordinary shares outstanding of 1,178,017,769 shares during the year (2020: 1,171,068,277 shares), calculated as follows:

- (i) Net profit attributable to ordinary shareholders

	2021 VND million	2020 VND million
Net profit attributable to ordinary shareholders	8,562,882	1,233,982

- (ii) Weighted average number of ordinary shares

	2021	2020
Issued ordinary shares at the beginning of the year	1,174,683,246	1,168,946,447
Effect of shares issued for cash	3,334,523	2,121,830
Weighted average number of ordinary shares during the year	1,178,017,769	1,171,068,277

### 38. NON-CASH INVESTING AND FINANCING ACTIVITIES

	2021 VND million	2020 VND million
Acquisition of equity investments through occurrence of liabilities	5,214	2,300,000
Acquisition of fixed assets and construction in progress through occurrence of liabilities	689,637	332,632
Settlement of a part of exchanging bonds issued by a subsidiary through the exchange with the investment in MNS Feed	2,876,572	-
Depreciation and amortisation capitalised into construction in progress	-	12,090
Receivables from disposals of exchangeable bonds	283,750	-

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39. CONTINGENT LIABILITIES

As disclosed in Note 9(c), on 23 August 2021, MONRE has issued Decision No. 1640/QD/BTNMT (“Decision 1640”) to determine the MRF of Nui Phao Mine, replacing temporary MRF calculation in Decision 500 and Official Letter 3724. MONRE continued to use the taxable price applied for tungsten ore (0.1%< WO3<0.3%) instead of the taxable price applied for industrial products. The official G-price according to Decision 1640 is VND1,831,085 per ton whereas the temporary G-price according to Decision 500 is VND775,026 per ton. Accordingly, Decision 1640 determines that the additional MRF due to different G-price during the period from 2015 to 2021 is VND394.5 billion.

After the issuance of Decision 1640, NPM – an indirectly owned subsidiary by the Company, submitted several petition letters to the Prime Minister, MONRE to request for delaying the implementation of Decision 1640 and re-determining the MRF price.

On 6 October 2021, NPM received Notification on payment of MRF issued by the Thai Nguyen Tax Department (“TNTD”) to inform the MRF following Decision 1640. On 8 December 2021, TNTD send an Official Letter No. 4883/CTTNG-QLN requesting NPM to make payment of MRF of VND125.8 billion equivalent to the shortage of MRF payment for the period from 2018 to 2021, together with an interest on late payment of VND4.1 billion.

Management of NPM believes that it had adequately provided for its liabilities for MRF from 2015 up to present based on its interpretation of relevant legislation relating to mining rights and natural resources tax. The Group’s management has been, therefore, also sent letters to different level of authorities to highlight the issues and seek for proper resolutions of NPM’s MRF.

In 2021, as instructed by the Prime Minister under Letter No. 978/VPCP-KTTH dated 28 February 2021 and Letter No. 5987/VPCP-KTTH dated 28 August 2021, the case is under reviewing and working by MOF, MONRE, Thai Nguyen PPC and Thai Nguyen Department of Finance, subject to report to the Prime Minister and National Assembly Committee on Economy. By reporting date, MONRE and Thai Nguyen PPC are working together to calculate the taxable price applied for NPM’s industrial products.

The management of NPM assessed that because the taxable price applied for NPM’s industrial products has not yet been determined by MONRE and Thai Nguyen PPC, the G-price which serves as the basis for computation of MRF under Decision 1640 is not in accordance with the prevailing laws and regulations. It, therefore, believes that once the taxable price applied for NPM’s industrial products are available, the official MRF for Nui Phao Mine from 2015 onwards will be re-determined, replacing amount as stated in Decision 1640.

The ultimate outcome of the matter is presently not determined and may be subject to final taxable price applied for NPM’s industrial products and its ability to request MONRE to recalculate the MRF in Decision 1640. Accordingly, no provision for the additional MRF during the period from 2015 to 2021 as in Decision 1640 has been made in the consolidated financial statements.

40. POST BALANCE SHEET EVENTS

In January 2022, the Company acquired 2,418,699 ordinary shares, equivalent to 3.24% equity interests of CrownX from a third party for a total consideration of VND5,188,010 million. As a result of this transaction, the Company’s economic interests both directly and indirectly in CrownX has increased from 81.7% to 84.9%.

In February 2022, The SHERPA Company Limited, a subsidiary directly owned by the Company acquired 9,881,250 ordinary shares, equivalent to 31% equity interests of Phuc Long Heritage Corporation for a total consideration of VND2,490,900 million. As a result of this transaction, the Company’s equity interests in Phuc Long Heritage has increased from 20% to 51% and Phuc Long Heritage became a subsidiary indirectly owned by the Company.

In March 2022, VCM Services and Trading Development Joint Stock Company issued 8,305,000 new ordinary shares, equivalent to 1.25% equity interests to CrownX, for a total consideration of VND749,584 million. As a result of these transactions, the Company’s economic interests in WCM has increased from 68.6% to 71.5%.

8 March 2022

Prepared by:

Approved by:

Nguyen Huy Hung  
Chief Accountant

Do Thi Quynh Trang  
Chief Financial Officer



Danny Le  
Chief Executive Officer



# General Corporate Information



## Masan Group’s Corporate History and Structure

### Corporate History

Masan Group Corporation was incorporated in November 2004 under the name Ma San Shipping Corporation. We officially changed our name to Ma San Group Corporation in August 2009 and were successfully listed on the Ho Chi Minh Stock Exchange on 5 November 2009 (ticker symbol: MSN). Our name was formally changed to Masan Group Corporation in July 2015 in order to be consistent with our corporate brand and practice. While the listed entity was formally incorporated in 2004, Masan, through our majority shareholder and our underlying operating businesses and their predecessor companies, has been in existence as a business group for 26 years.

We are a holding company, with controlling economic interests in Masan Consumer Holdings (“MCH”), Masan MEATLife (“MML”), Masan High-Tech Materials (“MHT”), and VCM Services and Trading Development Joint Stock Company (owner of 99.99% of WinCommerce General Commercial Services Joint Stock Company with “WCM” and “WinCommerce” used interchangeable in this report for as ease of reference to our grocery retailing platform), representing an economic interest of 69.99%, 87.78%, 86.38%, and 68.63% respectively, as of 31 December 2021. Our consolidated ownership percentage of Techcombank’s charter capital is 19.9% as of 31 December 2021 (not including economic interest under the forward contracts).

Key milestones in our company history include:

- Masan’s first predecessor company, Viet Tien Industry–Technology–Trading Company, was established in 1996, as a manufacturer of seasonings in Ho Chi Minh City.
- Masan further developed its food trading business with the establishment of additional manufacturing entities such as Minh Viet Import – Export Company and Masan Industrial JSC, during the period 2000 - 2002.
- In 2002, the Company shifted its focus from exports to the domestic market by introducing the sauce brand, “CHIN-SU.” CHIN-SU’s success was followed by the success of “Nam Ngu” and “Tam Thai Tu” in 2007.
- In November 2004, the corporate entity that was used to restructure the Group’s businesses and holdings, formerly called Ma San Shipping Corporation, was originally established.
- In 2008, Masan Trading Corporation, the parent company that held Masan’s interest in the packaged food sector, reached VND2,000 billion in sales.
- In 2008, with a vision to institutionalize our sectorial and execution strategy for the Group into a more scalable and professional platform, our shareholders recruited a professional

management team comprising of executives with multinational backgrounds and track records of building businesses in emerging markets, first by appointing Madhur Maini as Chief Executive Officer in August 2008.

- In August 2009, the Company was renamed Ma San Group Corporation and was restructured to hold a 19.9% stake in Techcombank and a 54.8% stake in Masan Consumer.
- In September and October 2009, TPG, through its growth capital investment arm, TPG Growth, invested VND630 billion in the Company in the form of convertible bonds, which were fully converted into shares of the Company in June 2012.
- In October 2009, BankInvest, through one of its Private Equity New Markets Funds, invested in the Company and became a major shareholder, joining our Board of Directors.
- In October 2009, the Company increased its ownership in Masan Consumer to 76.6%.
- On 5 November 2009, we were officially listed on the Ho Chi Minh Stock Exchange at a listing price of VND36,000 per share and began trading under the symbol “MSN”. At a closing price of VND43,200 per share on the listing date, the Company became the sixth largest company in

<p>Vietnam based on market capitalization.</p> <ul style="list-style-type: none"> <li>■ In December 2009, we raised VND360 billion in equity capital from House Foods Corporation Inc. of Japan.</li> <li>■ In May 2010, the International Finance Corporation, a member of the World Bank, provided us with a six-year VND760 billion partially convertible loan.</li> <li>■ In September 2010, the Company acquired a controlling stake in the Nui Phao mine and established Masan Resources. Shortly thereafter, Mount Kellett invested a 20% stake in Masan Resources.</li> <li>■ In October 2010, the Company raised VND974 billion through a private placement of primary shares to Orchid Fund Private Limited, an investment fund of the Richard Chandler Corporation.</li> <li>■ In November 2010, Goldman Sachs provided the Company with a USD30 million five-year convertible loan.</li> <li>■ In December 2010, the Company increased its effective ownership in Masan Consumer to 86.6%.</li> <li>■ In December 2010 and January 2011, the Company increased its economic stake in Techcombank to 30.6% following the purchase of Techcombank's convertible bonds.</li> </ul>	<ul style="list-style-type: none"> <li>■ In April 2011, KKR invested USD159 million in Masan Consumer for a 10% stake.</li> <li>■ In October 2011, Masan Consumer entered into the beverage sector by acquiring a 50.3% stake in Vinacafé Bien Hoa, the largest instant coffee maker in Vietnam. In February 2012, Masan Consumer increased its stake to 53.2%.</li> <li>■ In February 2012, the Company issued convertible instruments to Mount Kellett and the Richard Chandler Corporation.</li> <li>■ In May 2012, the Company raised USD50 million through an issuance of a mandatory convertible loan, convertible into shares of the Company, to Kairos Capital Limited, an investment vehicle controlled by the Richard Chandler Corporation.</li> <li>■ In January 2013, the Company sold an additional 8.7% stake in Masan Consumer to KKR for USD200 million, diluting the Group's stake in Masan Consumer to 77.7%.</li> <li>■ In February 2013, Masan Consumer acquired a 24.9% stake in Vinh Hao.</li> <li>■ In April 2013, Masan Consumer increased its ownership percentage in Vinh Hao to 63.5%.</li> <li>■ In July 2013, Nui Phao Mining and H. C. Starck established Nui Phao - H. C.</li> </ul>	<p>Starck Tungsten Chemicals Manufacturing, a joint venture, for the production of value-added Tungsten chemicals in Vietnam. The partnership with H. C. Starck was a key milestone, validating the mines' product and also de-risking the project with a globally recognized customer.</p> <ul style="list-style-type: none"> <li>■ In December 2013, Hoa Bang Lang Consultant Company Limited was renamed to Masan Consumer Holdings Company Limited, herein referred to as Masan Consumer Holdings, and also as MCH. MCH was restructured to be the primary holding company for Masan's branded food and beverage businesses.</li> <li>■ In March 2014, Nui Phao Mining successfully finished its commissioning.</li> <li>■ In May 2014, Masan Consumer established Masan Beverage as a wholly owned subsidiary, into which the company's interest in Vinacafé Bien Hoa and Vinh Hao was subsequently transferred.</li> <li>■ In September 2014, we acquired Phu Yen Beer and Beverage JSC, producer of the "Su Tu Trang" beer brand. Masan Brewery Company Limited (formerly another investment holding subsidiary) was restructured to hold our beer interest and has been transferred to MCH. Under our management, the beer facility reached full production capacity with a trial</li> </ul>	<p>launch in the Mekong Delta region. Phu Yen Beer and Beverage JSC were then converted into a single member company in 2015 under the new name Masan Brewery PY One Member Company Limited.</p> <ul style="list-style-type: none"> <li>■ Towards the end of 2014, Masan Consumer established several subsidiaries to expand its manufacturing footprint to increase capacity and to be closer to its customers. Work started on a new Nghe An manufacturing hub by Masan MB and the licensing and application process began for a site in Hau Giang.</li> <li>■ In December 2014, Masan Consumer Holdings completed a landmark 10-year bond issuance, which raised VND2,100 billion at 8% fixed coupon rate. The bond was guaranteed by the Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank, and was CGIF's first ever deal in Vietnam.</li> <li>■ In December 2014, Masan Consumer acquired a 32.8% stake in Cholimex Food. Masan Group also divested non-core businesses such as food packaging by the disposal of Minh Viet Packaging One Member Company Limited and other units where the Company did not have a controlling interest.</li> <li>■ In January 2015, Masan Consumer acquired a 99.99% stake in Saigon</li> </ul>	<p>Nutri Food, a processed meat manufacturer, to go further into the animal-based protein sector.</p> <ul style="list-style-type: none"> <li>■ In April 2015, Masan acquired Sam Kim Limited Liability Company, the controlling shareholder of Proconco and ANCO. The acquired company was subsequently renamed Masan Nutri-Science. The acquisition of Masan Nutri-Science immediately made Masan one of the largest local animal feed player in Vietnam. Masan Nutri-Science's objective is to transform Vietnam's animal protein industry and ultimately reach consumers with branded meat products.</li> <li>■ In June 2015, MCH issued a five-year VND9,000 billion bond arranged by Vietcombank, which was subscribed mostly by local banks. The transaction was part of our efforts to simplify our balance sheet, pay down more expensive debts, extend our debt maturity profile, reduce USD denominated liabilities, and increase our cash balance for further investments in the consumer sector. The issuance was the largest bond deal ever in Vietnam.</li> <li>■ In September 2015, Masan Resources was listed on the Hanoi Stock Exchange's UPCoM exchange, validating the success of the company's commissioning and ramp up, and becoming one of the largest companies to be listed on the northern bourse.</li> </ul>	<ul style="list-style-type: none"> <li>■ In November 2015, Masan MB commissioned a manufacturing hub to produce fish sauce and instant noodles in Nghe An Province to increase capacity for growth and to get closer to our consumers.</li> <li>■ In December 2015, Masan Beverage acquired control of Quang Ninh Natural Mineral Water Limited, owner of the Quang Hanh brand which, together with Vinh Hao, made Masan Vietnam's largest local mineral water company and strengthened our bottled beverage platform.</li> <li>■ In December 2015, MCH and Singha signed a partnership agreement to better serve the 250 million consumers of In-land ASEAN. Overnight, Masan's addressable market for its food and beverage platform more than doubled across all categories. As part of the partnership, Singha had the right to invest up to USD1.1 billion into MCH and our beer business, making the deal the largest corporate M&amp;A deal in Vietnam's history. The first closing occurred the following month with the funding of USD650 million.</li> <li>■ In December 2015, a day after the signing of the Singha deal, Masan Brewery quadrupled its brewery capacity with a new facility in Hau Giang.</li> <li>■ In January 2016, MCH increased its direct ownership in Masan Consumer to 96.7%. Masan Beverage increased its</li> </ul>
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<p>direct ownership in Vinh Hao to 84.2% and MNS increased its ownership in Proconco to 75.2%.</p> <ul style="list-style-type: none"> <li>■ In February 2016, Masan Beverage increased its direct ownership in Vinacafé Bien Hoa to 60.16%.</li> <li>■ In March 2016, ANCO acquired a 14% stake in VISSAN to become its strategic partner.</li> <li>■ In April 2016, Masan Beverage acquired additional 4.32% ownership in Vinh Hao to increase ownership to 88.56%.</li> <li>■ In May 2016, Masan Nutri-Science increased its direct ownership in ANCO from 70% to 99.99% and Vinacafé Bien Hoa acquired 85% ownership in CDN – a company in the single-serve coffee category.</li> <li>■ In June 2016, ANCO increased its stake in VISSAN to 24.94%, and Masan Nutri-Farm (N.A) was established which is now renamed MNS Farm Nghe An.</li> <li>■ In July 2016, Masan Consumer Thailand was established and, a few months later, Masan and its strategic partner Singha introduced our first seasonings brand in Thailand, Chin-su Yod Thong fish sauce. This is the first step in our In-land ASEAN journey to better serve the region's 250 million consumers.</li> <li>■ In November 2016, Masan Nutri-Farm (NA) broke ground on high-tech pig</li> </ul>	<p>farm in Nghe An, completing our 3F (Feed - Farm –Food) business model.</p> <ul style="list-style-type: none"> <li>■ In December 2016, Masan Beverage increased ownership in Vinacafé Bien Hoa to 68.46% through a tender offer.</li> <li>■ In December 2016, Masan Group through its wholly owned subsidiary, successfully completed the tender offer for shares of Masan Resources, increasing its indirect ownership in MSR from 74.39% to 95.9%, paving the way for the next round of strategic capital and growth.</li> <li>■ In January 2017, Masan Group paid a cash dividend to its shareholders with a dividend rate of 30% (VND3,000 per share).</li> <li>■ In January 2017, Masan Group completed the issuance of bonus shares for all shareholders (shareholders who hold 2 shares received 01 bonus share).</li> <li>■ In January 2017, Masan Consumer was listed on UPCoM, a stock market managed by the Hanoi Stock Exchange.</li> <li>■ In April 2017, KKR entered into definitive agreements to invest USD150 million to purchase 7.5% stake in Masan Group's branded meat platform, Masan Nutri-Science, to build the company into a leading branded meat business, and USD100 million purchase of secondary shares</li> </ul>	<p>of Masan Group from PENM Partners, an independent Danish private equity fund manager.</p> <ul style="list-style-type: none"> <li>■ In November 2017, Masan Group completed the buyback of 100,665,722 shares, increasing its total treasury shares to 109,899,932 or 9.50% of the Company's charter capital.</li> <li>■ In December 2017, Masan Beverage Company Limited, a subsidiary of Masan Consumer Corporation, launched a tender offer to acquire all of the shares in Vinacafé Bien Hoa Corporation to increase its ownership from 68.5% to up to 100%. Masan Beverage was able to raise its stake to 98.49% after the tender offer was completed on 5 February 2018.</li> <li>■ In December 2017, Masan Horizon, a wholly owned subsidiary of Masan Group, purchased non-voting preference shares in Masan Resources for a total cash consideration of USD22.9 million. Masan Group's indirect ownership in Masan Resources (including the non-voting preference shares) increased from 93.8% to 96.0%. The exit of Masan Resources' private equity stakeholder is expected to give Masan Resources greater flexibility to raise strategic growth capital.</li> <li>■ In December 2017, Masan Group repaid its US30 million convertible loan originally lent by Goldman Sachs, effectively reducing its fully diluted</li> </ul>	<p>share count by an additional 13.6 million shares on an as-if-converted basis.</p> <ul style="list-style-type: none"> <li>■ In January 2018, PENM Partners invested USD16 million to acquire secondary shares representing a 0.8% equity stake in Masan Nutri-Science Corporation from Masan Group.</li> <li>■ In February 2018, Masan Nutri-Science held a groundbreaking ceremony of its meat processing complex in Ha Nam province with the aim of providing fresh and chilled branded meat products to consumers.</li> <li>■ In June 2018, Jinju Ham, a leading Korean branded processed meat company, acquired a 25% stake in Saigon Nutri Food via a primary issuance. Saigon Nutri Food was then renamed Masan Jinju.</li> <li>■ In August 2018, Nui Phao Mining, a wholly owned subsidiary of Masan Resources, acquired the remaining 49% stake in the joint venture company Nui Phao - H. C. Starck Tungsten Chemicals Manufacturing from H. C. Starck for total cash consideration of USD29.1 million. The joint venture company after the transaction is now a 100% wholly owned subsidiary of Masan Resources and has been renamed Masan Tungsten LLC.</li> <li>■ In October 2018, SK Group invested approximately USD470 million to</li> </ul>	<p>become the Company's largest foreign shareholder at that time.</p> <ul style="list-style-type: none"> <li>■ In December 2018, Masan Nutri-Science successfully launched its branded fresh and chilled meat platform, “MEATDeli”.</li> <li>■ In July 2019, Masan Nutri-Science was renamed Masan MEATLife to reflect its successful transformation into a branded consumer meat player. Masan MEATLife's ultimate goal is serving Vietnamese consumers with traceable, quality and affordable meat products.</li> <li>■ In September 2019, Masan Tungsten Limited Liability Company, a wholly owned subsidiary of Masan Resources Corporation (MSR), signed an agreement to purchase the Tungsten business of H. C. Starck Group GmbH. This transaction is a strategic step in executing Masan Resources' vision to become a leading vertically integrated high-tech industrial materials platform in the world.</li> <li>■ In December 2019, Masan Group Corporation and VinGroup completed the merger of MCH with VinCommerce and VinEco through a share swap structure. The merger is expected to optimize operations of both groups and will create a new Consumer Goods &amp; Retail group with superior competitive advantage and size in Vietnam. Masan Group is the majority shareholder (70%) of the</li> </ul>	<p>combined entity, which shall hold 85.7% of Masan Consumer Holdings and 83.7% of VinCommerce.</p> <ul style="list-style-type: none"> <li>■ In December 2019, more than 324.3 million shares of Masan MEATLife Joint Stock Company (MML) were listed on UPCoM. In addition to promoting greater transparency for shareholders, the UPCoM listing will also be a strategic step towards MML's ultimate goal of doing an international style IPO on the HOSE in 2022-2023.</li> <li>■ In December 2019, Masan HPC, a wholly owned home and personal care subsidiary of Masan Consumer Corporation, launched a tender offer to acquire up to 60% shares of Net Detergent JSC (NETCO) at price of VND48,000 per share. The transaction aligns with Masan's 5-Year strategic game plan to broaden its product portfolio to better serve 100 million Vietnamese consumers.</li> <li>■ In June 2020, the CrownX Corporation (“The CrownX”) officially went into operation. This is the holding company that owns Masan Consumer Holdings (“MCH”) - the leading company in the FMCG sector and VCM Services and Trading Development JSC (“VCM”) - #1 modern trade (“MT”) platform in Vietnam in terms of market share. The CrownX holds 85.71% of MCH and 83.74% of VCM.</li> <li>■ In June 2020, Masan Resources AGM passed a resolution approving the</li> </ul>
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meat products: (i) inauguration of MEATDeli Saigon Processing Complex worth VND 1,800 billion in Long An; and (ii) entry into the poultry market by investing VND613 billion to own 51% of 3F VIET JSC - a national leading poultry meat production platform.

- In October 2020, Masan High-Tech Materials Corporation (“MHT”) and Mitsubishi Materials Corporation (“MMC”) forged a strategic alliance with Mitsubishi Materials Corporation (“MMC”) towards developing a leading high-tech tungsten materials platform. As part of this partnership, MMC will subscribe for 109,915,542 new ordinary shares privately placed with a total cash value of USD90 million. Upon completion of the issuance, MMC will hold 10.0% of the company's fully diluted equity, thereby becoming MHT's second largest shareholder.
- In April 2021, Masan Group Corporation and SK Group (“SK”) announced the signing of definitive agreements for SK's acquisition of a 16.26% stake in the company holding VinCommerce shares (“VCM”) for a total cash consideration of USD410 million (the “Transaction”). The Transaction values VCM at USD2.5 billion for 100% of its equity.
- In May 2021, Masan Group Corporation and a consortium led by Alibaba Group and Baring Private Equity Asia announced the signing of definitive agreements for the acquisition of a

5.5% stake in The CrownX for a total cash consideration of USD400 million. The CrownX is Masan's integrated consumer retail arm that consolidates its interests in Masan Consumer Holdings and VinCommerce. The Transaction implies a pre-money valuation of USD6.9 billion for 100% of its equity. Masan will own 80.2% of the Company post the consortium's investment.

- In May 2021, The Sherpa Company Limited – a subsidiary of Masan Group Corporation announced the signing of the definitive agreements to acquire 20% stake in Phuc Long Heritage Joint Stock Company. Phuc Long Heritage is the company which shall own the Phuc Long brand, one of the leading tea and coffee brands in Vietnam. The purchase price of the transaction is USD15 million
- In June 2021, Masan Group and its subsidiary, The CrownX (“TCX”) announced the acquisition of TCX's shares from minority shareholders (the “Transaction”). As a result of the Transaction, Masan Group's direct and indirect stakes in TCX increased from 80.2% to 84.9%.
- In September 2021, Masan MEATLife Corporation and De Heus Vietnam announced the signing of a Memorandum of Understanding. The combination of De Heus Vietnam's expertise in the upstream sector and Masan's champion integrated

FMCG-retail platform has the potential to accelerate the modernization of the animal protein value chain. The parties are committed to develop one or more collaboration agreements by the first quarter of 2022.

- In September 2021, The Sherpa Company Limited, a subsidiary of Masan Group Corporation, announced its entry into telecom, closing the acquisition of 70% of Mobicast Joint Stock Company, operating under the brand Reddi, a start-up full-served Mobile Virtual Network Operator, for a total cash consideration of VND297 billion, including transaction costs.
- In November 2021, Masan Group Corporation announced the signing of strategic agreements with De Heus Vietnam (a subsidiary of the Dutch Royal De Heus Group), pursuant to which De Heus Vietnam will obtain control of the feed related business (the “Transaction”) and invest in Vietnam's animal protein supply chain – De Heus will invest approximately USD600-700 million. The Transaction is part of the implementation of the Memorandum of Understanding signed in September 2021 to achieve the following results – Masan MEATLife to focus on branded meat while De Heus Vietnam to prioritize providing animal nutrition, genetics, and husbandry solutions.
- In November 2021, Masan Group Corporation (“Masan”) and SK Group announced the signing of definitive

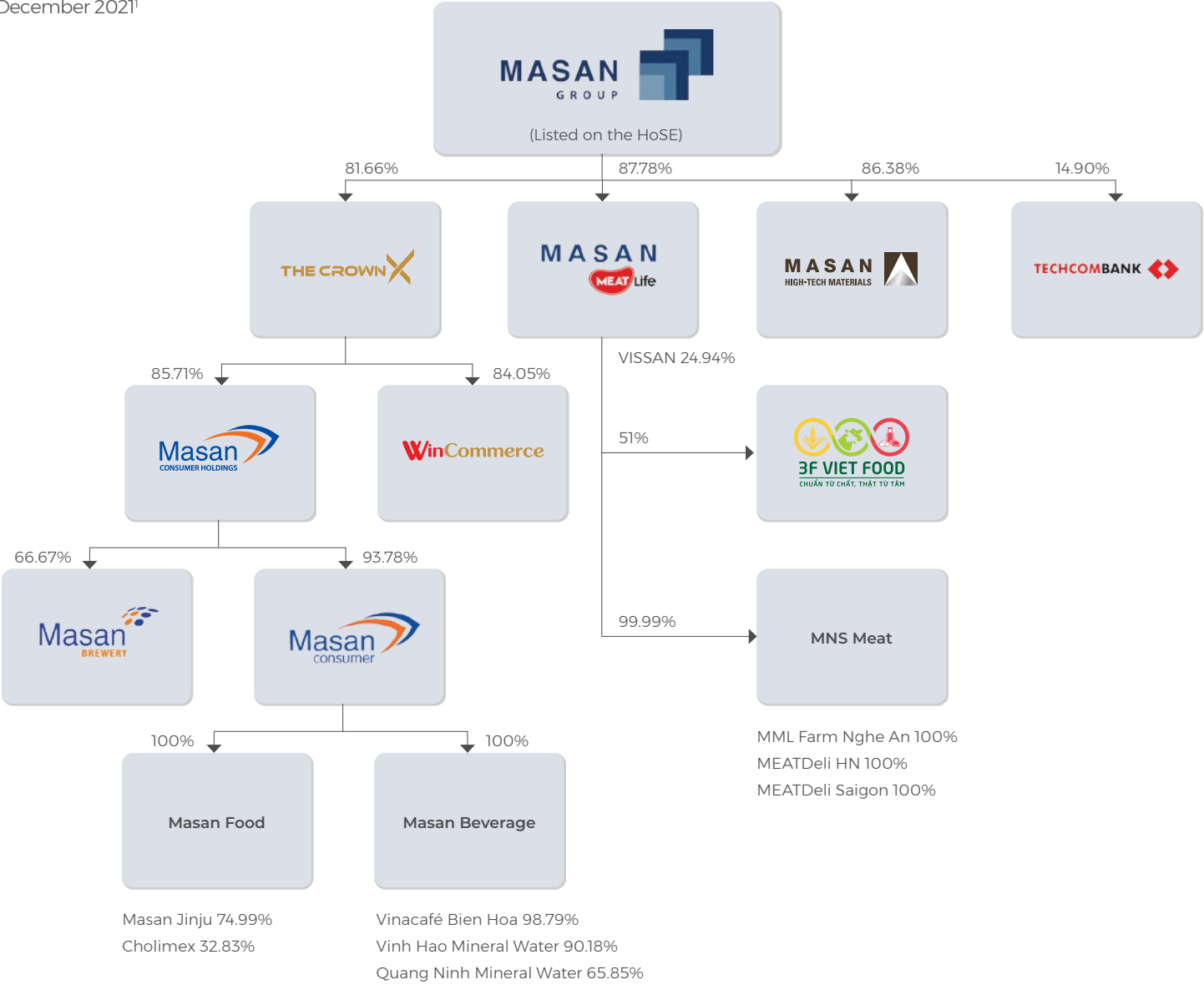
Memorandum of Understanding signed in September 2021 to achieve the following results – Masan MEATLife to focus on branded meat while De Heus Vietnam to prioritize providing animal nutrition, genetics, and husbandry solutions.

- In November 2021, Masan Group Corporation (“Masan”) and SK Group announced the signing of definitive agreements to acquire secondary shares of The CrownX (“TCX”) for a total cash consideration of USD345 million, of which USD340 million will be from SK Group (the “Transaction”). Post the completion of the transaction, Masan will own 85.0% and SK will own 4.9% in The CrownX, with Masan potentially increasing its stake in TCX further in the near future.
- In December 2021, Masan Group Corporation announced the signing of a USD350 million primary investment in The CrownX Corporation (“TCX”) by a consortium of investors, including TPG, Platinum Orchid (a wholly owned subsidiary of Abu Dhabi Investment Authority), and SeaTown Master Fund, managed by a wholly owned indirect subsidiary of Temasek Holdings (the “Transaction”). The Transaction marks the final capital raising at the TCX ecosystem, which has attracted over USD1.5 billion in investments from marquee global investors since its inception in 1H2020.



Corporate Structure

As of 31 December 2021<sup>1</sup>



1. This chart shows economic interests and does not include subsidiaries and other intermediaries.  
2. The Company's direct ownership ratio calculated on TCB's charter capital is 14.9%.

THE CROWN X

The CrownX is a consumer-retail platform that currently consolidates Masan's interests in MCH and VCM. The CrownX was established with the vision to become a “Point of Life” platform in order to provide more products and services to Vietnamese consumers online and offline.

Masan Consumer Holdings

Masan Consumer Holdings was established to be the Group's primary platform to further invest in branded food and beverage opportunities and related sectors. Its core holdings include Masan Consumer and Masan Brewery.

Masan Consumer Holdings is one of Vietnam's largest local diversified FMCG companies. The company manufactures and distributes a range of food and beverage products, including soya sauce, fish sauce, seasoning, chili sauce, instant noodles, instant congee, instant coffee, instant cereals, bottled beverages, processed meat, and beer. Masan Consumer Holdings has grown its product portfolio and domestic distribution channels to establish a leading position in Vietnam’s branded consumer food and beverage market. Its key brands include CHIN-SU, Nam Ngu, Tam Thai Tu, Omachi, Kokomi, Komi, Heo Cao Boi, Ponnies, Vinacafé, Wake-up, Wake-up 247, Compact, Vinh Hao, Quang Hanh, Vivant, Faith, Red Ruby and Su Tu Trang. With the recent acquisition of NETCO, Masan Consumer is now also present in the home and personal care space.

VCM/WinCommerce

WinCommerce (formerly VinCommerce) is the largest modern retail platform in Vietnam with more than 122 supermarkets (WinMart) and 2,619 mini-marts WinMart+ (as at the end of 2021). WinCommerce, via WinEco (formerly VinEco), also owns 14 high-tech farms which provide products of international quality standards.

WinCommerce has continuously achieved prestigious domestic and international awards, such as Top 10 most prestigious retailers in Vietnam five years in a row 2017, 2018, 2019, 2020, and 2021.

MASAN MEATLIFE

Masan MEATLife is Vietnam's one of the largest fully integrated (“Feed-Farm-Food” business model) branded meat platform, focused on driving productivity in Vietnam's animal protein industry and ultimately directly serving consumers with traceable, quality and affordable meat products, a USD10.2 billion opportunity.

From its origin as a leading animal feed company, Masan MEATLife has since transformed successfully into a branded consumer meat business, being the first in Vietnam to launch chilled meat products using European processing technology and standards under the “MEATDeli” brand.

MASAN HIGH-TECH MATERIALS

Masan High-Tech Materials (formerly Masan Resources) is one of the largest private sector mineral resource and chemical processing companies in Vietnam, currently operating the world-class Nui Phao polymetallic project in Northern Vietnam. Nui Phao is the largest Tungsten mine in the world and the industry’s first new Tungsten project to be commissioned in over a decade. Masan High-Tech Materials is also a globally significant producer of Fluorspar and Bismuth. Masan High-Tech Materials' objective is to show the world that a Vietnamese company can lead the transformation of the global Tungsten market and is strategically exploring opportunities and discussions to become a further integrated downstream Tungsten business of global scale. This will enable MHT to deliver a consistent and strong financial profile across commodity cycles.

TECHCOMBANK

Techcombank is currently one of the largest joint stock commercial banks in Vietnam in terms of total operating income, assets, loans, deposits, customers and distribution network. It has built industry-leading franchises in retail deposits, SME and retail lending through its consumer-centric ecosystem approach. In over 29 years since its establishment, it has developed a diversified range of financial products and services to cater to the financial needs of Vietnam's emerging consumer class and budding private enterprises.

Capital Structure<sup>1</sup>

■ 2021 EBITDA <sup>2</sup> (VND billion)	16,361
■ Cash and Cash Equivalents (VND billion) <sup>3</sup>	22,638
■ Total Straight Debt (VND billion)	58,178
■ Net debt (VND billion)	35,540
■ Number of issued shares	1,180,534,692
■ Charter capital (VND billion)	11,805
■ Total equity <sup>4</sup> (VND billion)	32,811

1. Balance sheet numbers are as of 31 December 2021.

2. EBITDA is MSN's consolidated net profit after tax, with net financial expense, tax, depreciation and amortization added back and includes contribution from TCB. EBITDA for WCM, includes income from suppliers in the form of "back margin" which, depending in the contract terms, are recognized as other income & financial income under VAS

3. Cash and cash equivalents include short-term investments (such as term deposits) and interest-bearing receivables related to treasury activities.

4. Excluding non-controlling interest.

Corporate Governance

Governance Structure

Approval	General Meeting of Shareholders	
Validation	Board of Directors	Audit Committee (under the Board of Directors)
Strategic Management	Management Board <ul style="list-style-type: none"><li>■ Chief Executive Officer</li><li>■ Deputy Chief Executive Officers</li><li>■ Chief Financial Officer</li><li>■ Chief Accountant</li></ul>	
Execution	Strategy and Development Department	Finance and Accounting, Legal, Corporate Affairs and Administration

Masan Group is committed to good governance, best-in-class procedures and policies and corporate transparency. In addition to oversight from our major institutional investors and the governance regulations prescribed by Vietnam law, we have also established the Strategy and Development Committee, and our corporate governance has been supported and advised by the independent Board member and external advisers.

Board of Directors

The Board of Directors (the “Board”) is elected by shareholders to oversee the activities of the Company. Members of the Board of Directors meet regularly to discuss the strategic decisions raised by the Management Board. Details on the responsibilities of the Board are presented in the Board of Directors section.

Audit Committee

Audit Committee is a specialized unit under the Board of Directors. The Audit Committee, in addition to other rights and obligations, reviews the system of internal control and risk management, monitors the truthfulness of the Company's financial statements and performs other oversight activities to ensure that the Company complies with the regulatory provisions, regulators’ requirements and other internal regulations of the Company.

Management Board

Lead by the CEO, the Management Board’s prime responsibilities include strategic management, resource allocation at the senior management level, financial accounting and controls, capital allocation, governance, and internal controls. The CEO and members of the Management Board is supported and advised by the Strategy and Development Committee.



Strategy and Development Department

The Strategy and Development Department works closely with our subsidiary CEOs and executive teams to develop strategy for sustainable growth and value creation. The team is also responsible for coordinating with our various departments to execute on material corporate transactions such as M&A and strategic partnerships. From initial exploratory discussions to final deal documenta-tion, the Strategy and Development Department applies a rigorous process to ensure that the appropriate level of scrutiny and approvals have been applied when executing a transaction. A transaction will be evaluated for its strategic rationale, commercial implications, accounting impact, structure, legality and compliance with existing agreements and potential to affect future corporate actions.

Finance & Accounting, Legal, Corporate Affairs and Human Resources

Finance & Accounting, Legal, Corporate Affairs and Human Resources are departments responsible for financial reporting, legal and regulatory compliance, corporate brand building and external relations and managing the administrative functions of the Company. Senior professionals from the Finance & Accounting, Legal, Corporate Affairs and Human Resources play pivotal roles in transaction execution and post-deal follow up.

BOARD OF DIRECTORS

Board responsibility and delegation of authority

The Board of Directors has one executive member and six non-executive members. 2/7 of members of the Board of Directors are independent members. The Board of Directors is chaired by the Chairman.

Members of the Board of Directors include:

- **Dr. Nguyen Dang Quang, Chairman**  
Dr. Nguyen Dang Quang is the Chairman of Masan Group. He is directorship member in 05 other companies, specifically he is the Chairman of Masan Corporation, VCM, Phuc Long Heritage, Mobicast and First Vice Chairman of the Board at Techcombank.  
  
Dr. Quang has been highly instrumental in the establishment and development of many of our businesses and subsidiary companies. He is a visionary who has professionalized Masan Group at an early stage of development while still keeping our Vietnamese culture and values intact.  
  
Dr. Quang has a Doctorate in Technical Sciences from the National Academy of Sciences of Belarus and a Master’s degree in Administration and Business Management from the Plekhanov Russian Economic University.
- **Mr. Nguyen Thieu Nam, Member**  
Mr. Nguyen Thieu Nam is Deputy CEO and member of the Board of Directors. He has previously held senior executive roles at our subsidiary and affiliated companies such as Masan Consumer and Techcombank. Mr. Nguyen Thieu Nam is directorship member in other 05 other companies, specifically he is a board member of Masan Corporation, Baltic Titan Corporation, and The CrownX Corporation, Chairman of the Board of Directors of Quang Ninh Mineral Water JSC, and First Vice Chairman of Masan High-Tech Materials.

Mr. Nguyen Thieu Nam also holds managerial positions at other companies as follows:

1.	Masan Corporation	Deputy Chief Executive Officer
2.	Nui Phao Mining	Chairman of the Members’ Council
3.	Sunflower Construction Company Limited	Chairman and Director
4.	Masan Brewery Distribution Company Limited	Chairman
5.	Masan Brewery PY Company Limited	Chairman
6.	Masan Brewery HG Company Limited	Chairman
7.	Masan Master Brewery Company Limited	Chairman
8.	Masan Brewery MB Company Limited	Chairman
9.	Masan Consumer Holdings Company Limited	Member of the Members’ Council
10.	Masan Brewery Company Limited	Member of the Members’ Council
11.	Masan Tungsten Limited Liability Company	Member of the Members’ Council
12.	WinEco Agricultural Investment Development and Production Limited Liability Company	Chairman and CEO
13.	Dong Nai - WinEco Agricultural Co., Ltd.	Chairman of the Members’ Council and Director
14.	WinEco - Tam Dao Agricultural Investment Development and Production Limited Liability Company	Chairman of the Members’ Council and Director

At Masan Group, he manages the relationships with key partners and leads local execution. He was instrumental in accelerating the compensation and resettlement efforts of the Nui Phao project, advancing the land acquisition process to 91% of the land required immediately for the project by June 2011, as opposed to only 2% before acquisition. More recently, he has been critical in our entry into the branded fresh meat category.

Mr. Nguyen Thieu Nam graduated from Vietnam University of Commerce, Hanoi, Vietnam, with a BA in Economics.

- **Ms. Nguyen Hoang Yen, Member**  
Ms. Nguyen Hoang Yen also serves as the Deputy Chief Executive Officer of Masan Consumer. Ms. Nguyen Hoang Yen was a key executive in the Masan Consumer’s formative years when it was primarily a foodstuff trading company. She has contributed to its transformation into a domestic and branded food and beverage business.

Ms. Nguyen Hoang Yen is directorship member in other 05 other companies, specifically she also serves as Chairwoman of Masan PQ Corporation, a board member of Masan Corporation, Masan Consumer, Net Detergent JSC (NETCO), and Vinacafé Bien Hoa Joint Stock Company.

Ms. Nguyen Hoang Yen also holds managerial positions at other companies as follows:

1.	White Sand Company Limited	Chairman of the Members’ Council and Director
2.	Nam Ngu Phu Quoc Company Limited	Chairman
3.	Masan Long An Company Limited	Chairman
4.	Masan Consumer Holdings Company Limited	Deputy Chief Executive Officer

Ms. Nguyen Hoang Yen has a Bachelor’s degree in Russian from Ha Noi University of Foreign Languages.

■ **Mr. Woncheol Park, Member**

Mr. Woncheol Park is the Managing Director of SK South East Asia Investment Pte. Ltd., SK Investment Vina I Pte. Ltd., SK Investment Vina II Pte. Ltd, and the Executive Vice President of SK SUPEX Council. He was previously the Head of Energy Infrastructure Investment Division at Hana Alternative Asset Management, and was at GS Energy and OCI, responsible for renewable energy, power and LNG businesses. He also worked at Boston Consulting Group as a strategy consultant. Mr. Park graduated from Seoul National University with a Bachelor of Chemical Engineering. Mr. Park also holds a PhD and Master's in Chemical Engineering from Seoul National University and a Master of Business Administration from the University of Chicago (Booth).

Mr. Park is also a member of the Board of Directors of Vingroup - JSC.

■ **Mr. Nguyen Doan Hung, Independent Member**

Mr. Nguyen Doan Hung is a board member of Phu Hung Securities Corporation. He held previously various senior positions when working for State Bank of Vietnam, including Head of Research, Establishment and Development of Capital Markets; Head of Office of Governor, Director General of Foreign Exchange Management Department. He also used to be Vice Chairman of State Securities Commission of Vietnam and independent board member of Techcombank. Mr. Nguyen Doan Hung holds a Bachelor's degree in English from Ha Noi Foreign Language University and Master's degree in Finance Management from London University.

■ **Mr. David Tan Wei Ming, Independent Member**

Mr. David Tan is a Managing Director at TPG Capital Asia. David was previously a Director at KKR Asia. He was previously a board member at Masan Consumer and Masan MEATLife. Through his career in private equity over the last 12 years, he has extensive experience in supporting businesses across a wide spectrum of sectors in Southeast Asia grow into market leading businesses. Mr. David Tan holds Bachelor of Science in Economics and Bachelor of Arts.

■ **Ms. Nguyen Thi Thu Ha, Member**

Ms. Nguyen Thi Thu Ha is currently a member of the Board of Directors of Masan Corporation and Masan Consumer. Before that, she worked at the Japan International Cooperation Agency (JICA). Ms. Ha holds a Bachelor of Laws, VNUHN-School of Law; Bachelor of Economics, majoring in Foreign Economic Relations, Hanoi Foreign Trade University; Bachelor of Foreign Languages in English and Russian, University of Foreign Languages - Vietnam National University, Hanoi.

The Board Chairman plays an important leadership role and is involved in:

- Chairing meetings of the Board and providing effective leadership;
- Maintaining dialogue with the Management Board and providing appropriate strategic input;
- Monitoring the performance of the Board; and
- Being a respected ambassador for the Group, including chairing shareholder meetings, managing community issues and interacting with key stakeholders.

The Board is responsible for charting the direction, strategies and financial objectives of the Group and monitoring the progress in relation to such matters. Currently, the Board of Directors has not established any subordinated Committees.

Non-executive members regularly communicate with the management of the Group to understand the progress and performance of the operations.

As of 31 December 2021, the personal ownership of the Company shares of the members of the Board of Directors is as follows:

Board of Directors	Position	Number of shares	Ratio (%)
Dr. Nguyen Dang Quang	Chairman	15	0.00
Mr. Nguyen Thieu Nam	Member	601,306	0.05
Ms. Nguyen Hoang Yen	Member	42,415,234	3.59
Mr. Woncheol Park	Member	0	0
Mr. Nguyen Doan Hung	Independent Member	0	0
Mr. David Tan Wei Ming	Independent Member	0	0
Ms. Nguyen Thi Thu Ha	Member	0	0

**Board Meetings**

The Board regularly meets to discuss the direction, strategy and progress of the business. Typically, the topics at the Board meetings include:

- Reports on major projects and current business issues;
- Reports on financial performance and corporate governance;
- Specific business proposals; and
- Minutes from the previous meeting and outstanding issues.

**Activities of the Board**

In 2021, the Board of Directors passed 22 Resolutions under their mandate via in-person meetings or written ballots. The main issues in 2021 discussed and approved by the members of the Board include:

- Transferred shares owned by the Company in The CrownX;
- Convened the Annual General Meeting of Shareholders;
- Established the Internal Audit Committee;
- Appointed members of the Audit Committee;
- Issued new shares under the ESOP;
- Approved the dividend advance in 2021;
- Contributed to Vietnam's COVID-19 Vaccine Fund;
- Made changes in managerial positions including Chief Financial Officer and Chief Accountant;
- Arranged ownership structure of the Company and its subsidiaries in The CrownX;
- Implemented other transactions of Masan Group and its subsidiaries.

There were no separate meetings of non-executive Board members. Approvals from the Board involved all members.

Most members of the Board, other management functions and Company Secretary have completed the corporate governance training program for public companies which was held and certified by the Securities Research and Training Center under the State Security Commission of Vietnam. In addition, managers are also updated with regulations related to corporate governance applicable to public companies.

The Management Board is responsible for implementing the Company’s business development plan and business performance reporting. The Chief Executive Officer chairs the Management Board.

On 20 December 2021, the Board of Directors approved the following resolutions:

- Approved the resignation of Mr. Michael Hung Nguyen from Chief Financial Officer. Mr. Michael Hung Nguyen continues to serve as Deputy Chief Executive Officer;
- Approved the appointment of Ms. Do Thi Quynh Trang as the Chief Financial Officer of the Company;
- Approved the resignation of Ms. Doan Thi My Duyen from Chief Accountant and appointed Mr. Nguyen Huy Hung as Chief Accountant of the Company.

Currently, the Management Board is comprised of the most senior executives at Masan Group, namely the Chief Executive Officer, two Deputy Chief Executive Officers, the Chief Financial Officer and the Chief Accountant. Members of the Management Board include:

- **Mr. Danny Le - Chief Executive Officer**  
On 19 June 2020, the Board of Directors passed a resolution appointing Mr. Danny Le as the CEO of Masan Group for a 5-year term. Before joining Masan, Danny Le used to work as an analyst for Investment Banking Department, Morgan Stanley from 2006 to 2010, working with multinational clients to execute M&A, capital markets and privatization transactions. He joined Masan in 2010 and then served as Head of Strategy and Development, playing a critical role in constructing Masan Group’s growth strategy and directly involved in M&A transactions to build the Group’s strategic platform.

Mr. Danny Le graduated from Bowdoin College, U.S.

- **Mr. Nguyen Thieu Nam - Deputy Chief Executive Officer**  
For profile, please see Board of Directors section
- **Mr. Michael Hung Nguyen - Deputy Chief Executive Officer**  
Mr. Michael Hung Nguyen is in charge of strategic projects (including new business opportunities), capital markets activities (stocks, bonds, other financial instruments), strategic investor relation management, and other initiatives as assigned by the CEO. He has built the Company’s transaction and business execution platform to support the Company’s subsidiaries and the Company’s growth in new sectors. Michael has been involved since the beginning of Masan’s transformation from a food company into a leading private sector group by raising over USD2 billion in capital for the Company and leading several key acquisitions.

Mr. Michael Hung Nguyen helped build out J.P. Morgan’s Vietnam investment bank execution team and worked on M&A, capital markets and privatization transactions with financial, real estate and consumer clients. Prior to Vietnam, Michael advised and provided structured solutions to multinational clients at J.P. Morgan in New York.

Mr. Michael H. Nguyen graduated from Harvard University, U.S.

- **Ms. Do Thi Quynh Trang – Chief Financial Officer**  
Before joining Masan, Ms. Trang used to work 17 years in accounting and finance in many important positions such as CFO, Head of Auditing and Financial Consulting Departments of large corporations, listed companies and the Big 4 global auditing firms.

Ms. Trang is a Chartered Certified Accountant of ACCA and graduated from National Economics University, Vietnam.

- **Mr. Nguyen Huy Hung – Chief Accountant**  
Mr. Hung has 14 years of experience in the field of finance and accounting. Before joining Masan, he held the position of Audit Director of KPMG, Vietnam. Mr. Hung is a Chartered Certified Accountant of ACCA and graduated from VNUHCM-University of Economics and Law, Vietnam.

As of 31 December 2021, the personal ownership of the Company shares of the Management Board members is as follows:

Management Board	Position	Number of shares	Ratio (%)
Mr. Danny Le	Chief Executive Officer	2,494,578	0.21
Mr. Nguyen Thieu Nam	Deputy Chief Executive Officer	601,306	0.05
Mr. Michael Hung Nguyen	Deputy Chief Executive Officer	2,731,530	0.23
Mrs. Do Thi Quynh Trang	Chief Financial Officer	0	0
Mr. Nguyen Huy Hung	Chief Accountant	0	0

AUDIT COMMITTEE

The Audit Committee is composed of the following members:

- **Mr. Nguyen Doan Hung - Chairman of the Audit Committee**  
For profile, please see Board of Directors section
- **Ms. Nguyen Thi Thu Ha – Member of the Audit Committee**  
For profile, please see Board of Directors section

As of 31 December 2021, the personal ownership of the Company shares of the Audit Committee members is as follows:

Members of the Audit Committee	Number of shares	Ratio (%)
Mr. Nguyen Doan Hung	0	0
Ms. Nguyen Thi Thu Ha	0	0

Activities of the Audit Committee

In 2021, the Audit Committee held 2 meetings to review the Company’s financial position, internal control system and risk management. Some key results from the Audit Committee’s monitoring activities during the year:



- The Management Board properly and fully performs its operating responsibilities of the Company in compliance with the Law on Enterprises, the Law on Securities, the Charter of the Company, the Resolutions of the General Meeting of Shareholders, the resolutions of the Board of Directors, internal regulations and other regulatory provisions;
- The Company's quarterly financial statements and business results announcements are prepared to honestly reflect the financial and operational performance of the Company;
- The resolutions of the Board of Directors have been issued in accordance with their mandate and the contents of these resolutions comply with the resolutions of the General Meeting of Shareholders, the Law on Enterprises, the Law on Securities, the Charter of the Company, and other regulatory provisions.

**Remuneration of the Board of Directors and Chief Executive Officer**

In 2021, the members of the Board of Directors of the Company do not receive any remuneration. The salary and bonus of the Chief Executive Officer arising for the whole year of 2021 are shown in the Company's 2021 financial statements.

**Contracts or transactions with insiders and their related persons**

The list of related persons of the Company, insiders and related persons of the insiders are detailed in the Corporate Governance Report 2021 and published on the Company's website.

In 2021, the transaction between the Company with its related persons, or with major shareholders, or with insiders or related persons of insiders are listed below:

No.	Name of organization	Relation with the Company	Details of transaction
1.	The Sherpa Company Limited	Subsidiary	- Capital contribution. - Transfer of the investment. - Internal lending. - Collection of loan principal and interest.
2.	Masan Horizon Corporation	Subsidiary	- Capital refund. - Internal lending.
3.	Masan Consumer Corporation	Related organization of internal shareholders	- Cost sharing and purchase.
4.	Nui Phao Mining Company Limited	Related organization of internal shareholders	- Internal lending. - Collection of loan principal and interest.
5.	WinCommerce General Commercial Services Joint Stock Company	Related organization of internal shareholders	- Internal lending. - Collection of loan principal and interest.
6.	Masan MEATLife Corporation	Related organization of internal shareholders	- Internal lending. - Collection of loan principal and interest. - Purchase of bonds. - Receipt of dividends.
7.	The CrownX Corporation	Related organization of internal shareholders	- Partial divestment.
8.	Mobicast Joint Stock Company	Related organization of internal shareholders	- Internal lending.

Shareholder Information

As of 31 December 2021, Masan Group’s charter capital was VND11,805,346,920,000.

SHAREHOLDINGS STRUCTURE AS OF 31 DECEMBER 2021

Shares

Total number of issued shares and classes of shares of Masan Group: 1,180,534,692 ordinary shares.  
Number of treasury shares: 0 share  
Number of outstanding voting shares: 1,180,534,692 shares; among which:  
- Number of shares subject to transfer restrictions: 5,851,446 shares (the number of shares issued under the ESOP program in 2021); and  
- Number of freely transferable shares: 1,174,683,246 shares.

Shareholders structure

On the basis of percent ownership:

■ Major shareholders include:

No.	Shareholder	Shares	Ratio (%)
1.	Masan Corporation	371,898,720	31.50
2.	Sunflower Construction Company Limited	157,567,906	13.35
3.	SK Investment Vina I Pte. Ltd.	109,899,932	9.31
4.	ARDOLIS INVESTMENT PTE. LTD.	65,930,342	5.58
Total		705,296,900	59.74

Masan Corporation

Masan Corporation was incorporated on 13 September 2000. Its main registered activities cover market research, technology transfer, commercial promotion, investment consulting, management consulting, construction and management of investment projects, office leasing, and real estate business.

Sunflower Construction Company Limited

Sunflower Construction Company Limited was incorporated on 10 August 2009. Its registered activities cover civil construction work, construction and mining materials, equipment and machinery trading, goods consignee agent, market research, commercial promo- tion, management and investment consulting (excluding financial and accounting consulting).

Major foreign shareholders

Masan Group’s significant foreign institutional shareholder is SK Investment Vina I Pte. Ltd.

SK Investment Vina I Pte. Ltd.  
SK Group is one of the largest corporate groups in South Korea, with businesses across energy, chemicals, telecommunications, semiconductors, logistics and service sectors. SK Group operates globally across over 40 countries and had a combined revenue of USD141 billion as of year-end 2017.

On the basis of institutional and individual shareholders: As of 31 December 2021, Masan Group has 5,862 shareholders, of which 5,591 individual shareholders holding 272,612,554 shares representing 23.09%; and 271 are institutional shareholders holding 907,922,138 shares, representing 76.91%.

On the basis of domestic and foreign shareholders: As of 31 December 2021, Masan Group has 4,694 domestic shareholders holding 806,509,666 shares representing 68.32%; and 1,168 foreign shareholders holding 374,025,026 shares, representing 31,68%.  
As of 24 January 2022, the foreign ownership cap in the Company is 49% of the charter capital.

CHANGE OF THE CHARTER CAPITAL

In 2021, the Company increased its charter capital from VND11,746,832,460,000 to VND11,805,346,920,000. The increase of charter capital was result of the issuance of new shares under ESOP.

There was no transaction of treasury shares of the Company in 2021.

In 2021, the Company offered bonds to the public with a total issuance value of VND1,400 billion.

SHAREHOLDINGS AND CHANGES IN SHAREHOLDINGS OF THE BOARD OF DIRECTORS

	31 December 2021	31 December 2020	Increase/Decrease
Dr. Nguyen Dang Quang, Chairman	0.00%	0.00%	0%
Mr. Nguyen Thieu Nam, Member	0.05%	0.04%	0.01%
Ms. Nguyen Hoang Yen, Member	3.59%	3.61%	(0.02%)
Mr. Woncheol Park, Member	0%	0%	0%
Mr. Nguyen Doan Hung, Independent Member	0%	0%	0%
Mr. David Tan Wei Ming, Independent Member	0%	0%	0%
Ms. Nguyen Thi Thu Ha - Member	0%	0%	0%

INFORMATION RELATED TO TRADING AND TRANSFER OF SHARES OF INTERNAL SHAREHOLDERS AND RELATED PERSONS

In 2021, there were transactions in Masan Group shares conducted by related persons of internal shareholders. The table below sets out such transactions:

No.	Person who made the transaction	Relationship with insiders	Number of shares owned as of 1 January 2021		Number of shares owned as of 1 January 2022		Reason for increase/decrease (buy, sell, convert, bonus, etc.)
			Number of shares	Percent	Number of shares	Percent	
1.	Sunflower Construction Company Limited	The organization performing the transaction is a related person of an insider	154,756,706	13.17%	157,567,906	13.35%	Buy
2.	Masan Corporation	The organization performing the transaction is a related person of an insider	365,215,870	31.09%	371,898,720	31.50%	Buy

Confirmation by the company's legal representative



Dr. Nguyen Dang Quang  
Board Chairman

Equity Information

As of 31 December 2021	
Charter capital (VND billion)	11,805
Share price (VND)	171,000
52-week high share price (VND)	172,000
52-week low share price (VND)	82,000
Number of shares issued (share)	1,180,534,692
Number of ordinary shares (share)	1,180,534,692
Number of preference shares (share)	0
Number of treasury shares (share)	0
Market capital (VND billion)	201,871
Dividend yield (%)	0.70



## Cautionary Note Regarding Forward-Looking Statements

All statements contained in this report that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms, such as “anticipate”, “believe”, “can”, “could”, “estimate”, “anticipate”, “project”, “expect”, “intend”, “may”, “plan”, “aim”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), planned projects and other matters discussed in this document regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this report involve known and unknown risks, uncertainties and other factors that may cause our actual financial results, performance or achievements to be materially different from any future financial results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Forward-looking statements are based on our beliefs and assumptions, which in turn are based on currently available information. We are in the business of acquiring, actively building, managing and investing in market-leading businesses in several of the fastest growing areas of the Vietnamese economy. Our outlook is predominantly based on our interpretation of what we consider to be the key economic factors affecting our business, the Vietnamese economy and the sectors we operate in. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors, many of which are beyond our control. Accordingly, investors are cautioned not to place undue reliance on the forward-looking statements in this report. These statements speak only as of the date of this report or the respective dates indicated in this report, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

## Glossary of Terms

AI	Artificial Intelligence
ANCO	Agro Nutrition Company JSC
APT	Ammonium Paratungstate
ASF	African Swine Fever
ATM	Automatic Teller Machine
B2C	Business to Consumer
B2B2C	Business to Business to Customer
BOD	Board of Directors
BTO	Blue Tungsten Oxide
BRC	Global Standards for Food Safety of the British Retail Consortium
CAGR	Compound Annual Growth Rate
CDN	CDN Trading Production Joint Stock Company
Cholimex	Cholimex Food Joint Stock Company
Company	Masan Group Corporation
Dr.	Doctor
EBITDA	Earning before interest, tax, depreciation and amortization
ESOP	Employee Share Ownership Plan
GDP	Gross Domestic Product
GLOBALG.A.P	Global Good Agricultural Practice
GMV	Gross Merchandise Value
Group	Masan Group Corporation
GSO	General Statistics Office
GT	General Trade
H. C. Starck	H. C. Starck Group
Inland ASEAN	A geographical region comprising Vietnam, Thailand, Myanmar, Cambodia, and Laos
Joint Venture	Nui Phao - H. C. Starck Tungsten Chemicals Manufacturing Limited Liability Company
KKR	Kohlberg Kravis Roberts & Co. L.P., affiliates and/or investment funds it manages
KYC	Know-Your-Consumer
M&A	Mergers & Acquisitions
Masan	A term referring to Masan Group, inclusive of Masan Consumer Holdings, Masan Consumer, Masan High-Tech Materials, Techcombank and other subsidiaries and affiliates, as a whole
	Masan Beverage Company Limited
Masan Beverage, MSB	Masan Brewery Company Limited
Masan Brewery, MB	Masan Consumer Corporation
Masan Consumer, MSC	Masan Consumer Holdings Company Limited
Masan Consumer Holdings, MCH	Masan Consumer (Thailand) Limited
Masan Consumer Thailand	Masan Group Corporation
Masan Group	Masan MEATLife Corporation
Masan MEATLife, MML	Masan Horizon Corporation (formerly Masan Horizon Company Limited)
Masan Horizon, MH	Masan Thai Nguyen Resources Company Limited
Masan Thai Nguyen Resources	A subsidiary of MHT, Masan Tungsten Limited Liability Company (“MTC”) (formerly known as
Masan Tungsten LLC, MTC	Nui Phao - H. C. Starck Tungsten Chemicals Manufacturing)

ML	Machine Learning
MML Farm Nghe An	MML Farm Nghe An Company Limited
MHT, Masan High-Tech Materials	Masan High-Tech Materials Corporation
MNC	Multinational company
MT	Modern Trade
MNO	Mobile Network Operator
MVNO	Mobile Virtual Network Operator
NIM	Net Interest Margin
Nui Phao	Nui Phao Mining Company Limited, restructured from Nui Phao Mining Joint Venture Company Limited after the acquisition of Nui Phao Project
O <sup>2</sup>	Offline-to-Online
PhD.	Doctor of Philosophy
Phu Yen Beverage	Masan Brewery PY Company Limited
Proconco	Vietnamese - French Cattle Feed Joint Stock Company
Quang Ninh Mineral	Quang Ninh Natural Mineral Water Limited Company
R&D	Research & Development
Saigon Nutri Food	Saigon Nutrition Food Joint Stock Company
SBV	State Bank of Vietnam
Singha	Singha Asia Holdings
SK	SK Group
SKU	Stock Keeping Unit
SME	Small and Medium Enterprises
TCM	Total Commercial Margin
Techcombank or TCB	Vietnam Technological and Commercial Joint Stock Bank
TPG	Texas Pacific Group
UPCoM	Unlisted Public Company Market, part of the Hanoi Stock Exchange
USD	U.S. Dollar
USGS	The United States Geological Survey
VCM	VCM Services and Trading Development Joint Stock Company, which wholly owns WinCommerce, operator of WinMart supermarkets and WinMart+ minimarkets. As such, VCM is also used interchangeably to refer to WinCommerce.
Vinacafé Bien Hoa	Vinacafé Bien Hoa Joint Stock Company
Vinacafé	Coffee brand owned by Vinacafé Bien Hoa Joint Stock Company
VISSAN	Vietnam Meat Industries Limited Company
VND	Vietnamese Dong
WinCommerce, WCM	WinCommerce General Commercial Services Joint Stock Company
WinEco	WinEco Agricultural Investment Development and Production Limited Liability Company
Vinh Hao	Vinh Hao Mineral Water Corporation
YoY	Year-over-Year
YTO	Yellow Tungsten Oxide

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