

Code MSN
Company name MaSan Group Corporation
Date 08/04/2020
Subject Explanation for financial statements in Quarter 2.2020

Content:

MaSan Group Corporation has explained the fluctuation in the Quarter 2 of 2020 financial statements as follows:

Consolidated financial statement:

1. Consolidated financial statement in 6 months of 2020 compared to 6 months of 2019:

Net loss after tax of parent company on the consolidated financial statement in 6 months of 2020 was VND 162 billion compared to the profit after tax of VND 2,192 billion in 6 months of 2019. The main reasons were:

Unit: VND million

Content	6 months of 2020	6 months of 2019	Difference	% increase/decrease
Net revenue	35,403,969	17,410,525	17,993,444	103.35%
Gross profit	7,856,099	5,130,268	2,725,831	53.13%
Net (loss)/profit after tax	(161,945)	2,191,589	(2,353,534)	-

- Consolidated business result of 2020 including the business result of Trading Development Joint Stock Company and VCM Service (VCM). Profit before tax of VCM, interest expense and depreciation (“EBITDA) was VND -1,058 billion in first 6 months of 2020.
- EBITDA of MSR decreased by 49% in first 6 months of 2020 compared to the first 6 months of 2019, mainly due to the Covid-19 epidemic
- Interest expense in first 6 months of 2020 increased due to debit balance.

2. Consolidated financial statement in Q2/2020 compared to Q1/2020:

Profit after tax of parent company on the consolidated financial statement in Quarter 2 of 2020 was VND 54 billion compared a loss profit after tax of VND 216 billion in Quarter 1 of 2020. The main reasons were:

Content	Q2.2020	Q1.2020	Difference	% increase/decrease
Net revenue	17,766,382	17,637,587	128,795	0.7%
Gross profit	3,894,584	3,961,515	(66,931)	-1.7%
Profit after tax	54,408	(216,353)	270,761	-

- Net revenue of MasanConsumerHoldings (“MCH”) in Quarter 2/2020 increased by 18.0% compared to the Quarter 1/2020 to VND 5,650 billion due to due to the growth of the product categories.
- The profit growth of MCH exceeded the revenue growth in the Quarter 2 of 2020 thanks to all strategic categories.
- Techcombank's profit contribution in MSN increased by 13.0% reached VND 605 billion in the Quarter 2/2020 compared to VND 527 billion in Quarter 1/2020.
- Masan MeatLife’s income in the Quarter 2/2020 increased by 11.0% reached VND 3,805 billion compared to VND 3,397 billion in Quarter 1/2020.

However:

The Covid-19 disease affected the short-term business prospects of Masan Resources (“MSR”) and VCM made the company's consolidated profit after tax in Q2 / 2020 to only VND 54 billion.

Separate financial statement:

Unit: VND million

Content	Q2.2020	Q1.2020	Difference	% Increase/decrease
Net profit after tax	58,881	(111,869)	170,750	-

Content	Q2.2020	Q2.2019	Difference	% Increase/decrease
Net profit after tax	58,881	(37,742)	96,623	-
Content	6 months of 2020	6 months of 2019	Difference	% increase/decrease
Net profit after tax	(52,989)	(47,923)	(5,066)	10.6%

The reason for net profit in the Quarter 2 of 2020 increased by VND 96 billion compared to the Quarter 1 of 2019, the net profit in the Quarter 2 of 2020 was VND 59 billion compared a net loss profit of VND 112 billion in Quarter 1 of 2020. The net profit in six months of 2020 decreased by VND 5 billion compared to the six months of 2019 due to the interest expenses increased from the issuance of VND 10,000 billion bonds.