



MASAN CONSUMER CORPORATION

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**ENGLISH TRANSLATION
FOR REFERENCE PURPOSE ONLY**

**REPORT OF THE BOARD OF DIRECTORS
AT THE 2023 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

The Board of Directors (the “Board”) would like to report to the 2023 Annual General Meeting of Shareholders of Masan Consumer Corporation (the “Company” or “Masan Consumer”) on the Board’s activities in 2022 as follows:

I. OVERVIEW

In 2022, the world economy was expected to recover after the Covid-19 pandemic. However, the year 2022 has marked a new conflict, inflation at a record high and climate-related disasters. This is a “multi-crisis” year.

After the global crisis due to the Covid-19 pandemic in 2020, consumer price started to rise in 2021 as many countries lifted lockdown and other restrictions. Central banks forecast that high inflation would be temporary as the economies return to normal. However, the Russia and Ukraine conflict occurring at the end of February 2022 has raised energy and food prices. Many countries are grappling with cost-of-living crisis as wages do not keep up with inflation, forcing households to tighten their spending.

In 2022, Vietnam's economy had a slight recovery and growth compared to other countries in the region, especially in Asia. GDP reached 8% (higher than expected); inflation was high but still in control, at 3.1%.

Given the situation of the global and national economy, especially FMCG when the consumers are striving to cut off spending due to inflation, Masan Consumer has regulated its production and distribution strategies in a more effective way. The Company’s revenue in 2022 witness a slowdown from 2021 (-2.9%), reaching VND26,977 billion from VND27,774 billion in 2021, mainly due to the consumption reduction in seasonings and convenience foods. These are staple products that consumers heavily stockpiled in response to nationwide COVID-lockdowns in 2021, creating a high base against which 2022 revenue is compared. Processed meat reached a breakthrough growth at 54.7% thanks to new products. Revenue from beverages increased by 9% in 2022 thanks to the marketing activities to connect with consumers. Home and personal care (HPC) – a new category of Masan Consumer – has grew 4% year-over-year.

Gross profit margin in 2022 reached 41.3%, slightly reduced from 2021 due to the increase in raw material expenses. Net profit after tax post minority interest (“NPAT Post-MI”) reached VND5,533 billion vs. VND5,526 billion in 2021 despite rising operational cost.

Masan Consumer expects that in 2023, it will continue to achieve double-digit revenue and profit growth due to our premiumization strategy for more established key categories, and significant growth in newer key categories such as beverages, processed meat and HPC. We do not believe the pullback we saw in 2022 was permanent. Masan Consumer's 2023 growth forecast will be shared in more detail at the 2023 Annual General Meeting of Shareholders.

Business Environment

Masan Consumer's existing operations are focused primarily on Vietnam and our performance, and the quality of our assets depend substantially on the stability of 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.

It is predicted that the price of key input materials of Masan in 2023 will increase. Suppliers play an important role in determining input costs. This may adversely impact profit margins of Masan's business lines. Besides, some economic elements such as inflation, high interest rate, foreign exchange rate will have impacts on our cost of capital and business expansion strategy.

Vietnam Consumer Sector

Fast-Moving Consumer Goods (FMCG) achieved slight growth in general, mainly being driven by average price increase. In urban areas, the recovery of food and drinks, HPC has contributed to the overall growth of FMCG market. In rural areas, all sectors have witnessed the growth, except for convenience foods, which had a slow increase compared to 2021.

As of the fourth quarter of 2022, the online shopping channel growth has slowed down as compared to the same period in 2021, but still in double-digit growth, along with convenience stores and specialized stores. The value of modern and traditional shopping channels (especially wet markets) is recovering after falling in the third quarter of 2022.

From a consumer perspective, unemployment rate going up due to the reduction of the global export activities in addition to the high increase of CPI up to 4.4% (in the fourth quarter of 2022) have attracted more customer attention (as compared to the first three quarters of 2022) to 3 key issues (according to the Report on Consumer confidence in Urban by Kantar), including food safety, steady income and rising prices.

Given the situation of unstable economic growth and consumption, some consumers' trends have been observed and will continue in the coming time, for examples, more controlled consumption and spending, significant reduction of "excitement shopping" behavior, looking for the most affordable products among the products/brands without much different in quality and functionality; prioritizing "big-pack size" products due to "affordable price" mindset and habit of stocking up due to increasing prices and supply and demand fluctuations; considering "extra benefits" which are really felt, seen and measured in buying decision (demand actualization); products with function integral for cost saving and time saving (such as air fryer, built-in washing and rinsing, etc.). However, there are still customers who are ready to pay more for health value added products, which are verified by prestigious international organizations to ensure the reliability of the products.

Convenience Foods

In 2022, net revenue from convenience foods reached VND7,551 billion, in which Kokomi brand recorded the growth rate of 18% (compared to 2021). As the leading brand in maintaining the Company's market share and gross profit in noodle segment in the context of consumption decline after pandemic and high increase in input materials, despite its negative growth rate (i.e. -16%) in 2022 after 2 years of breakthrough growth in 2020 and 2021 (+25%), Omachi has still maintained its leading position in premium noodle segment with a lot of products and advertising activities of brand rejuvenation in 2022.

Sauces, Condiments and Dressings

Sales of seasonings in 2022 reached VND10,028 billion (included exports), down 8% versus 2021. The Company's business strategy in 2022 as well as in the coming years is "premiumization" seasonings product lines in which Chin-Su brand is the key. Chin-Su Ca Com Bien Dong, Chin-Su Shiitake Mushroom soy sauce and Chin-Su chili sauce have had a strong market position in the past years.

In addition, with the desire of bringing the "bursting of flavors" for thousands of delicious dishes of Chin-Su to the world, the presence of Chin-Su chili sauce on Amazon US in 2022 is the first step for the coming years.

Soft Drinks

In 2022, Masan Consumer's revenue from soft drinks reached VND3,968 billion, up 9% versus 2021. At the end of 2022, Wake-up 247 continued to solidify its position in the energy drink market when reaching 16% of revenue growth. To achieve this success, Wake-up 247 has deployed many marketing campaigns to connect the consumers with the brand, in which the most impressive promotion program was "Open bottle caps to get motorbikes – 7 motorbikes given every 24 hours", which was taken place from 15 June 2022 to 13 August 2022. The program has attracted millions of participants nationwide and has built the habit of drinking Wake-up 247 to rise revenue stably.

Coffee, nutritious food and drinks

Masan Consumer's revenue from Coffee reached VND1,457 billion down -7% versus 2021. Vinacafé brand re-launched Vinacafé Gold product in the third quarter of 2022 to serve the specific tastes of consumers across the region with high-end package design and marketing activities. The product has gradually received positive feedback from the market as a motivation for new "innovations" in 2023.

Nutritious foods and drinks will also expand its product portfolio to serve Vietnamese people of all ages focuses on investing in modern production technology as well as researching "quality", "healthy", "delicious" and "nourishing" products to meet the increasing demand of consumers.

Processed Meat

In 2022, processed meat contributed VND1,974 billion, witnessing a breakthrough growth of 57.4% versus 2021 thanks to new product lines, creating a strong foundation for the significant

development of processed meat products with high and unique values in the future (such as High Protein Snack flavored chicken dried, Pan-fried meat, Ponnie pork dried, etc.). Heo Cao Boi continued to solidify its position as the most favorite brand among children when launching Cheese BBQ Sauce and Shake, reaching base growth of 45% to become a VND100 billion brand. Besides, sterilized sausage brand Ponnie achieved impressive development progress when successfully levelling with competitors and conducting mass trial of superior products, reaching 65% of base growth in 2022 and achieving revenue of VND90 billion/month.

Home and Personal Care

In 2022, our HPC category contributed VND1,569 billion to net revenue, up 4% versus 2021 (NETCO included) thanks to new products. Chante' laundry detergent was successfully launched at Winmart/Winmart+ supermarket in September 2022 and achieved more than 30% of market share. La'Petal shower gel which was launched in November 2022 was the first step of Masan in personal care category. In addition, Super Net premium laundry detergent and powder was launched in November 2022 to strengthen the presence of Net product lines nationwide.

II. ACTIVITIES OF BOARD OF DIRECTORS IN 2022

1. In 2022, Board of Directors participated in:
 - Overseeing the activities of the Chief Executive Officer and other managers related to the daily operations of the Company;
 - Coordinating closely with the Chief Executive Officer and Management Board to discuss strategy and issues of the Company;
 - Deciding on restructuring the business model and organizational structure of the Company to be more efficient; and,
 - Deciding on investment projects of the Company and its subsidiaries.
2. In 2022, there is a resolution that has been approved at the 2022 Annual General Meeting of Shareholders but has not yet been implemented is approving the plan to merge the Company into MasanConsumerHoldings Co., Ltd., due to the unfavorable market conditions in 2022. Therefore, the Board of Directors has included this content in the contents submitted to the 2023 Annual General Meeting of Shareholders of the Company for approval.
3. In 2022, there were no transactions between Masan Consumer Corporation and members of the Board of Directors of the Company.
4. In 2022, the Board of Directors received no compensation.

III. 2023 FINANCIAL OUTLOOK

The year 2023 promises to bring both opportunities and challenges. Vietnam's GDP growth in 2023 is forecast to be 6.2% due to the world economic recession, causing stronger impact than expected to the manufacturing and export sectors of Vietnam. Given that situation, Masan Consumer has made budget for net sales and net profit after tax growth from 20% to 30%. On the other hand, the prolonged war between Russia and Ukraine has caused high increase in the price

of crude oil, materials, and packaging while the inflation still shows no sign of sustained subsiding, affecting consumer spending behaviors. As a business operating in consumer staples industry, we realize that high inflation will potentially affect the Company's revenue and profit plan. Therefore, the budget plan for the fiscal year 2023 is tentative. The details will be shared at the 2023 Annual General Meeting of Shareholders.

Yours sincerely,

Ho Chi Minh City, 31 March 2023

ON BEHALF OF THE BOARD

CHAIRMAN

(signed and sealed)

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APPENDIX
RESOLUTIONS OF THE BOARD OF DIRECTORS IN 2022

No.	Number of the Resolutions	Date	Main content
1.	01/2022/NQ-HĐQT-MSC	28/01/2022	Approving CAPEX of subsidiaries of Masan Food Company Limited and Masan Beverage Company Limited.
2.	02/2022/NQ-HĐQT-MSC	07/3/2022	Approving the shareholders' book closing date for 2022 AGM.
3.	03/2022/NQ-HĐQT-MSC	07/04/2022	Approving the contents submitted to the 2022 Annual General Meeting of Shareholders for approval.
4.	04/2022/NQ-HĐQT-MSC	19/04/2022	Approving the amendment, supplement some of issues submitted to the 2022 Annual General Meeting of Shareholders for approval.
5.	05/2022/NQ-HĐQT-MSC	19/04/2022	Approving CAPEX of subsidiaries of Masan Food Company Limited
6.	06/2022/NQ-HĐQT-MSC	29/04/2022	Approving the project implementation budget related to the operating software system.
7.	07/2022/NQ-HĐQT-MSC	23/05/2022	Approving the short-term credit line of the Company and subsidiaries of Masan Food Company Limited provided by a bank.
8.	08/2022/NQ-HĐQT-MSC	23/05/2022	Approving the short-term credit line of the Company provided by a bank.
9.	09/2022/NQ-HĐQT-MSC	23/05/2022	Approving the increase of the charter capital of Masan Food Company Limited and its subsidiary.
10.	10/2022/NQ-HĐQT-MSC	23/05/2022	Approving the short-term credit line of the Company provided by a bank.
11.	11/2022/NQ-HĐQT-MSC	22/07/2022	Approving the issuance of new shares under ESOP.
12.	12/2022/NQ-HĐQT-MSC	22/07/2022	Approving the Regulations of ESOP issuance and list of employees issued ESOP
13.	13/2022/NQ-HĐQT-MSC	15/08/2022	Approving the increase of the charter capital of the Company.
14.	14/2022/NQ-HĐQT-MSC	19/9/2022	Approving Masan Food Company Limited to transfer Masan Jinju Joint Stock Company's shares

			to MasanConsumerHoldings Company Limited.
15.	15/2022/NQ-HĐQT-MSC	19/9/2022	Approving the 2022 earnings advance from subsidiaries of Masan Food Company Limited.
16.	16/2022/NQ-HĐQT-MSC	26/9/2022	Approving the decrease of the charter capital of Masan Food Company Limited.
17.	17/2022/NQ-HĐQT-MSC	26/9/2022	Approving the short-term credit line of the Company provided by a bank.
18.	18/2022/NQ-HĐQT-MSC	09/12/2022	Approving Masan Food Company Limited to establish a new subsidiary and increase its charter capital to contribute to the new subsidiary.
19.	19/2022/NQ-HĐQT-MSC	27/12/2022	Approving the earnings allocation from Masan Food Company Limited.