



**MASAN CONSUMER CORPORATION**  
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**ENGLISH TRANSLATION  
FOR REFERENCE PURPOSE ONLY**

*Ho Chi Minh City, June 20, 2020*

**REPORT OF THE SUPERVISORY BOARD  
AT THE 2020 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

- Pursuant to the functions and duties of the Supervisory Board according to the Law on Enterprises in 2014, Law on Securities in 2006 and Charter of Masan Consumer Corporation dated April 26, 2016 (as amended from time to time) (the “**Company**”);
- Based on the 2019 Financial Statements of the Company audited by KPMG.

The Supervisory Board would like to report the General Meeting of Shareholders on the reviewing results of the Company’s 2019 financial position and the management activities of the Board of Directors and Chief Executive Officer in 2019 as follows:

**I. The Supervisory Board’s activities in 2019:**

In 2019, the Supervisory Board:

1. Fulfilled its functions in supervising the activities of the Board of Directors (the “Board”) and CEO based on the Company’s Charter and legal regulations; checking the compliance of decisions by the Board and CEO.
2. Checking and monitoring the implementation of 2019 business plan; supervising the implementation of the resolutions of General Meeting of Shareholders.
3. Controlling the orders and procedures for issuing regulations, policies, procedures and other documents of the Company.
4. Checking the legality, rationality, integrity and prudence in the business management and operations, in accounting and reporting principles;
5. Reviewing the report of the independent auditor and reports of internal auditing systems for the Board of Directors’ approval. The business result and accounting figures have been checked carefully to ensure the accuracy and legality in bookkeeping. The Company’s and its subsidiaries’ financial statements have been audited by KPMG and ensured to reflect fairly and rationally the key financial aspects of the Company, and checked to comply with Vietnamese Accounting Principles, Vietnamese Accounting Practices and other principles according to legal regulations.
6. Reviewing the Company’s annual and half-year business and financial statements, reports on the Board of Directors’ management; reviewing documents for the AGM.

7. In 2019, the Supervisory Board had 2 meetings: (i) approving the reviewing results of 2018 financial statements audited by KPMG, and (ii) approving the reviewing results of 2019 half-year financial statements reviewed by KPMG.
8. In 2019, the Supervisory Board did not get compensation.

## II. The financial position and business performance of the Company in 2019

**Table 1: CONSOLIDATED BALANCE SHEET**

**Unit: VND 1,000**

<b>Figures</b>	<b>31/12/2019</b>	<b>31/12/2018</b>	<b>% (2019/2018)</b>
<b>Asset</b>			
<b>Current Assets</b>	<b>6,006,835,115</b>	<b>3,633,456,428</b>	<b>165%</b>
Cash and equivalent	2,191,361,039	1,669,119,982	131%
Short-term Investments	193,304,109	251,200,000	77%
Short-term Receivables	2,406,606,412	458,279,877	525%
Inventories	1,168,106,287	1,215,429,353	96%
Other Current Assets	47,457,268	39,427,216	120%
<b>Long-term Assets</b>	<b>14,462,772,196</b>	<b>13,419,348,775</b>	<b>108%</b>
Long-term Receivables	8,935,013,934	8,205,002,665	109%
Fixed Assets	4,156,809,070	4,077,188,360	102%
Long-term work in progress	561,015,382	230,563,819	243%
Long-term Investments	249,391,859	249,391,859	100%
Other Long-term Assets	560,541,951	657,202,072	85%
<b>TOTAL ASSETS</b>	<b>20,469,607,311</b>	<b>17,052,805,203</b>	<b>120%</b>
<b>Resources</b>			
<b>Liabilities</b>	<b>8,062,640,264</b>	<b>6,171,592,732</b>	<b>131%</b>
Short-term liabilities	7,743,867,536	5,917,949,751	131%
Long-term borrowings and liabilities	318,772,728	253,642,981	126%
<b>Owners' equity</b>	<b>12,406,967,047</b>	<b>10,881,212,471</b>	<b>114%</b>
Share capital	7,229,246,040	6,279,291,230	115%
Share premium	3,555,999,145	4,292,501,205	83%
Other capital	(265,775,657)	(265,775,657)	100%
Treasury shares	(1,640,252,631)	(1,640,252,631)	100%
Foreign exchange differences	13,597,433	5,398,308	252%
Investment and development fund	22,731,972	22,731,972	100%
Undistributed profit after tax	3,244,394,137	1,962,584,223	165%
Non-controlling interests	247,026,608	224,733,821	110%
<b>TOTAL RESOURCES</b>	<b>20,469,607,311</b>	<b>17,052,805,203</b>	<b>120%</b>

**Table 2: CONSOLIDATED INCOME STATEMENT****Unit: VND 1,000**

<b>Figures</b>	<b>2019</b>	<b>2018</b>	<b>% (2019/2018)</b>
<b>Revenue from sales of goods and provision of services</b>	<b>19,112,348,417</b>	<b>17,290,253,757</b>	<b>111%</b>
Revenue deductions	(624,806,580)	(283,778,144)	220%
Net revenue	<b>18,487,541,837</b>	<b>17,006,475,613</b>	<b>109%</b>
Cost of sales	<b>(10,529,868,314)</b>	<b>(9,388,082,264)</b>	<b>112%</b>
<b>Gross profit</b>	<b>7,957,673,523</b>	<b>7,618,393,349</b>	<b>104%</b>
Financial Income	619,847,831	550,227,206	113%
Financial Expenses	(240,140,907)	(182,528,190)	132%
Share of profit in associates	7,977,651	5,318,434	150%
Selling Expenses	(3,015,180,961)	(3,284,879,798)	92%
General & Administration Expenses	(817,391,574)	(793,223,584)	103%
<b>Net Operating Profit</b>	<b>4,512,785,563</b>	<b>3,913,307,417</b>	<b>115%</b>
Other Income	1,623,151	622,448	261%
Other Expenses	(22,629,401)	(19,524,647)	116%
<b>Accounting Profit Before Tax</b>	<b>4,491,779,313</b>	<b>3,894,405,218</b>	<b>115%</b>
Income tax expense – current	(410,452,845)	(565,570,609)	73%
Income tax benefit/ (expenses) – deferred	(19,648,372)	68,644,808	-29%
<b>Net profit after tax</b>	<b>4,061,678,096</b>	<b>3,397,479,417</b>	<b>120%</b>
Equity holders of the Company	4,026,490,968	3,367,089,339	120%
Non-controlling interests	35,187,128	30,390,078	116%
<b>Basic Earnings per share (*)</b>	<b>5.727</b>	<b>4.826</b>	<b>119%</b>

*(\*) the 2018 figures of basic earnings per share have been revised to reflect bonus shares issued in 2019*

### **III. Review of the governance by the Board of Directors in 2019**

1. In 2019, the Board of Directors fully observed the legal regulations and the Company's Charter, executed the AGM resolutions successfully.
2. The Board of Directors Meetings was held on a quarterly basis in accordance with the law and the Charter of the Company. In 2019, the Board of Directors worked actively and efficiently, closely co-ordinated with the CEO and Board of Management to determine directions and solve business requirements in a timely manner, leading to the impressive business results for the Company and great value for the shareholders in 2019.
3. Resolutions by the Board of Directors were issued in compliance with the functions and duties of the Board according to legal regulations and the Company's Charter.

### **IV. Review of the management by the CEO in 2019:**

1. With the Board of Management, CEO carried out the decisions and resolutions of AGM and BOD in a timely and complete manner, and implemented the Company's business plan

successfully; proactively prepared plans for managing and performing business operations, and developed the efficiency of the organizational and managerial structure of the Company.

2. The Board of Management co-ordinated closely and proactively in sourcing, directing business operations, and ensuring jobs and improving income for employees.
3. The Board of Management regularly held meetings to discuss business plans of the Company and its subsidiaries, give directions, correct and improve shortcomings.

**V. Conclusion:**

1. The Company's activities in 2019 basically comply with the provisions of law and the Charter of the Company;
2. In 2019, the Board of Supervisors has not found any abnormal signs in the business operation of the Company;
3. The business results and accounting data have been strictly checked to ensure the accuracy and legality of recording data.

This is the report of the Supervisory Board at the 2020 Annual General Meeting of Shareholders of Masan Consumer Corporation.

We wish great success to the meeting.

**ON BEHALF OF THE SUPERVISORY BOARD  
HEAD OF THE SUPERVISORY BOARD**

*(Signed and sealed)*

**NGUYEN QUYNH LAM**