



KẾT NỐI
VẠN NHU CẦU

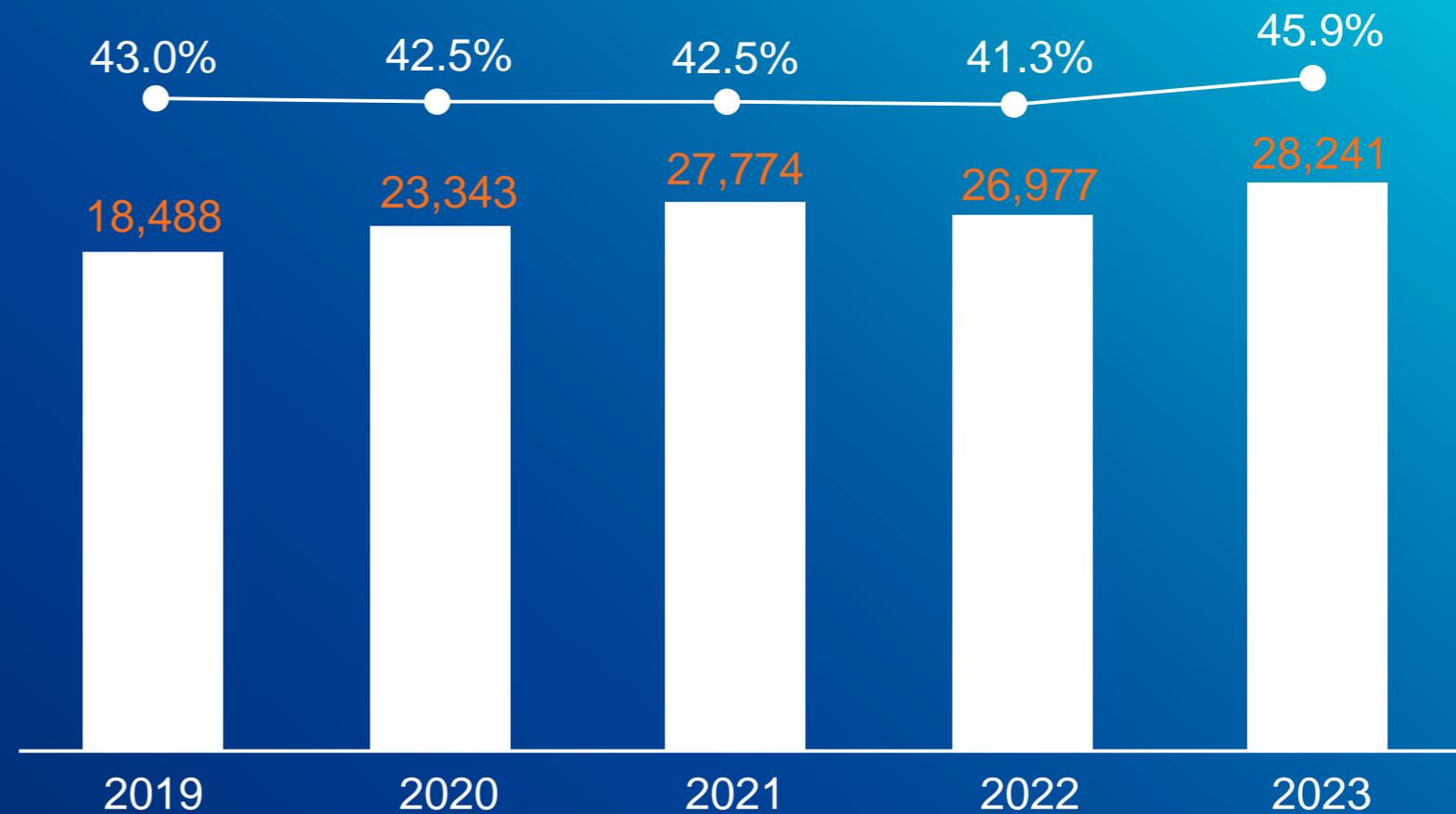


CONSUMER
OF THINGS

ANNUAL REPORT 2023

2023 SCORECARD

Net Sales (VND billion) and Gross Margin (%)



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2023 SCORECARD (continued)

Net Sales (VND billion) and Gross Margin (%)

NET PROFIT AFTER TAX
IN 2023

7,194
VND billion

FREE CASH FLOW
IN 2023

5,686
VND billion

TOTAL ASSETS
AS OF 31 DECEMBER 2023

40,553
VND billion

CASH ON HAND
AS OF 31 DECEMBER 2023 ^(*)

10,698
VND billion

(*) Including cash and cash equivalents and short-term investments (primarily comprised of fixed-term deposits ranging from 3 months to less than 12 months, and other short-term investments).

CEO'S LETTER



Looking forward to the next 10 years, I see immense opportunities for Masan Consumer to continue to grow. Our goal is “All Masan’s products in each and every Vietnam household; At least one Masan’s product in each and every household globally”.

Dear Masaners,

For the past 20 years, Masan Consumer (“MSC”) has kept our mission of “Uplifting the material and spiritual lives of 100 million Vietnamese consumers” front and center in the way we conduct our business. Through our journey of serving consumers, we have achieved few achievements which we all should be proud of. Today, 98% of Vietnamese households have at least one Masan Consumer’s product. Many of our brands hold market leadership positions in their respective categories and continue to grow. Masan Consumer has consistently been ranked at the top positions in both urban and rural areas for many years. Whilst we started out with seasonings in 2002, we have since expanded our portfolio of brands and products to serve Vietnamese consumers across 8 FMCG categories.

Yet, we must not rest on our laurels. Looking forward to the next 10 years, I see immense opportunities for Masan Consumer to continue to grow. Our goal is “All Masan’s products in each and every Vietnam household; At least one Masan’s product in each and every household globally.” That is a tall ask and in order to successfully deliver on that goal, it is essential that Masan Consumer transforms itself and develops a new FMCG business model based on the following key pillars:

CEO'S LETTER (continued)

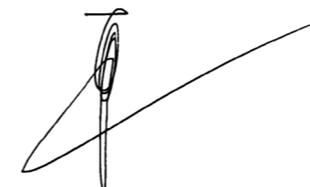
we have since expanded our portfolio of brands and products to serve Vietnamese consumers across

8 FMCG categories.

1. Develop Consumer Innovation Center (CIC) and Consumer-In-Love (CIL) models to identify future big unmet needs of consumers. These will replace the traditional R&D, CMK (Consumer Marketing Knowledge team), CTI and Brand Group methods that we currently deploy. CIC and CIL will allow us to directly communicate with consumers and work with them to develop new product ideas and brands, stemming from consumers' everyday lives.
2. Utilize digital communication methods with the masses to uncover Big Consumer Insights in building local and global brands.
3. Apply AI in all stages of Creative/Communication Development. In-house Agency is already our competitive advantage; leveraging the power of AI will allow us to accelerate our brands building process.
4. Pioneer the "Consuming Life" concept, serving every need of a consumer over their lifetime. Consuming Life is developed based on the foundation of "Point of Life" and WIN Membership of The CrownX and WinCommerce, allowing Masan Consumer to better engage and understand consumers to provide them with more value.
5. Improve success rate of new products launch through multi-phase pilots. Any new product will only be rolled out nationwide after receiving favourable feedback from consumers through digital channels and WinCommerce.

6. "Make Vietnamese Foods Global Foods". We will go global with our strong domestic brands, representing the best of Vietnamese culture.
7. Own space and time of consumers, including through all shopping channels (traditional, modern and digital), anytime and anywhere.
8. Develop and train young talents; share success and promote from within. Young talents are the cornerstone of Masan Consumer's future.

I firmly believe that our organization has the required capability and commitment to grasp this big opportunity to continue delivering on our mission of uplifting the material and spiritual lives of consumers. The future is in our hands; big success is ahead in our Consumer Journey.



Truong Cong Thang
Board of Director Member & Chief Executive Officer

OUR STORY



OUR STORY

At Masan Consumer, our business commitment is “uplifting the spiritual and material lives of Vietnamese consumers each and every day”. We are true to our commitment as we are a consumer-centric company.

Masan Consumer (the “Company” and “Masan” and “MSC”) is one of Vietnam’s leading food and beverage companies and have recently entered into the home and personal care (“HPC”) space. At Masan Consumer, our business commitment is “uplifting the spiritual and material lives of Vietnamese consumers each and every day”. We are true to our commitment as we are a consumer-centric company that provides innovative solutions to solve consumers’ daily basic needs with quality and affordable staple products while also introducing more premium products to service our consumers as Vietnam develops. Our belief in the potential of serving Vietnamese consumers, along with their growing demands, concerns, interests and tastes have been with us since the beginning and are reflected in everything we do.

We have been particularly successful in serving rural consumers, where nearly 70% of Vietnamese population resides. In the spirit of journeying with our consumers who are becoming more affluent and are urbanizing, we are also growing the fastest in the modern retail channel. Being everywhere for our consumers is important to Masan because half of their daily spending is on goods such as meat, food and beverage, but often they receive subpar product quality. We want to remedy this situation and satisfy their “big unmet needs” with trusted products. This is a huge opportunity for business growth as well as creating long-term value for all stakeholders.

Our history and track record give us reasons to believe in our ability to better serve and expand our consumer base successfully. Founded in 1996, Masan Consumer quickly became a market leader in the domestic food and beverage industry after transitioning away from an export model. Today, Masan Consumer is a billion-dollar + revenue business with a diverse portfolio of trusted brands and products in the fast-moving consumer goods (“FMCG”) sector. Our products include soy sauce, fish sauce, chili sauce, convenience foods, congee, instant coffee, cereals, bottled beverages, and HPC products. We also have an extensive distribution network in Vietnam. As a result, 98% of Vietnamese households have at least one Masan product (Kantar Worldpanel).

In 2023, we have continued to grow our portfolio of offerings with healthy, breakthrough innovations and high-quality products across a wide range of price points. Particularly, the Chin-Su brand was honored as the ‘golden brand of the youth,’ based on the results of a survey conducted by Kantar as part of the ‘Golden Brands of Ho Chi Minh City 2023’ program, which aims to celebrate successful brands that have built a positive image and significant influence on the young consumer generation. 2023 also marked a significant year in our ‘Go Global’ strategy, as Chin-Su chili sauce became one of the top 8 best-selling chili sauce products on the Amazon platform.

OUR STORY (continued)

OUR 2025 VISION

We envision:

- To be a leading consumer player in Vietnam in terms of sales, profits and brand recognition;
- To address daily needs of 100 million Vietnamese consumers;
- Go Global - Make Vietnamese Food Global Foods;
- To attract top talents and to be recognized as one of Vietnam's best workplaces and become a hallmark of quality and pride of Vietnamese.

2025 OBJECTIVES

- 12 brands ranked No.1 in different FMCG categories
- Average revenue growth of over 20% per annum during the period of 2023-2025
- Top 3 best place to work in Vietnam by 2025.

OUR STORY (continued)

OUR JOURNEY IS THE CONSUMERS' JOURNEY

Exceptional Execution

Our execution strategy is to:

- Build power brands, that are loved and trusted; brands that are top-of-mind for consumers and game-changers;
- Deliver on new innovations, launch new and essential products for consumer's daily basic needs. In 2023, we introduced more than 60 initiatives to our product pipeline;
- We continuously expand our customer, so we are constantly exploring and diversifying product lines such as Omachi Self-Boiling Hotpot, which is suitable for the style and taste of dynamic young people, adventure travelers; EnerZ energy drink with less than 70% sugar.
- We are shifting consumer demand from mass-market products to premium segments through innovative initiatives that enhance the value of our products in the market-leading categories.
- Invest in technology and human resource to strengthen research and development of new products, keeping pace with market trends and consumer preferences, and timely introducing these new products to all consumer segments in Vietnam.
- We are enhancing product coverage and presence nationwide through a multi-channel distribution system, which includes traditional channels as well as a strong push for modern and online channels.
- We are intensifying direct interaction, listening, and understanding of consumer preferences for our brands through the consumer innovation center.
- Optimize marketing campaigns by shifting the structure from traditional to digital platforms to easily target relevant customer segments and measure marketing results in real-time.
- Uphold our "3A" mantra of Affordability, Availability and Assurance of Quality. It's easier to deliver on two of the three A's but being able to fulfil all 3A's makes Masan unique;
- Grow our beverage business to ensure 50:50 revenue contribution from food and beverage by 2025; and
- Be the employer of choice and a place where entrepreneurial talent is nurtured and developed.

OUR STORY (continued)

OUR JOURNEY IS THE CONSUMERS' JOURNEY (continued)

With the 'Go Global' strategy, Masan aims to achieve 15% of its sales from international business by 2027, compared to the current 4%.

Financial discipline

We have a disciplined financial strategy. We:

- Digitalize the entire operations and sales process, in order to best manage manufacturing, supply chain, sales and control costs, promoting sales growth and profit as well as offering more benefits to consumers.
- Focus on opportunities where we can achieve 30%+ gross margins, allowing us to invest in building power brands and innovations that can add value to our consumers.
- Prioritize allocation for brand building efforts to ensure sustainable growth.
- With the 'Go Global' strategy, Masan aims to achieve 15% of its sales from international business by 2027, compared to the current 4%.



OUR STORY (continued)

PLATFORM FOR BREAKTHROUGH GROWTH

Building Power Brands

We have transformed our branded food and beverage platform to become a market leader across many different categories with strong brand equity. Our approach to organically develop or acquire power brands which are trusted by consumers, in line with our belief in focusing on consumer's daily basic needs. Our seasonings and coffee products are market leaders in their respective categories, while in instant noodles, we are the number one player in the premium segment. We have a fast-growing beverages business due to our strong brands in the energy drinks category. The Home & Personal Care category has shown outstanding growth with the introduction of new brands to consumers, among which Chante' has emerged as the leading brand in the WinCommerce supermarket chain.

We develop strong brands by leveraging our deep understanding of the Vietnamese consumers and implementing multinational practices, resulting in what we believe is an unrivalled portfolio. In a largely price-driven market, we take pride in being able to transform products that

were once seen as commodities, into distinct brands that can command customer loyalty across different price points and meet the diverse needs of Vietnamese consumers.

Masan Consumer's key brands include Chin-Su, Nam Ngu, Tam Thai Tu, Omachi, Kokomi, Vinacafé, Wake-Up, Wake-Up 247, Vinh Hao, Vivant, Lemona, Quang Hanh, Joins, Chanté, Super Net, La'Petal, Homey, etc. many of which have been ranked, for many years, as the fastest growing and most chosen brands by Vietnamese consumers. In 2023, Masan Consumer has launched EnerZ energy drink, BupnonTEA 365, Phở Chin-Su Story, Gumi instant noodle, Omtomi instant noodle, Chin-Su Hi-Fresh, Sopa liquid detergent, etc. which are positively welcomed by consumers.

At the end of 2023, Masan Consumer had five brands with sales over VND2,000 billion, proud to be leading brands in large product categories.

Brands with revenue of over VND2,000 billion in 2023



OUR STORY (continued)

PLATFORM FOR BREAKTHROUGH GROWTH (continued)

Reaching New Heights – Building A Foundation for Understanding Consumers, Aiming to Lead Innovation

In 2023, Masan Consumer made its mark with breakthrough innovations in all product categories. This was the year when Masan Consumer's Research and Development (R&D) team demonstrated outstanding capabilities in rapidly introducing many new products to meet the increasingly high demands of consumers. The R&D team, driven by passion, enthusiasm, expertise, and readiness to face challenges, is committed to the company's common goal and focused on consumers. To achieve this, understanding market needs deeply is always a top

priority. The Consumer Innovation Center, with the mission of listening to and understanding consumers, was established in June 2023. At this center, we engaged, conversed, and exchanged ideas with the "Consumers in Love" community - loyal product users, to identify unmet needs and develop suitable products. Furthermore, continuously updating with cutting-edge technologies, along with a team of world-class experts in various industries, has enabled our R&D to excellently execute innovations in 2023.



The Consumer Innovation Center, with the mission of listening to and understanding consumers, was established in June 2023.

OUR STORY (continued)

PLATFORM FOR BREAKTHROUGH GROWTH (continued)

Reaching New Heights – Building A Foundation for Understanding Consumers, Aiming to Lead Innovation (continued)

In the coming years, Masan Consumer plans to closely collaborate with WinCommerce and the WIN Membership program to develop new products based on the analysis and understanding of customer behaviour. This is a competitive advantage for Masan Consumer as it is part of The CrownX Corporation (“The CrownX”), Masan Group’s retail-consumer platform.

As a flagship category leading Masan Consumer’s growth, the sauces, condiments and dressings category has taken significant steps in applying new technologies and techniques to offer consumers a variety of new seasoning products, providing homemakers with more cooking options. Nam Ngu Collection of specialty fish sauce: Nam Ngu chili and Ly Son’s garlic fish sauce, Nam Ngu chili and Ky Son’s ginger fish sauce, Nam Ngu Southern fresh tamarind fish sauce, represents unique innovations that not only bring convenience to Vietnamese family meals but also elevate the value of specialty products from various regions across the country.

Continuing to assert its leading position in diversifying seasonings, Chin-Su shrimp satay enhances the taste of hotpot and grilled dishes, while Chin-Su mayonnaise with original flavor, chilli mayonnaise and ketchup mayonnaise, delights the younger generation. The meals for busy families become quicker and more delicious with ready to cook sauce for special dishes such as Vietnamese Pho, Thai style hotpot, Hanoi style barbecue noodle... Expanding beyond the Vietnamese market, in 2023, as part of its “Go Global” strategy, Chin-Su launched a range of sauces, granule tailored for the Japanese market, including Chin-Su Ca Com Bien Dong - Fresh Anchovies from Vietnam fish sauce, Chin-Su Wasabi chili sauce,

Chin-Su granule from Shiitake mushroom & kombu, and unique fermented soy sauce. Moreover, Chin-Su Ca Com Bien Dong - Fresh Anchovies fish sauce is introduced to various international markets such as the US, Canada, Australia, and Europe. Notably, the introduction of Chin-Su Sriracha chili sauce made of signature “Chả Thiên” chilli has contributed to Chin-Su surpassing over 400 chili sauce brands on the Amazon e-commerce platform to be listed as a “Top 8 Best Seller.” This achievement marks a significant milestone in Chin-Su’s “Go Global” journey.

In the convenience food category, the market has become highly dynamic with the introduction of Omachi self-heating hot pot - freshwater crab & beef flavor, targeting young consumers. The unique flavor and convenience of Omachi self-heating hot pot have established a distinct style in modern youth culinary enjoyment. Additionally, Omachi has incorporated street food style into its products such as Gumi Instant Noodles with the unique familiar taste of Spicy Beef Noodles flavor and Tomato Egg Soup flavor. Omtomi Premium Cooking Noodle has marked a breakthrough in the category by applying technology from South Korea to introduce innovative products like Omtomi Sour Shrimp Soup flavor, Hot beef flavor, Bibim flavor, Mango & Shrimp flavor. In the mid-range segment, Kokomi noodles have achieved significant success with the introduction of the Kokomi one and a half, showcasing the depth of research and development in meeting the diverse daily needs of Vietnamese consumers. Furthermore, products made from rice noodles like Instant Pho Noodle Phở Story - made of time-honoured recipe from a traditional pho eatery have made a significant impact by preserving and promoting the refined flavors of Vietnamese cuisine.

OUR STORY (continued)

PLATFORM FOR BREAKTHROUGH GROWTH (continued)

Reaching New Heights – Building A Foundation for Understanding Consumers, Aiming to Lead Innovation (continued)

Introducing the chilled food category with Chin-Su Hi Fresh Cabbage pickle - Fresh, Crunchy & Just-right fermented, and the frozen food category with Chin-Su Hi Fresh Shrimp & Meat Spring Roll. Chin-Su Hi Fresh Shrimp & Squid Spring Roll, once again reaffirms the capabilities of our (R&D) team in swiftly venturing into new categories to introduce unique food products, catering to the significant demand of consumers for fresh, delicious, and nutritious meals every day.

In 2023, Masan Consumer's beverage category made significant breakthroughs in researching and introducing innovative products to the market, including low-sugar energy drinks EnerZ and 365 green tea, targeting the health-conscious and taste preferences of the Gen Z generation. Additionally, nutritional drinks are introduced nut B'fast milk, aimed at providing essential nutrients for children and women. The coffee category saw a surge with the introduction of Vinacafé cup, Wake-Up Bờ Hồ, and Vinacafé Chát, offering unique and refreshing coffee experiences.

In the HPC category, R&D introduced premium packaging and superior quality for products such as Homey dishwashing liquid, Chanté and Sopa liquid detergent with impressive fragrances.

Looking ahead to 2024, Masan Consumer remains committed to strong growth driven by breakthrough innovations. To achieve this, our R&D team is committed to continuing our journey of serving consumers with relentless creativity, coupled with leveraging new global technologies, to consistently create delicious, nutritious food products, anticipating new consumer trends introduced to consumers not only in Vietnam but also globally.



CHIN-SU®

NGON HẢO HẠNG

Bán song hành
tại Việt Nam
&
NHẬT BẢN



OUR STORY (continued)

PLATFORM FOR BREAKTHROUGH GROWTH (continued)

Being Everywhere for Everyone



300,000

points of sale

2,700

salesmen

Masan Consumer operates one of the largest food and beverage distribution networks in Vietnam, providing significant competitive advantages such as the ability to deliver our products to customers efficiently, while minimizing logistics costs. This is critical as nearly 70% of Vietnam's population is still rural and the retail sector continues to be led by general trade. However, in 2020, the shift from general trade to modern trade accelerated (modern sales channels account for ~12% of all retails, according to Euromonitor), driven by the Covid-19 pandemic and the general urbanization trend. We believe we are well positioned to benefit from this consumer trend as we are part of The CrownX, the owner of one of Vietnam's largest modern retailers, WinCommerce General Commercial Services Joint Stock Company ("WCM", operators of WinMart supermarkets and WinMart+ minimarkets). While we do not benefit from more favorable terms, we do achieve wider availability and can sharpen our strategy to gain share in the modern trade channel in general.

As a result, Masan Consumer is now one of the few companies in Vietnam that covers all of the various food and beverage distribution channels. We have grown our points of sale to approximately 300,000 of which 194,000 carry all product lines produced and sold by Masan Consumer with nearly 2,700 salesmen. This vast network reflects the strength of our distribution network in rural areas, where we have the strongest coverage and route-to-market strategies and also gives us greater speed to market for new product launches and promotional initiatives.

Although officially joining e-commerce platforms in Vietnam only since March 2023, Masan Consumer quickly made a significant impact. In the

traditional e-commerce landscape, a series of Brand Days, Mega Events, and Flash Sales on platforms like Lazada and Shopee were prioritized by Masan Consumer starting from May 2023, providing Vietnamese consumers with convenient shopping experiences.

In the era where Shoppertainment has become a prevailing trend, Masan Consumer has collaborated with Lazada, TikTok Shop, and various Key Opinion Leaders/Key Opinion Consumers (KOL/KOC) to conduct a series of online shopping events, including livestream sessions. These events provide users with quick access to new, high-quality, and exciting products such as the Chin-Su chili sauce jumbo size 2kg Party, Nam Ngu Collection of specialty fish sauce, Omachi self-heating hot pot, "Open big noodle, celebrate big Tet", "Spices Festival", and more. These initiatives have reached over 10 million users, achieving a record-breaking 35 million interactions.

We ensure to provide a seamless online shopping experience with numerous benefits, fast and impressive delivery times; maintaining packaging quality to the highest standards is always a top operational priority for Masan Consumer.

We assign a strategically vital role to e-commerce channels in 2024. On one hand, e-commerce will contribute significantly to the sales of premium products, while on the other hand, it will serve as the platform for introducing 100% of new products to consumers within the first week of launch. Lastly, Masan Consumer will prioritize the rapid and robust construction of "brand assets", accurately targeting consumers and timing their experiences on digital platforms.

OUR STORY (continued)

PLATFORM FOR BREAKTHROUGH GROWTH (continued)

Best-in-Class Facilities

We believe that the quality of products and services play a very important role in developing brand and attracting consumers. This belief motivates Masan Consumer to continuously research, invest and apply high-tech facilities and modern automatic equipment to reduce labor cost and power consumption, meeting the requirements of production, maintaining the Company's competitiveness as well as providing Vietnamese consumers with premium products.

2023 was a challenging year due to the overall economic downturn in Vietnam and the world, resulting in reduced consumer spending. Global inflation led to increased prices of materials and equipment, while delivery schedules still lagged behind pre-Covid-19 levels. However, with the efforts of the leadership team and all employees, we turned this difficult period into an opportunity to seek cost-saving solutions and shorten lead times to ensure investment efficiency. We consistently pursued the most optimal solutions to meet the company's business objectives, particularly in launching new products, with other departments playing crucial and necessary roles in Masan Consumer's growth.

The new production lines invested from 2022 to 2023 were completed and put into operation according to plan in 2023. Additionally, several production lines serving newly developed products have also been completed, including Completion and commissioning of the chili sauce processing line No. 3 with a capacity of 2,400 tons per month. This line marks the first time we have produced PET bottle blowing on a combi system with a production line efficiency of up to 92%-95%, helping to save production costs, including eliminating the need to purchase bottle blowing

services from third-party providers. The EnerZ energy drink processing line with a capacity of 30 million liters per year was put into operation within just 4 months from the approval of the new product business plan. The Nam Ngu chili and Ly Son's garlic fish sauce processing line utilized existing machinery and supplemented minimal additional equipment with low investment costs, meeting business objectives in a very short time with high investment efficiency. Other renovation and upgrade projects were undertaken to serve the company's business objectives and new product innovations, such as Nam Ngu chili and Ky Son's ginger fish sauce, Nam Ngu Southern fresh tamarind fish sauce investment in packaging and tube filling machines for cooking sauces and chili paste, mayonnaise, ketchup and satay processing lines, increased bone broth capacity for Phở Story, and equipment investment for processing Chin-Su Hi-Fresh Cabbage pickle.

In 2024, we have made strong investments and improvements in our factories and production lines, swiftly bringing them into operation to meet market demands with new products, including: Investing in a factory for processing new products in the Spices category at our facility in Binh Duong. Investing in a factory for processing new products and increasing production capacity in the beverage and bottled water category at Masan HG plant. Initiating investment procedures for production lines of new products in the HPC category at the Masan Food Industrial Center in Ha Nam. Establishing a new chili sauce plant in the Northern region. Investing in machinery and equipment for new dairy production lines. Investing in machinery and equipment to enhance the production capacity of coffee products to meet current demands at Vinacafé. Investing in

OUR STORY (continued)

PLATFORM FOR BREAKTHROUGH GROWTH (continued)

Best-in-Class Facilities (continued)

processing lines for new products in the meat and vegetables/fruits processing sector, with a supply of fresh vegetables from WinEco farms.

In addition, Masan Consumer will conduct a pilot project to digitize two noodle production lines as a preliminary test before implementing digital transformation across all Masan Consumer factories, in alignment with Masan Group's digital conversion strategy.

At the same time, Masan Consumer has policies regarding the use of clean energy as part of the ESG (Environmental, Social, and Governance) program of the Masan Group, through projects such as: Transitioning forklifts at factories to electric power. Implementing rooftop solar projects at factories in Binh Duong, Hau Giang, and expanding to other factories nationwide. Implementing projects for monitoring and managing energy consumption within factories to save electricity. Incorporating energy-saving criteria into the procurement process for machinery and equipment.



DOING WELL BY DOING GOOD



DOING WELL BY DOING GOOD

SUSTAINABILITY COMMITMENT

Serving Consumers with a Purpose, Not Just For Business Rewards

As a pivotal arm of the Masan Group, Masan Consumer (“MSC” or the “Company”) holds a distinguished position as one of Vietnam’s foremost fast-moving consumer goods (“FMCG”) pioneers. Our philosophy, deeply ingrained in every facet of our operation, is dedicated to enriching the daily lives of Vietnamese consumers - materially and spiritually - through providing high-quality, reasonably priced products that are readily accessible across the nation and to do so in a sustainable manner.

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

In our journey towards sustainable growth, we remain steadfast in our commitment to fostering a mutually beneficial ecosystem where all stakeholders-customers, partners, and communities alike-thrive alongside us. This dedication to collective prosperity is a hallmark that aligns us closely with the overarching principles of the Masan Group.

At Masan Consumer, our endeavors transcend mere commercial success; we invest in driving positive societal change and advocating for environmental stewardship. By intertwining our core business objectives with a broader mission to serve the community, we continually strive to deliver values that resonate with and uplift every individual touched by our brand. This is what we mean by “Doing well by doing good.”



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

DOING WELL BY DOING GOOD (continued)

APPROACH TO SUSTAINABILITY

Materiality Assessment

In 2022-2023, we began the process of integrating Environmental, Social, and Governance (ESG) considerations into our operations with support from Masan Group. We initiated the process by identifying ESG topics material to our business, operations, and value chain through a materiality assessment. We set ambitions and targets,

defined key performance indicators (KPIs), developed action plans, and implemented an effective governance structure to facilitate the achievement of those targets. In 2024, we will continue integrating ESG into our operations and decisions (refer to Figure 1 – Page 22 for Masan’s Sustainability Journey, which we undergo together with other Group companies).



DOING WELL BY DOING GOOD (continued)

APPROACH TO SUSTAINABILITY (continued)

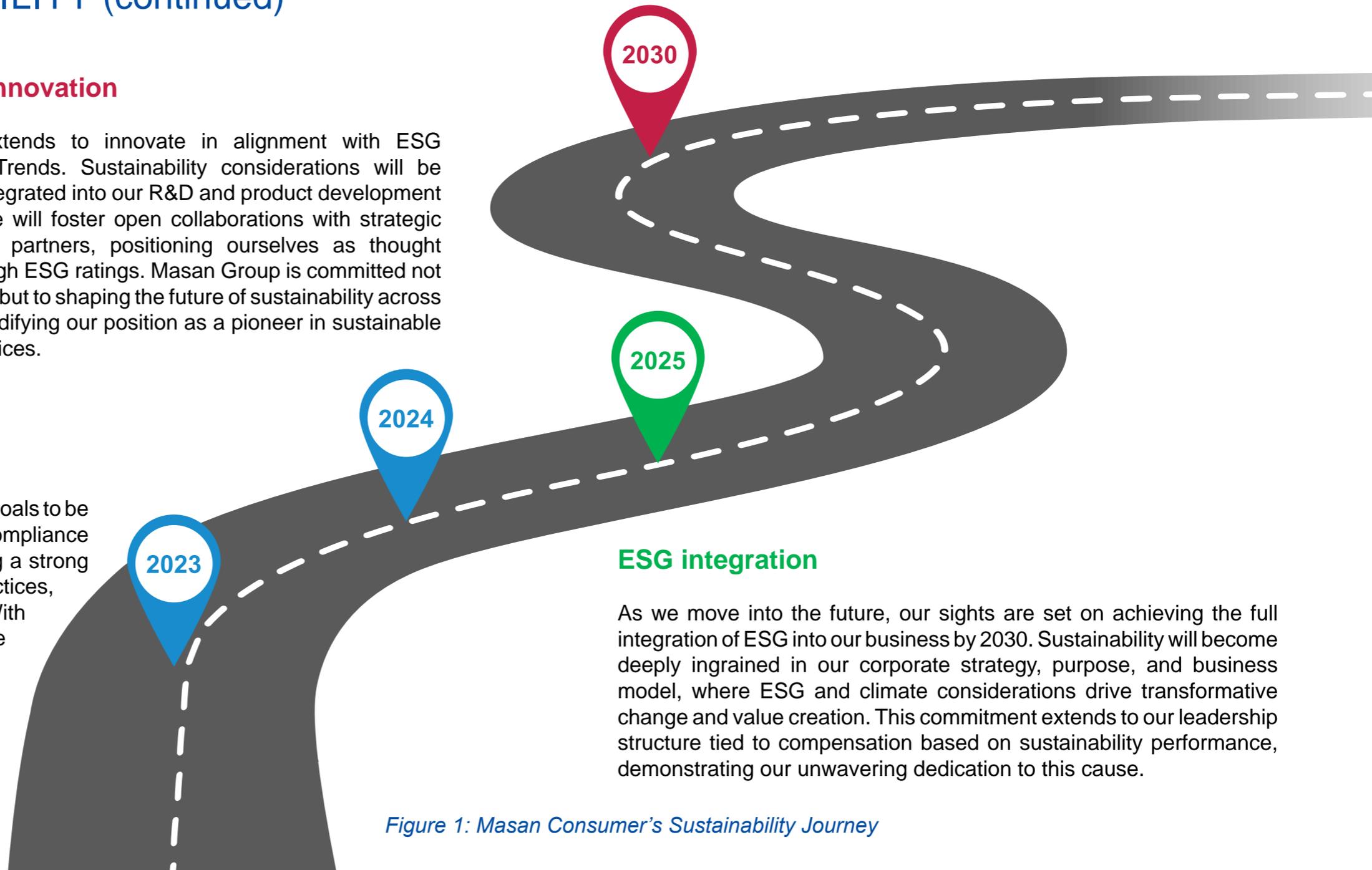
Materiality Assessment (continued)

Business Innovation

Our vision extends to innovate in alignment with ESG and Climate Trends. Sustainability considerations will be seamlessly integrated into our R&D and product development processes. We will foster open collaborations with strategic cross-sectorial partners, positioning ourselves as thought leaders with high ESG ratings. Masan Group is committed not just to meeting but to shaping the future of sustainability across our sector, solidifying our position as a pioneer in sustainable business practices.

Transitioning into Beyond Compliance

Masan is actively transitioning toward ambitious ESG goals to be achieved by 2025. We have moved beyond reactive compliance measures and ad hoc philanthropy initiatives, placing a strong emphasis on international standards and best practices, extending our reach beyond local regulations. With an established ESG strategy and regular disclosure practices, sustainability is no longer just a function but an integral part of our corporate strategy, purpose, and business model.



ESG integration

As we move into the future, our sights are set on achieving the full integration of ESG into our business by 2030. Sustainability will become deeply ingrained in our corporate strategy, purpose, and business model, where ESG and climate considerations drive transformative change and value creation. This commitment extends to our leadership structure tied to compensation based on sustainability performance, demonstrating our unwavering dedication to this cause.

Figure 1: Masan Consumer's Sustainability Journey

DOING WELL BY DOING GOOD (continued)

APPROACH TO SUSTAINABILITY (continued)

Materiality Assessment (continued)

Materiality assessment for Masan Group and Masan Consumer was undertaken with a global consulting company with well-established expertise in the sustainability advisory landscape. The assessment entailed a comprehensive analysis of key ESG issues that impacted our stakeholders and businesses. It also considered where Masan Consumer operations may impact the environment and society. A defined approach was used to better understand, act upon, and communicate our most

important sustainability-related topics by outlining the importance of a topic to Masan Consumer's stakeholders against the significance of impacts to Masan Consumer.

We also benchmarked ourselves against industry peers and global frameworks to complement the insights from the stakeholders' interviews.

ESG Strategy Framework

In support of our vision to sustainable growth by uplifting the spiritual and material lives of our Vietnamese consumers, we are committed to responsible, sustainable practices extending to each facet of our business. The Masan Consumer's ESG Strategy fully adhere to Masan Group's ESG strategy, prioritizing the issues that matter most to our business and stakeholders, focusing on areas that have a greatest impact. It includes three key pillars: Driving Innovation for Sustainable Growth, Caring for the Environment and Community, Winning Heart and Mind of our People and Customers (Figure 2 – Page 24).

By embodying the ESG Framework pillars and aligning with Masan Group's vision, we aspire to position Masan Consumer as a beacon of responsibility - a company that not only generates value for customers and stakeholders across our value chain but also fosters innovation for sustainable development, champions environmental and community stewardship, and captures the hearts and minds of our employees and customers alike.

At Masan Consumer, our allegiance to ESG principles is not just a commitment; it's a core element of our identity. This dedication harmoniously aligns with the United Nations Sustainable Development Goals (UN SDGs) and is reflected in our rigorous compliance with the International Finance Corporation (IFC) Performance Standards. Our ESG initiatives are broad and far-reaching, touching on vital areas such as sustainable supply chain management, ethical sourcing practices, employee welfare, and meaningful community engagement.

Our standalone sustainability report focuses on areas deemed most significant to our stakeholders and business, ensuring relevance and impact. This report has been prepared in line with the Global Reporting Initiative (GRI) Standards 2021, guaranteeing that our sustainability efforts are transparent, comparable year-on-year, and consistent with international best practices. Through these standards, we affirm our unwavering dedication to meeting and exceeding global sustainability benchmarks.

DOING WELL BY DOING GOOD

(continued)

To be Vietnam's pride by uplifting the material and spiritual lives of consumers anytime and anywhere, operating through our belief in "Doing well by doing good"

APPROACH TO SUSTAINABILITY (continued)

ESG Strategy Framework (continued)



Figure 2: Masan Consumer's ESG Framework and Material Topics

DOING WELL BY DOING GOOD (continued)

APPROACH TO SUSTAINABILITY (continued)

ESG Targets

In collaboration with Masan Group, we have set a forward-looking strategic roadmap, outlining an ambitious path from 2025 to 2030. Aligned with the ESG roadmap of Masan Group, our vision is articulated through clear long-term goals and the establishment of specific Key Performance Indicators (KPIs) for the forthcoming year, 2024. Each of these KPIs is linked to one of the eight material topics identified as significant areas of our sustainable business growth.

Our goal is to build value among our company’s stakeholders by driving innovation, incorporating environmentally and socially responsible business practices within our own operation and across our supply chains.

We are setting ambitious environmental goals, maintaining customer satisfaction, employee welfare and beyond, sourcing sustainably, improving the product quality and making impactful advancement in our communities.

By setting clear and actionable KPIs, we commit to a path of accountability. This commitment is not just to ourselves but to all our stakeholders, highlighting that our strides towards sustainability are marked by intentions, definitive milestones, and substantial achievements. Through this structured and transparent approach, we aim to reach our targets and set new benchmarks in sustainable and responsible business practices within our industry and beyond.



DOING WELL BY DOING GOOD (continued)

APPROACH TO SUSTAINABILITY (continued)

ESG Targets (continued)

DRIVING INNOVATION FOR SUSTAINABLE GROWTH

Health and Nutrition, Food Safety & Product Labelling

- Maintain 100% compliance for products (safe for health) and labelling
- Introduce at minimum 5 products considered “Good for Health” by 2025

Supply Chain Management

- Develop the responsible sourcing policies for all material ESG issues relevant to MSN supply chain and apply for 60% key suppliers by 2025.

* *Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy.*

***Net Zero definition is to be aligned with Vietnam Nationally Determined Contribution.*

CARING FOR THE ENVIRONMENT AND COMMUNITIES

Climate Change

- 15% reduction for Scope 1 and 2* GHG Emissions by 2030 and Net Zero** by 2050 aligning with Vietnam Nationally Determined Contribution.

Environmental Stewardship

- Annual water usage reduction of 5-10% per unit production due to water recycling by 2025
- To increase 50% of waste recycled by 2025 in supporting the National Action Plan for Management of Marine Plastic Litter by 2030.

Community Development

- Programmes are developed for focus areas of human health, food and nutritional sciences, and sustainable agribusiness with technology integration for the community by 2025, with defined engagement and impact targets.

WINNING HEARTS AND MINDS OF OUR PEOPLE & CUSTOMERS

Human Capital

- Maintain employee satisfaction survey score of at least 70% yearly.
- Maintain 45% of women to men for rank 3 and above.
- Maintain a score of at least 70% in the Diversity and Inclusion section of the employee satisfaction survey yearly.

Customer Relationship Management

- Maintain 90% of customer satisfaction score through and beyond 2030
- 30 million WIN members serving 80% of consumers’ daily needs

Business Ethics and Sustainability Governance

- Establish MCH ESG Committee by 2024.
- Nominate MCH ESG Committee representative to be part of Masan group-level ESG Committee from 2024.
- Appoint MCH ESG Champions for each material ESG topic with clear roles, responsibilities, targets, and KPIs by 2024.

Figure 3: Masan Consumer’s ESG Targets

DOING WELL BY DOING GOOD (continued)

DRIVING INNOVATION FOR SUSTAINABLE GROWTH

Food Health, Nutrition, Safety, and Product Labelling

Masan Consumer believes we positively contribute to Vietnam's consumer market by providing innovative products and services that safeguard customers' nutritional properties and health benefits. We are also contributing to changing consumers' concepts and behaviors towards healthy products. Moving forward, we recognize the need to manage product-related risks effectively in our extensive retail operation.

Up to the present, we have consistently met national and international quality assurance and safety standards, as well as national labelling regulations for our products. Our quality assurance teams implement programs to maintain product quality and meet strict standards. This involves checks on input materials, monitoring of production and packaging, inspections at warehouses, and quality assessments at distributors.

Masan Consumer's facilities conform to HACCP (Hazard Analysis Critical Control Point) standards and have achieved certifications in ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management System), and SA8000 (Social Accountability Management System), along with BRC (Brand Reputation through Compliance), FSSC (Food Safety System Certification Scheme), HALAL, ISO 14001 (Environmental Management System), and ISO 45001 (Occupational Health and Safety Management System).

We have also enhanced the products' nutritional values, introduced a range of "Good for Health" products, and thoroughly adhered to the guidelines set by the World Health Organization (WHO) and the Vietnamese Ministry of Health.

Our long-term targets focus on upholding 100% compliance with safety and labelling standards for products and achieving a "Good for Health" product portfolio across all consumer businesses by 2025. In the interim, by 2024, we plan to finalize the "Good for Health" definition and establish a comprehensive product development roadmap that will guide us through 2025 for this theme.

Masan Consumer's facilities conform to HACCP standards and have achieved certifications in ISO 9001, ISO 22000, and SA8000, along with BRC, FSSC, HALAL, ISO 14001.

DOING WELL BY DOING GOOD (continued)

DRIVING INNOVATION FOR SUSTAINABLE GROWTH (continued)

Supply Chain Management

The primary materials for our F&B business include food ingredients and packaging materials. Key materials for production encompass flour, cooking oil, green coffee, sugar, anchovies, raw fish sauce, fresh and dehydrated vegetables, soybeans, mineral water additives, and various condiments. In addition, packaging materials such as plastic and glass bottles, carton boxes, paper labels, paper-based cups/bowls, composite membranes, etc., are significant components in the product manufacturing cost.

Masan Consumer ensures the quality and traceability of raw materials through certificates of origin, analysis, and non-genetic modification for plant-based materials. Local suppliers are required to maintain standards in quality, hygiene, safety, animal quarantine, and good agriculture practices. Suppliers with proven long-term performance and reliability are considered “Approved suppliers” and are engaged under annual contracts, ensuring consistent quality in our supply chain. Meanwhile, while closely monitoring market trends and dynamics, we actively manage risks to guarantee the delivery of high-quality products in the right quantities and at reasonable costs.

Historically, imported raw materials and related costs constituted about 60% of our total raw material expenses, but this has lessened with an increased incorporation of domestic materials. Leveraging smart management tools for market analysis has sharpened our procurement strategies, leading to more precise and cost-effective buying decisions.

Capitalizing on lower shipping costs, we’ve transitioned from Cost, insurance, and freight (CIF) to Free on-board (FOB) pricing models for our imports, ensuring more predictable and stable production costs.

Masan Consumer also consistently seeks to cooperate with strategic suppliers under a “win-win” principle, aiming for mutually beneficial outcomes and partnerships. We are committed to build a network of domestic, regional, and global strategic partners and suppliers, ensuring Masan Consumer’s independence from any supplier for its needs.

Apart from ensuring product quality, supply chain continuity, and cost efficiency, we aim to partner with our suppliers to thrive and bring value to the community by developing responsible sourcing policies. As such, upstream environmental and social considerations should be accounted for in supply chain management, considering the development and production of a company’s products or services.

Adherence to the Masan Group’s ESG pathway, by 2025, we aim for at least 50% of Masan Consumer’s key Tier 1 suppliers to adhere to Masan’s responsible sourcing policy. In 2024, the actions to be taken include reviewing and revising the Supplier Code of Conduct, categorizing suppliers by Tier, and focusing on Tier 1 key suppliers for collaboration on implementing the responsible sourcing policy. Additionally, we plan to put into action the approved initiatives and KPIs to ensure these objectives are met.

DOING WELL BY DOING GOOD (continued)

CARING FOR THE ENVIRONMENT AND COMMUNITIES

Masan Consumer is dedicated to adhering to Vietnam's environmental laws and fostering initiatives for environmental protection among our team.

Masan Consumer is dedicated to adhering to Vietnam's environmental laws and fostering initiatives for environmental protection among our team. We tailor our environmental monitoring programs based on operational environmental impacts and the local communities in which a particular entity is located. Masan Consumer's Legal and Compliance department, together with the Safety, Health, and Environment department, are responsible for group-wide compliance and monitoring of environmental laws and regulations. On the implementation front, Masan Consumer's technical department carries out actions, including sampling, operating systems, and enhancing environmental protection initiatives.

Masan Consumer is mindful of the impact of climate change on the fast-moving consumer goods (FMCG) sector in Vietnam and across the globe. Aligned with our group-wide climate goals, we commit to reduce our carbon emissions by 15% by 2030 and achieve Net zero by 2050. To get there, we are actively developing decarbonization strategies and robust climate risk management at the corporate level, with a clear roadmap outlining our specific actions.

Climate Change



DOING WELL BY DOING GOOD (continued)

CARING FOR THE ENVIRONMENT AND COMMUNITIES (continued)

GHG emission and energy management performance

As part of our decarbonization journey, we have conducted GHG Scope 1 and 2 accounting to understand the main sources and to manage our emissions. As of 2023, we reduced our absolute emission by 4.83% against 2021 GHG emissions (Figure 4). Our GHG Scope 1 and 2 emission accounting was performed using the Intergovernmental Panel on Climate Change (IPCC) Guidelines for the National Greenhouse Gas Inventory. In 2023, we conducted GHG emission accounting per ISO 14064 standard for the first time.

Masan Consumer is currently working with Masan Group to establish a baseline of our emissions per group-wide standardized GHG emission accounting method. We aim to share the established baseline as well as our decarbonization roadmap towards the climate target with our stakeholders once it is ready for future reporting.

MASAN CONSUMER- GHG EMISSIONS (Tons CO₂e)

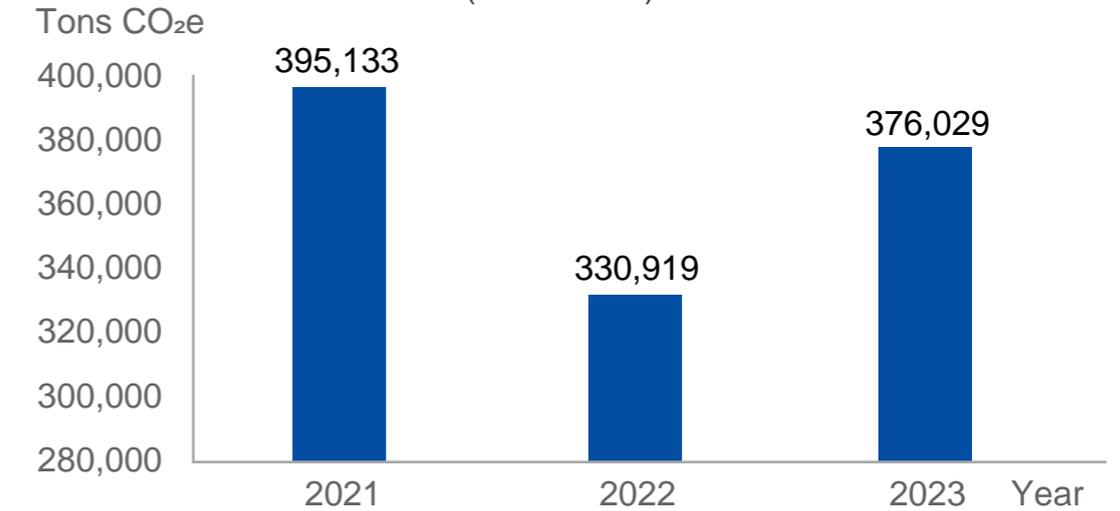


Figure 4: Masan Consumer's Scope 1-2 GHG Emissions in Three Years from 2021 – 2023



DOING WELL BY DOING GOOD (continued)

CARING FOR THE ENVIRONMENT AND COMMUNITIES (continued)

GHG emission and energy management performance (continued)

To achieve our reduction target, we are undertaking a year-long effort focused on implementing strategies and measures to enhance energy efficiency across our operations.

Our total energy consumption in 2023 was 1,609,301 Gigajoule (GJ), derived from a mix of sources, including non-renewable sources such as diesel oil, gasoline, liquefied natural gas, liquefied petroleum gas, purchased electricity, and renewable sources. Approximately 87% our renewable energy usage primarily came from steam, which was produced by biomass boilers provided by our suppliers (Figure 5).

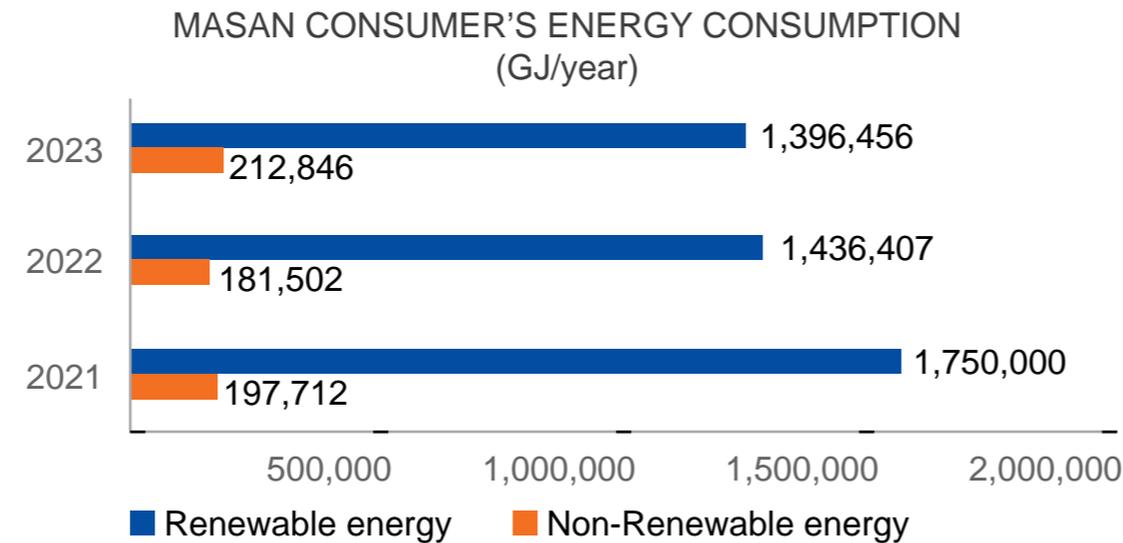
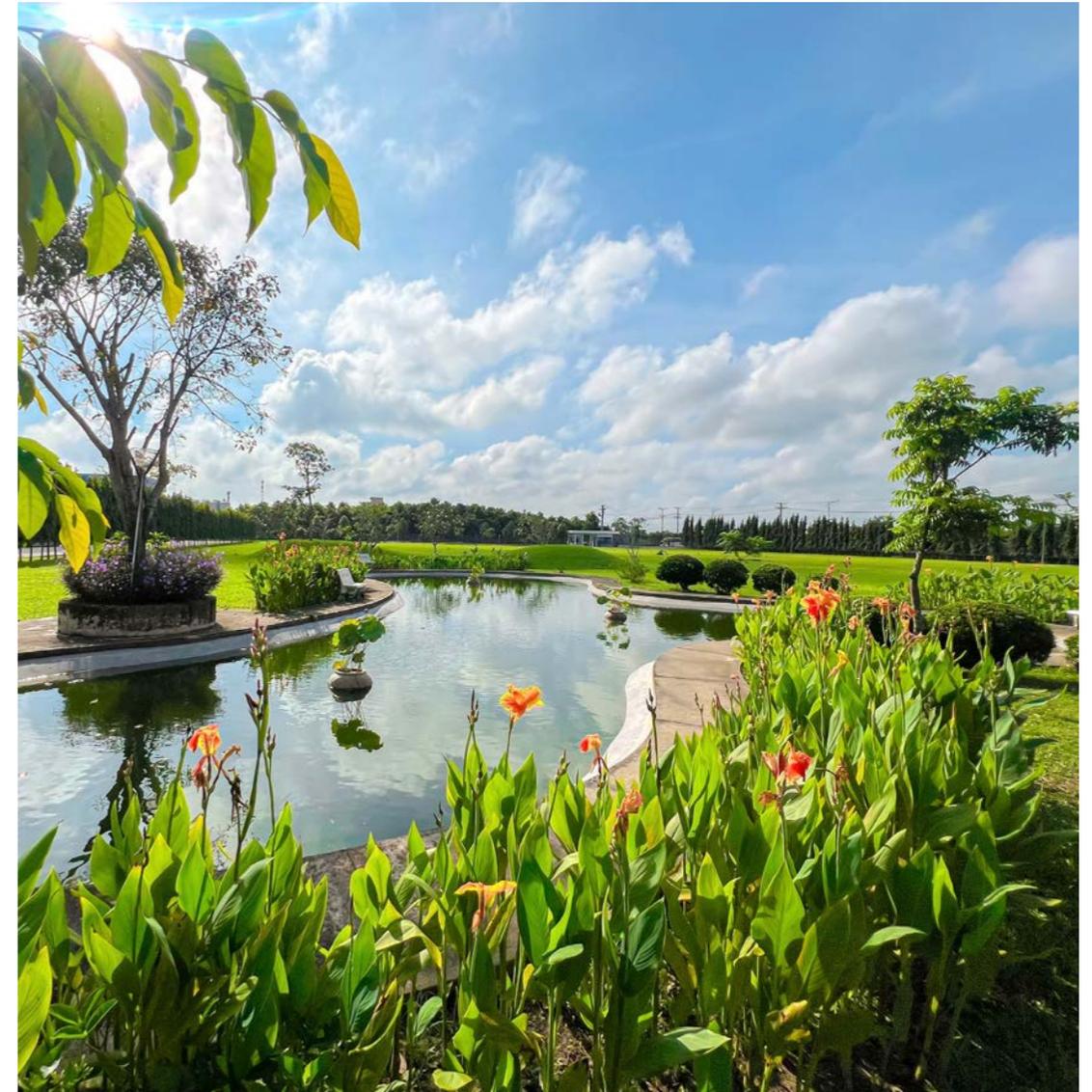


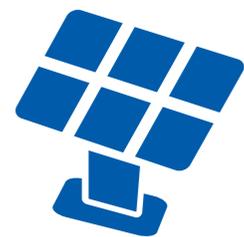
Figure 5: Masan Consumer's Energy Consumption (GJ/year) in Three Years from 2021 -2023



DOING WELL BY DOING GOOD (continued)

CARING FOR THE ENVIRONMENT AND COMMUNITIES (continued)

GHG emission and energy management performance (continued)



87%

of energy consumed by Masan Consumer in 2023 came from renewable sources including biomass, on-site solar panels.

Energy type		Unit	2021	2022	2023
Non-Renewable Energy	Electricity	GJ/year	147,304	123,563	125,368
	Gasoline		21,082	21,624	13,349
	Diesel oil		13,880	12,941	12,670
	Natural gas (LNG)		9,843	15,780	53,514
	Liquefied Petroleum Gas (LPG)		5,603	7,594	7,945
Total Non-Renewable Energy (including electricity)		GJ/year	197,712	181,502	212,846
Renewable Energy	Biomass (rice husks, sawdust)	GJ/year	1,750,808	1,436,407	1,396,456
Total energy consumption (GJ/year)			1,948,521	1,617,909	1,609,301

Table 1: Energy Consumption of Masan Consumer's Subsidiaries in 2021, 2022 and 2023

DOING WELL BY DOING GOOD (continued)

CARING FOR THE ENVIRONMENT AND COMMUNITIES (continued)

GHG emission and energy management performance (continued)

ENERGY SAVING INITIATIVES

Masan Consumer prioritizes energy efficiency, aiming to both reduce greenhouse gas (GHG) emissions and generate significant cost savings for the business. We achieve this by focusing on optimizing processes and utilizing energy-efficient machinery and equipment within our operations. Several successful energy-saving initiatives implemented in 2023 have been continuously in effect for the past three years, demonstrating our commitment to long-term sustainability, as follows:

- Optimize the production process, minimize energy consumption by exploiting the heat lost during the frying and sterilizing of products, avoid using processes that change heat, and apply energy-saving technologies.
- Switch from traditional light bulb system to Light-emitting diode (LED) technology for energy savings.
- Conduct training programs for employees focusing on the advantages of electricity saving by regularly cleaning and maintaining machinery and equipment. This practice ensures optimal performance and reduces the risk of damage. The training also emphasizes the importance of utilizing electricity produced from renewable resources over generator usage, conserving water, and increasing the employment of recycled materials.
- Implement biogas technology utilizing rice husks and sawdust to produce energy for the entire manufacturing facility. This approach not only offers a sustainable and cost-effective energy source but also

contributes to job creation and enhances the earnings of the local population.

- Initiate a project to install solar panels on the rooftops for both Masan Industrial Corporation (MSI) and Masan HG Limited Company (MHG).



DOING WELL BY DOING GOOD (continued)

CARING FOR THE ENVIRONMENT AND COMMUNITIES (continued)

GHG emission and energy management performance (continued)

Masan Consumer was awarded the ISO 50001:2018 Energy Management System Certification in 2023. This recognition acknowledges our commitment to energy conservation and motivates us to maintain and expand our energy-saving practices across all our operations.

ENERGY MANAGEMENT

Environmental Stewardship

Water and Effluents

Water management is a key aspect of our operations, with efforts aimed at enhancing efficiency, promoting reuse, and engaging in stewardship. We also consider local water requirements while actively monitoring our water usage across the business.

In 2023, the total water consumption recorded by Masan Consumer was 123,828.7 megaliters compared to 138,402.4 megaliters in 2022. There has been an 11% reduction in water consumption in 2023. Surface water sources accounted for roughly 0.5% of this consumption, totaling 672.5 megaliters.



We also enhanced our wastewater treatment system in terms of efficiency and cost-effectiveness. In 2023, we secured the necessary environmental permits from the Ministry of Natural Resources and Environment for our facilities in Binh Duong Province. In addition, all effluents from our facilities in Binh Duong, Hai Duong, and Nghe An Provinces are qualified as Type A, which is the highest rank according to Vietnamese Standards before discharging to the environment.

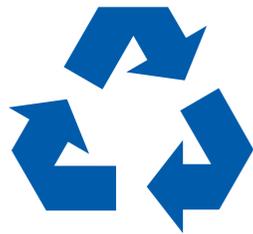
We also committed to transparency in our wastewater management processes. To this end, we have implemented an automated wastewater monitoring system that allows for ongoing and direct reporting to the Binh Duong Department of Natural Resources and Environment.

Our long-term goals are to cut water use by 5 to 10% per production unit by 2025 through enhanced water recycling practices. In 2024, we plan to assess our existing water consumption levels and secure approval for targeted water recycling opportunities.

DOING WELL BY DOING GOOD (continued)

CARING FOR THE ENVIRONMENT AND COMMUNITIES (continued)

GHG emission and energy management performance (continued)



By 2025, we aim to boost our waste recycling by

50%

Waste

Across our business segments, we manage diverse waste types, focusing on reducing waste generation, enhancing recycling, and ensuring compliant disposal. We acknowledge the importance of adopting a circular economy, especially in waste production and resource optimization for consumer-focused companies.

In 2023, Masan Consumer's total waste generation was 155,291 metric tons, with non-hazardous materials comprising over 99%. Hazardous waste contributed 52 metric tons, and other types of waste accounted for 407 metric tons. The increase in waste compared to the 431,143 metric tons in 2022 is partly attributed to construction projects by NET and MSI.

By 2025, we aim to boost our waste recycling by 50%. In 2024, we plan to assess our current waste production levels with a more comprehensive data collection approach, document our waste recycling process, and secure approval for prioritized waste reduction targets and opportunities.



DOING WELL BY DOING GOOD (continued)

CARING FOR THE ENVIRONMENT AND COMMUNITIES (continued)

Community Development and Corporate Social Responsibility



22 VND billion

In 2023, Masan Consumer contributed about VND22 billion to various national social welfare efforts

Our business growth is aligned with community development. We prioritize strong engagement with local communities to grasp their expectations, needs, and the impacts of our operations, believing this is essential for mutual progress. We create and implement programs tailored to local needs and consistent with our business activities in the regions we operate. These initiatives, driven by our internal teams, aim to enhance community livelihoods and assist vulnerable populations.

In 2023, Masan Consumer contributed about VND22 billion to various national social welfare efforts. Highlighted programs include:

- The “One million meals with meat” initiative by Chin-Su, in collaboration with the Upland Poor Children Fund, was launched to provide essential nutrition to needy children, supported by a VND10 billion fund for 2023-2024.
- Masan Consumer, in partnership with The Sponsoring Association for Poor Patients in Ho Chi Minh City, has conducted 550 cataract surgeries in 2023 in Kien Giang Province, part of its ongoing commitment to healthcare with over VND5 billion invested in various surgeries.
- In September 2023, Masan Consumer and the Nam Phuong Fund inaugurated their 7th bridge in Hau Giang Province, part of a decade-long initiative with a VND5 billion budget to replace old bridges, facilitating local travel and contributing to the modernization of Western rural areas.

- Masan Consumer, in partnership with The Red Cross Association of Do Luong District, Nghe An Province, distributed gifts worth nearly VND2 billion to over 2,000 children facing extreme hardship, aiming to provide a warmer and more joyful Tet holiday for them and their families.
- In an effort to bring a fulfilling Lunar New Year experience to the soldiers stationed on the Trường Sa islands, Masan Consumer has provided more than 10,000 bottles of Chin-Su fish sauce to the service members serving there.

By 2024, our business aims to launch program from the prioritized topic. By 2025, we aim to launch programs focused on human health, food and nutritional sciences, and sustainable agribusiness, integrating technology for community benefit. These programs will come with specific engagement and impact objectives.

DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS

Masan Consumer acknowledges the significance of consumer relationships by regarding consumers as intangible assets and emphasizing the importance of these connections.

Guided by our mission, Masan Consumer is committed to delivering high-quality services tailored to customers' needs, prioritizing their health, safety, and data privacy. With a talent-centric approach, we firmly believe that our people are the company's most valuable asset, providing us with unparalleled competitive advantages that distinguish us in the pursuit of our long-term value creation strategy. At Masan Consumer, we are dedicated to attracting and nurturing top talents in the industry, viewing our employees as partners. We actively foster an inclusive and diverse environment, cultivating a robust and winning culture. Recognized as one of the best places to work in Vietnam, we take pride in our commitment to excellence.



DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

HUMAN CAPITAL

Talent acquisition and retention



5,061 employees

As of 31 December 2023

We are proud to be the home of a diverse workforce with many talents who share the same passion for serving our consumers and creating values for the economy, environment, and society. We are fully committed to diversity and instill an inclusive culture for all employees by providing equal opportunities. Our employees are hired based on skills and competencies related to job requirements, regardless of race, nationality, religion, gender, age, and abilities. Our diversity brings together unique perspectives, backgrounds, beliefs, professional, and life experiences to unleash potential ideas, solutions, creativity, innovation, and strategies, which are critical to our business.

Masan Consumer's workforce structure by gender

In 2023, women constituted 36% of our total workforce, with slightly more female employees occupying supervisor to executive positions compared to their male counterparts. At Masan Consumer, female employees are making substantial contributions to the sustainable development of the company across all aspects of the production and business process, regardless of level or position.

As of 31 December 2023, Masan Consumer has a total of 5,061 employees including 3,245 male (64%) and 1,816 female (36%) and the team is well-trained with high qualifications.

With factories in 10 provinces and cities across the country, we promote local development by prioritizing recruiting from local workforce and regularly training our staff to meet the diverse needs of the industry.

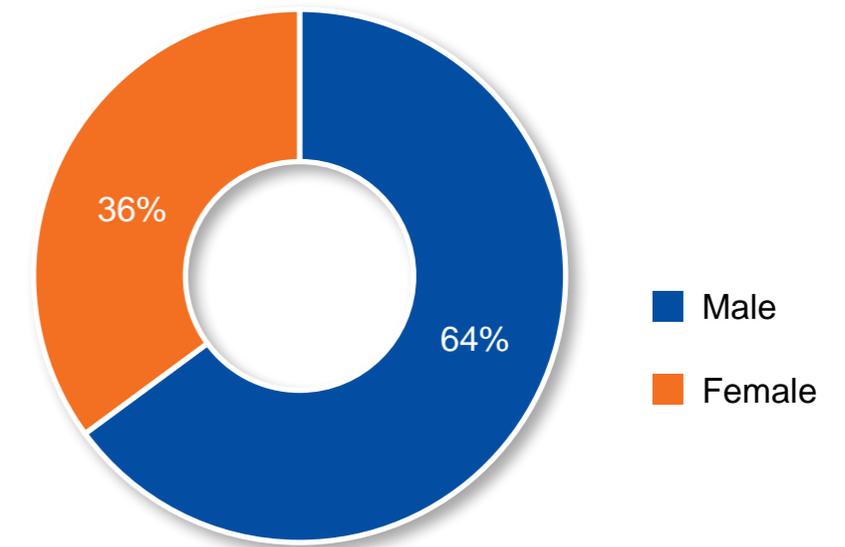


Figure 6: Masan Consumer's Workforce Structure by Gender in 2023

DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

Talent acquisition and retention (continued)

Masan Consumer's workforce structure by age

Within Masan Consumer workforce, individuals aged 40 and above predominate the senior management levels (executive and director positions), while those aged between 30 and 40 years dominate the middle management levels (manager and supervisor roles). The diversity of age contributes to our competitive edge in the market by bringing forth a range of ideas and initiatives.

Table 2: Masan Consumer's Workforce Structure by Age Group in 2023

	Executives	Directors	Managers	Supervisors	Skilled Employees	Unskilled Employees
< 20	0%	0%	0%	0%	0%	1%
20 - < 30	0%	0%	3%	17%	27%	31%
30 - < 40	0%	23%	45%	59%	51%	44%
40 - < 50	0%	44%	42%	21%	18%	19%
>=50	100%	33%	10%	3%	4%	5%

In 2023, Masan Consumer saw the addition of 1,214 new hires, with the breakdown by ranking and gender as shown below.

Table 3: Numbers of New Hires in 2023

	Executives	Directors	Managers	Supervisors	Skilled employees	Unskilled employees
Total New Hires	-	11	64	260	74	805
Male	-	6	30	188	31	562
Female	-	5	34	72	43	243

Our human resources policy complies with the provisions of the Labor Codes of respective countries of operation in relation to human resource mechanisms, training, and labor relations in order to create the best working conditions for our employees. We remain competitive in our employment practices to encourage employees to deliver good quality work and bring long-term efficiency to the organization.

DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

Talent acquisition and retention (continued)

Employment Security

The company is dedicated to generating employment opportunities for its workforce by focusing on business expansion and increasing market share. Masan Consumer optimally organizes its human resources, ensuring ongoing support for employee development and career progression. With a commitment to diversifying industries and seeking new domestic and international partnerships, the Board of Directors consistently strives to create job opportunities for its 5,061 employees.

Working Conditions

Masan Consumer regularly enhances its office spaces, incorporating modern equipment and providing comprehensive labor protection gear. The company is unwavering in its commitment to fostering a professional and friendly work environment that promotes productivity and creativity among all employees.

Remuneration and Rewards

Employee salaries are determined based on factors such as job level, capacity, position, salary scale, and overall business conditions. The company conducts annual reviews for salary adjustments, ensuring a proactive approach to addressing employees' income and well-being.

Table 4 presents the difference in remuneration and basic salary between women and men in Masan Consumer's workforce in 2023. We recognize the remuneration differences between male and female employees in our workforce and will strive to bridge the gaps.

Table 4: Ratio of Basic Salary and Remuneration of Women to Men

	Executive	Director	Manager	Supervisor	Skilled employees	Unskilled employees
Ratio of Remuneration of women to men	102%	91%	92%	101%	89%	85%
Ratio of Basic salary of women to men	106%	95%	94%	107%	106%	90%

As part of its objective to reward excellence, Masan Consumer implements an annual bonus policy and rewards outstanding individuals or groups with extraordinary achievements. Special recognition and incentives are provided for contributions to value creation, improved work efficiency, innovation, cost reduction, and enhancing the company's competitiveness.

DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

Talent acquisition and retention (continued)

The percentage of employees who returned to and remained at work after having taken parental leave was

92% Male

95% Female

Employee Welfare

The company actively participates in Social Insurance and Health Insurance for all employees. Additionally, Masan Consumer invests in 24/7 accident insurance coverage for its entire workforce. Professional-level and higher employees receive additional health insurance, ensuring access to leading domestic and international healthcare facilities in Vietnam, prioritizing their overall well-being.



The table below presents the statistics related to parental leave of Masan Consumer. In 2023, the percentage of employees who returned to and remained at work after having taken parental leave was 92% for male employees and 95% for female employees.

Statistics	Employee
Total number of employees that were entitled to parental leave	5,061
Male	3,245
Female	1,816
Total number of employees that took parental leave	344
Male	170
Female	174
Total number of employees that returned to work after parental leave ended	344
Male	170
Female	174

Table 5: Parental Leave Statistics in 2023

DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

HUMAN CAPITAL DEVELOPMENT

Performance Review and Rewards

Twice a year, the senior leadership team conducts a comprehensive talent review process across the company. This review aims to identify key attributes such as learning capacity, leadership potential, and functional/technical expertise. In 2023, nearly 99% of Masan Consumer's workforce participated in performance and career development assessments. This systematic approach enables us to pinpoint individuals poised for leadership roles within the organization.

At all levels, we facilitate collaborative and transparent annual performance evaluations to inform decisions regarding compensation and rewards. We believe in fair and equitable reward systems that align with employee performance and contributions to our business ventures. As part of our commitment to recognizing and incentivizing excellence, we offer an Employee Stock Ownership Plan (ESOP), which rewards employees and fosters an entrepreneurial spirit by granting them ownership in the company, thus enhancing shareholder value.

Training and Talent Development

Masan Consumer recognizes the invaluable contribution of its people to the business and is committed to enhancing this precious asset. The company integrates training and employee development closely, consistently providing favorable conditions for employees to engage in both internal and external training programs. This initiative aims to enhance their professional skills, acquire new capabilities necessary for current and future job requirements, and contribute to the company's long-term success. The company fully covers 100% of the study costs and continues to pay salaries during the study period. Tailored programs and course content are designed to align with each employee's level and learning needs, ensuring not only alignment with the company's

expectations but also cultivating the next generation of leaders for the organization.

Our talent strategy is transparent and well-defined, encompassing several key elements. These include providing employees with opportunities to gain valuable experience and leadership skills, evaluating them based on their actual capabilities, offering regular training in both technical and soft skills, and ensuring a high quality of life for all employees. Additionally, Masan Consumer has established long-term training plans aimed at preparing promising employees to evolve into future leaders within the company.

DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

Occupational health and safety

Our employees are our most valuable assets. We are committed to the wellbeing of our employees.

Our employees are our most valuable assets. We are committed to the wellbeing 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 train our staff regularly on appropriate work behaviors to keep themselves and others safe and apply this knowledge in daily life.

We provide regular health check-ups for our employees across all subsidiaries. Those working in an environment exposed to factors at risk of occupational diseases are examined for occupational diseases during these periodic checks. Employees are to be assigned to suitable job positions based on the health standards prescribed for each type of occupation, job, and results of periodical health examination.

We invest in occupational safety training and continuously enhance production line processes to meet the highest standards. It is our responsibility to furnish our employees with adequate protective gear, implement occupational safety and hygiene protocols, and maintain comfortable working conditions in the workplace.

Regular health check-ups are provided to all employees, with particular attention to those at risk of occupational diseases. Job assignments adhere to health standards, and periodic health examinations ensure employees are placed in suitable positions.

Our factories are certified with HACCP (Hazard Analysis Critical Control Point), ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management System), SA8000 (Social Accountability Management System), FSSC (Food Safety System Certification), HALAL, and ISO 45001 (Occupational Health and Safety Management Systems) standards.

In 2023, we organized various training section in occupational safety, fire prevention and control, first aid, and occupational accident prevention for our employees. In addition to enhancing knowledge through training, we upgraded and covered power transmission equipment, installed new machinery, and modernized production lines at our factories, renovating workshops to minimize safety risks for all employees.

DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

Occupational health and safety (continued)

Our overarching commitment for the coming years is to maintain and build upon these standards, ensuring a safe and inclusive workplace, fostering employee satisfaction, and upholding gender diversity throughout our organization. In 2024 and toward 2030, our primary priorities encompass maintaining a Total Injury Rate (TIR) below 0.5, sustaining an annual employee satisfaction survey score of at least 70%, upholding a gender

balance of 45% women to men for level Supervisor and higher, and securing a minimum score of 70% in the Diversity and Inclusion section of the employee satisfaction survey. Additionally, in FY2024, we are committed to implementing targeted actions to enhance performance in areas identified for improvement in the employee satisfaction survey.

Sustaining an annual employee satisfaction survey score of at least

70%



DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

CUSTOMER RELATIONSHIP MANAGEMENT

Central to our sustainable business is the pivotal role our customers play.

Central to our sustainable business is the pivotal role our customers play. Masan Consumer's utmost mission is delivering quality services tailored to the needs of our customers, with a commitment to ensuring their health, safety, and data privacy at all times. We firmly believe that cultivating a strong customer relationship is essential for us to realize our vision and mission.

Customer privacy

Masan Consumer ensures customer satisfaction through a robust offline retail platform. Furthermore, at our Group level, Masan is in the progress of developing digital infrastructure, including a mobile app, to consolidate customer data, including demographic information, across the Group's businesses. In the contemporary world, information technology is crucial for

daily life and business operations, enhancing efficiency and convenience. However, it also poses the risk of data leakage, which is considered a serious business concern. Masan Consumer recognizes the significance of safeguarding data, particularly that of our customers and stakeholders.

Customer relationship

Masan Consumer consistently engages with our valued customers and clients through diverse online and offline channels. These interactions aim to offer support and gather feedback on our products and services.

it into all our terms and conditions and establishing a standardized customer satisfaction scoring process.

Aligned with our commitment to safeguarding data privacy, elevating customer satisfaction, and meeting the evolving needs of our consumers, in 2024, our priorities are to enhance consumer data privacy by incorporating

Looking towards the long term of 2025-2030, our targets involve strict compliance with Vietnam's consumer data privacy laws, ensuring 90% of customer satisfaction scores are maintained through and beyond 2030.

DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

Business Ethics and Sustainability Governance

Business ethics

Masan Consumer maintains a steadfast commitment to upholding business ethics and fostering fair competition across all markets in which we operate. Both the company and its employees pledge to abide by local laws, adhere to anti-money laundering and anti-bribery protocols, and adhere to fair competition principles. For suppliers and partners, the company has established a Code of Conduct, backed by contractual obligations, ensuring adherence to anticorruption and bribery policies.

Understanding the paramount importance of adhering to local laws and regulations, and more importantly, fulfilling the expectations of our customers, we are more committed than ever to fortifying our compliance

framework. This commitment is not just about addressing the issues at hand but is an ongoing pledge to elevate our standards, ensuring such discrepancies are significantly minimized, if not entirely eradicated.

In 2024, for even stronger business ethics, we aim to identify key business ethics and sustainability policies and practices, as well as conduct an assessment of the existing training curriculum. By 2025, we aim for 100% involvement of relevant employees in implementing ESG practices, with staff ranked Supervisor and above trained on crucial topics, including anti-bribery, anti-corruption, and material sustainability subjects, on an annual basis.

Sustainability governance

In 2023, Masan Group formed an ESG Committee to ensure that sustainability operations in Vietnam and abroad correspond with the Group's sustainability policies and strategies. At Masan Consumer, an ESG Committee has also been established in 2024, at the management level, Masan Consumer appointed an ESG Champion to head the Company's ESG Committee. The Champion is tasked with overseeing all ESG-related matters for Masan Consumer and with representing

Masan Consumer at the Group-level ESG Committee to ensure cross-collaboration and accountability on sustainability issues within Masan Consumer and with other Group companies. The Masan Consumer ESG Committee will be responsible for implementing our ESG agenda, programs, and initiatives, as well as monitoring and reporting progress to Masan Consumer and Group-level leaderships.

DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

Business Ethics and Sustainability Governance (continued)

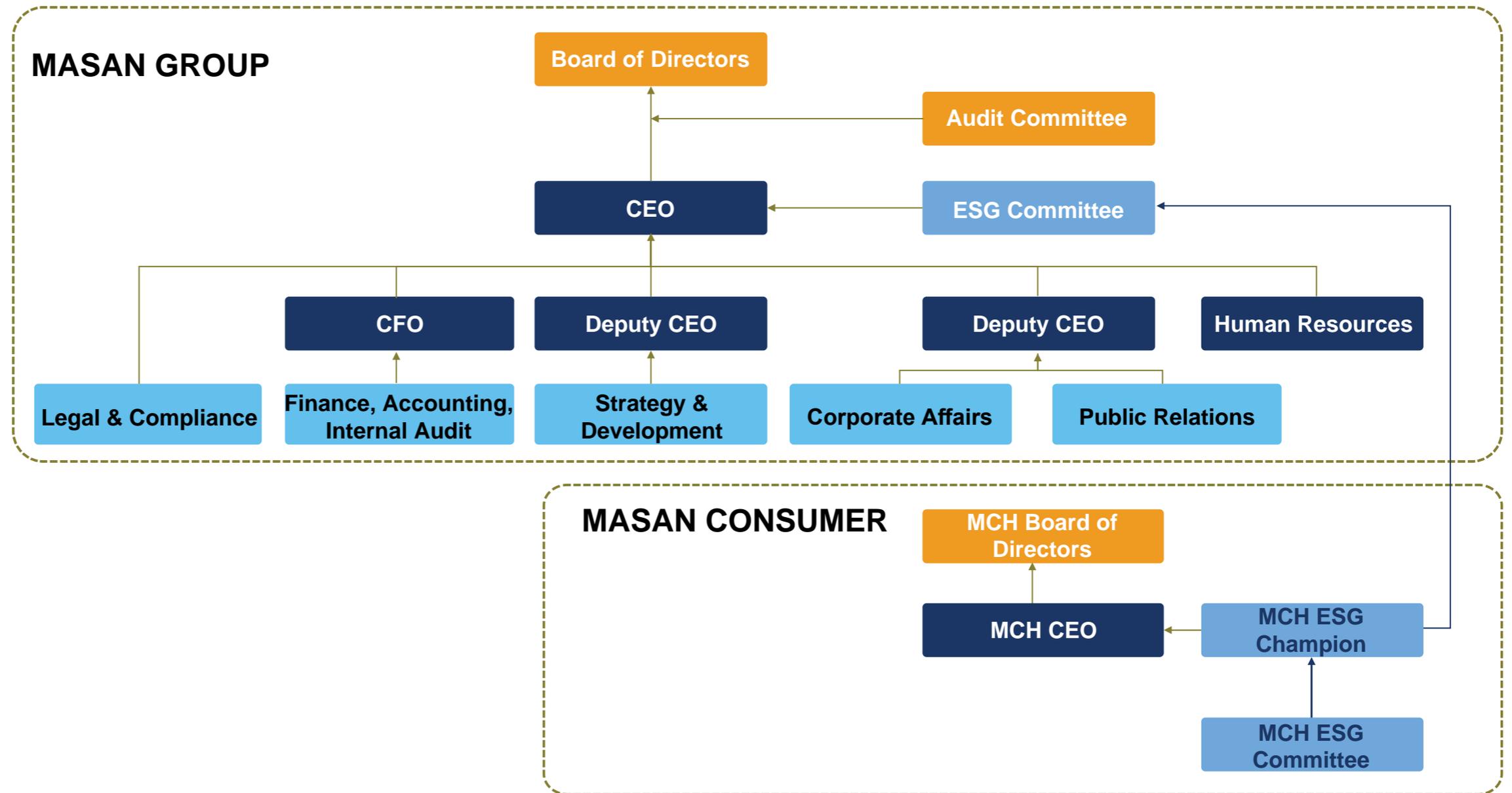


Figure 7: Masan Group's and Masan Consumer's ESG Governance Structure

DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

Business Ethics and Sustainability Governance (continued)

For each key unit of sustainability governance, specific roles and responsibilities have been defined:

- The Masan Consumer Board of Directors (BOD) and Masan Consumer CEO provide direction on business strategy, including sustainability strategy, and monitor progress towards meeting the ESG targets.
- The Masan Consumer's ESG Champion assumes the role of leading ESG initiatives within the business. Collaborating closely with every member of the MSC ESG Committee, the Champion oversees the implementation of the ESG strategy established by the Group ESG Committee.
- The Masan Consumer's ESG Committee consists of eight members, each assigned responsibility for one of the eight priority ESG topics.

TOPICS	ESG COMMITTEE MEMBERS
Caring for the environment and community	
Climate change ("E")	Head of Manufacturing Engineer & Technology
Environment Stewardship ("E")	Senior Director – Head of MSC operation plants
Community Development ("S")	Deputy Head of Marketing and Public Relation
Driving Innovation for Sustainable Growth	
Food Health, Nutrition, Safety & Product Labelling ("S")	Deputy Director of Legal and Standards system
Supply Chain Management ("S")	Procurement Director – in charge of raw materials and packaging
Winning Hearts & Minds of Our People & Customers	
Human Capital ("S")	Director of Human Resource
Customer Relationship Management ("G")	Head of Digital Transformation – Conventional Channel
Business Ethics and Sustainability Governance ("G")	Senior Legal Manager

Table 6: The ESG Committee of Masan Consumer

DOING WELL BY DOING GOOD (continued)

WINNING HEARTS AND MINDS OF OUR PEOPLE AND CUSTOMERS (continued)

Business Ethics and Sustainability Governance (continued)

The organizational ESG governance structure placed within the whole Group management structure, will support the alignment of our Group's strategic direction and ambitions on sustainability issues across Masan Group's subsidiaries, including MCH. In addition, the centralization of sustainability governance will enhance coordinated oversight of sustainability risk management, progress on targets, and Masan Group's and its businesses' sustainability performance in a comprehensive and coordinated manner.

In 2024, the first ESG training will be rolled out for the Masan Group, including Masan Consumer. Looking ahead to the long-term goals from 2025 to 2030, our focus is on establishing and ensuring the functionality of the ESG governance structure to effectively deliver on the ESG agenda. By 2025, we aim for 100% involvement of relevant employees in implementing ESG practices. This strategic approach underscores our commitment to embedding sustainability practices and ethical conduct throughout our organization in the coming years.



DOING WELL BY DOING GOOD (continued)

AWARDS AND RECOGNITIONS IN 2023

Our commitment to sustainable business practices over the years have led to third party recognition by both domestic and international agencies:

- **“Great Place to Work” certification awarded** by Great Place To Work - a globally respected organization that evaluates and recognizes corporate workplace culture.
- **“Ho Chi Minh City Golden Brand”** award for the second time
- **“Golden Brand for the youth 2023”**: Chin-Su
- **Top 3 Most Chosen Brands 2023**: Chin-Su, Nam Ngu, Kokomi
- **National Brand 2022-2024**: Vinacafé Bien Hoa



DOING WELL BY DOING GOOD (continued)

MOVING FORWARD

Our steadfast commitment to “Doing well by doing good” underscores our adherence to sustainable business practices, driving our extraordinary accomplishments throughout our corporate history.

At Masan Consumer, sustainability embodies the seamless integration and balanced interaction between our business endeavors, diverse stakeholders, societal needs, and environmental preservation. Our steadfast commitment to “Doing well by doing good” underscores our adherence to sustainable business practices, driving our extraordinary accomplishments throughout our corporate history.

Our success metrics extend beyond mere financial metrics to encompass our proactive approach towards addressing ESG concerns within our operations and across our value chain, thereby fostering positive social and environmental impacts. Aligned with our mission to enhance the lives of nearly 100 million Vietnamese consumers, our sustainable business practices are inherent to our core values.

As our journey mirrors that of our consumers, our strategic trajectory aligns with our dedication to our people, communities, stakeholders, and Vietnam’s socio-economic advancement.

Our approach in 2024 is structured around the following main workstreams:

- **ESG Rating and Certification Readiness:** We are dedicated to identifying and aligning with the most relevant ESG ratings and certification schemes that resonate with our sustainability journey. Our focus extends to four priority ESG topics (i.e., climate change, environmental stewardship, supply chain management and food health, nutrition, safety & product labelling), where we aim to bridge the gap between our current practices and global best practices. For the other four ESG topics (i.e., community development, human capital, customer relationship management and business ethics and corporate governance), they are already embedded in our day-to-day operations whereby we will continue to improve our standards. By doing so, we endeavor to elevate our ESG ratings, demonstrating our commitment to sustainability and responsibility.
- **Implementation of Prioritized ESG Projects:** Our materiality assessment has helped us pinpoint the most critical ESG topics for our business, including GHG Emissions Reduction, Responsible Sourcing, Health and Nutrition, and Water Usage Reduction and Waste Circularity. We are actively moving forward with specific initiatives across these areas to not only enhance our ESG performance but also to transparently communicate our progress through comprehensive sustainability reporting. This effort is pivotal in showcasing our achievements to both internal and external stakeholders, affirming our position as a leader in ESG practices.

MANAGEMENT REPORT



MANAGEMENT REPORT

OVERVIEW

Consumer spending is forecasted to grow by 7% in 2024.

In 2023, the global economy continued to face challenges, with economic growth conditions remaining sensitive to the impacts of economic and geopolitical risks. Additionally, the effects of monetary tightening and reduced aggregate demand, coupled with sluggish business activity in major economies, have hindered the economic recovery process.

Against the backdrop of global difficulties and volatility, the Vietnam's economy in 2023 continued to experience "dual impacts" from external adverse factors and long-lasting internal constraints and inefficiencies. However, despite these challenges, the Vietnam's economy has gradually recovered and achieved positive outcomes across various sectors.



MANAGEMENT REPORT (continued)

OVERVIEW (continued)

Sales (VND billion)

28,241

Net profit after tax
(VND billion)

7,194

In 2023, Vietnam's GDP growth rate reached 5%, which is lower than the target of 6.5% but still double the global average GDP growth rate and places Vietnam among the countries with the highest growth rates in the world in 2023. Moreover, statistical indicators show that the domestic macroeconomic situation remained stable, with inflation being controlled at an appropriate level. The supply and demand of essential goods were ensured, and domestic purchasing and consumption activities maintained a relatively high growth rate. A bright spot in the economy was the outstanding growth of Foreign Direct Investment (FDI), reaching approximately 32% compared to 2022, along with the resurgence of exports with a growth rate of approximately 9% in the fourth quarter compared to the same period last year. Vietnam's GDP growth improved quarter by quarter (Q1: 3.4%, Q2: 4.3%, Q3: 5.5%, Q4: 6.7%), signaling a positive outlook for 2024 with a target GDP growth rate ranging from 6% to 6.5%. The economic recovery of Vietnam in the second half of 2023, especially in the fourth quarter, has been a significant driver for the consumer goods sector. Consumer spending is forecasted to grow by 7% in 2024, the highest among Asian economies, according to a report by UBS Investment Bank.

In 2023, Masan Consumer achieved a revenue of VND28,241 billion, representing a 13.1% growth compared to 2022 (excluding the Processed Meat category as it is no longer controlled by Masan Consumer). Masan Consumer demonstrated outstanding growth compared to the overall FMCG market, which only achieved a negative growth of 2% in 2023

(Source: Nielsen). Over the past year, Masan Consumer also expanded its e-commerce channels as part of its Go Global strategy. Key brands such as Chin-Su and Omachi have gained significant traction in markets including the United States, Japan, and South Korea.

In terms of profitability, the gross profit margin for the year 2023 stood at 45.9%, marking a 4.6% increase compared to the margin in 2022. This improvement was achieved through optimizing production processes and implementing a strategy focused on quality and stability of raw materials. Net profit after tax allocation to the Company's shareholders reached VND7,194 billion in 2023, representing a 30% growth compared to 2022. This growth can be attributed to increases in sales volume, the establishment of strong brands, and effective financial management.

Masan Consumer anticipates continuing its revenue and profit growth trajectory in 2024, thanks to the ongoing premiumization strategy across its core product categories and significant opportunities in the home and personal care as well as Ready Meal categories. Detailed forecasts for Masan Consumer's growth in 2024 will be shared at the 2024 Annual General Meeting.

MANAGEMENT REPORT (continued)

OVERVIEW (continued)

Business Environment

Our business operations are primarily in Vietnam, therefore the efficiency and quality of our assets heavily depend on the stability of the Vietnam's economy. The economic environment in Vietnam as well as external factors such as economic development across Asia and the world can significantly impact Masan's business activities.

It is predicted that Masan's key input material prices in 2023 will increase significantly. Suppliers play a crucial role in determining the input costs of products. Therefore, this will negatively impact profit margins in Masan's business sectors. Additionally, certain economic factors such as inflation, rising interest rates, and exchange rates will affect capital costs and influence our business development's expansion strategy.



MANAGEMENT REPORT (continued)

OVERVIEW (continued)

Vietnam Consumer Sector

In 2023, the total retail sales of goods and consumer services increased by 9.6%, with the food and foodstuffs rising by 11.7% and household appliances, tools, and equipment increasing by 7.5%. The high-growth categories were essential daily goods for families.

Household expenditure on FMCG saw a slight increase in urban areas (+2%) and a positive trend in rural areas (+6%), considering consumption volumes under pressure from rising consumer prices.

Traditional offline shopping channels still account for approximately 95% of total consumer spending in Vietnam, while new online channels represent around 5%. Within the traditional channels, modern retail accounts for approximately 12%, while traditional retail (mom-and-pop stores) still holds around 88%. However, online channels are projected to grow by 20-30%, and modern retail channels by over 10%, surpassing the growth of traditional channels. Therefore, FMCG companies like Masan Consumer need to deploy new sales channels to reach consumers where they will shop in the future. In addition to macroeconomic indicators, research reports in 2023 highlight the following consumer trends:

Online channels are projected to grow by

20-30%

Consumer psychology is constantly changing and fluctuating with the economic and political shifts in each cycle. Therefore, continuously understanding consumer behavior is crucial for Masan Consumer to timely provide product solutions and access appropriate distribution channels to sustain and increase business value in a competitive environment.

- 1 The consumer sentiment of “cautious spending” continued throughout 2023 and is expected to persist into 2024. Consumers will exhibit two polarizing trends but grounded in a mindset of “saving”: seeking out quality products at affordable prices within a constrained budget and being willing to spend on products with “value for money” - these are superior quality and distinct products from reputable brands.
- 2 Customer demand segmentation has become clearer, with brands not only focusing on the 30-50 age group but also expanding product segments for Gen Z by providing value in mental health. At the same time, there are also many products catering to the over 50 age group, emphasizing physical health, forming a significant segment.
- 3 The trend of seeking specialized products to address the needs of each customer group based on unmet needs is growing, and this is the time when products utilizing advanced manufacturing technology gain a competitive advantage.

MANAGEMENT REPORT (continued)

OVERVIEW (continued)

Sauces, Condiments and Dressings

Sauces, Condiments and Dressings continue to demonstrate that it is a core category in 2023 with recorded sales reaching VND10,446 billion, representing a growth of 18.2% compared to 2022.

Sales (VND billion)

10,446

Fish sauce Chin-Su - Ca Com Bien Dong - Fresh Anchovies has elevated the fish sauce category with delicious, premium, and luxurious glass bottles that enhance the kitchen ambiance. Meanwhile, Nam Ngu continues to elevate the value of its flagship product line with a new story: pioneering the elevation of Vietnamese specialties, introducing a new category of condiments based on fish sauce, and launching the Nam Ngu Collection of specialty fish sauce. Nam Ngu Specialty has brought freshness, tailored to modern life, and captured the shopping trends of the younger Gen Z generation. Furthermore, the category has diversified into new spice varieties such as Chin-Su shrimp satay enhances the taste of hotpot and grilled dishes, while Chin-Su mayonnaise with original flavor, chilli mayonnaise and ketchup mayonnaise, delights the younger generation, ready to cook sauce for special dishes such as Vietnamese Pho, Thai style hotpot, Hanoi style barbecue noodle...to bring restaurant-like flavors to the table.

With the “Go Global - Make Vietnamese Foods Global Foods” strategy, Chin-Su, with its chili sauce as the leading brand, is the first pioneer in the journey to reach the world. Chin-Su chili sauce has been well-received in major markets such as the United States, Japan, and South Korea, and ranks

in the top 8 out of 400 chili sauce brands on the Amazon US e-commerce platform. In 2024, Chin-Su will continue to strengthen its Go Global strategy, with fish sauce following chili sauce, and a range of specialty seasonings and powders from Vietnam ready to conquer global markets.



MANAGEMENT REPORT (continued)

OVERVIEW (continued)

Convenience Foods

Net revenue (VND billion)

8,446

In 2023, Masan Consumer's convenience food category achieved success by making a significant impact on the market and continuing to play a leading role in the industry with new products such as Omachi self-heating hot pot, Phở Story, and Kokomi one and a half,... Omachi self-heating hot pot caters to the lifestyle and taste preferences of dynamic young people who enjoy adventurous travel; Phở Story combines the famous recipe of Phở Thìn Bờ Hồ, while Kokomi one and a half offers increased quantity at the same price.

The net revenue of the convenience food category reached VND8,446 billion, representing an 8.8% growth compared to 2022, with premium brands accounting for 50% of the sales. Gross profit margin reached 39.1%, contributing to the category's strong financial performance.



MANAGEMENT REPORT (continued)

OVERVIEW (continued)

Bottled Beverages and Nutritional Drinks

Revenue (VND billion)

4,595

In 2023, Masan Consumer's bottled beverages and nutritional drinks category achieved revenues of VND4,595 billion, marking a growth of 3.3% compared to 2022. It was a year focused on developing new product lines to serve the Gen Z customer segment. A notable success was the launch of Bupnon Tea 365, which quickly captured the young consumer demographic, becoming a significant driver of revenue growth in 2024. With this momentum, the category will continue to refine and introduce new products with a focus on health benefits, targeting the young Gen Z demographic (EnerZ, Vivant flavor).



MANAGEMENT REPORT (continued)

OVERVIEW (continued)

Coffee

Sales (VND billion)

1,625

In 2023, the coffee category achieved sales of VND1,625 billion, marking an 11.5% growth compared to 2022. The future strategy of the coffee category prioritizes enhancing the product portfolio with a variety of distinctive Vietnamese and European flavors, while also exploring the development of coffee beverage products. With two strong brands, Vinacafé and Wake-Up, the coffee category aims to solidify its position, with Vinacafé progressing towards becoming a “Coffee Expert” and “Coffee Innovator”.

The advertisement features a product box for 'wake-up the coffee innovator' with the 'CÀ PHÊ BỒ HỒ ĐÀM ĐÀ NÂU NONG' flavor. Next to it is a glass cup of coffee with a latte art design. The background shows a person riding a bicycle on a path near a body of water. The bottom of the ad has a red banner with the text 'THƯỜNG THỨC CÀ PHÊ CHUẨN GU HÀ NỘI' and a logo for 'CÀ PHÊ BỒ HỒ ĐÀM ĐÀ NÂU NONG'.

MANAGEMENT REPORT (continued)

OVERVIEW (continued)

Home and Personal Care

Net Sales (VND billion)

1,837

In 2023, the Home & Personal Care category contributed VND1,837 billion in net sales, marking a remarkable growth of 39.4% compared to 2022 (including NETCO), making it the fastest-growing category within Masan Consumer. Among them, the 2in1 Chanté laundry detergent brand holds the largest market share in the Detergent category within the WinCommerce supermarket system, led by Chanté. In 2024, the category will continue to drive growth by relaunching Joins laundry powder, launching Sopa nationwide, and consolidating Chanté's position as the exclusive and largest brand at WinCommerce.



MANAGEMENT REPORT (continued)

FACTORS AFFECTING OUR BUSINESS AND RESULTS OF OPERATIONS

Masan Consumer's business outlook is directly tied to the economic prospects of Vietnam

The economic growth in 2023 is estimated to reach 5.05%, lower than in 2022 (8.12%) and below the target of 6.5%. The main reasons are the slow recovery of production capacity among businesses and the purchasing power of consumers following the COVID-19 pandemic. Additionally, global economic instability has not shown signs of stabilization, impacting our economy, which is inherently highly open to the world.

The economic growth in 2023 is only higher than the economic growth in 2020 (2.87%) and 2021 (2.55%), which were two years heavily affected by the COVID-19 pandemic, and it represents the lowest economic growth rate since 2011. This indicates that the economic growth is unstable and deviates from the normal growth trajectory seen in the period before the COVID-19 pandemic.

The economic outlook for 2024 is expected to remain challenging. External risks and challenges have not shown signs of resolution and are likely to be even greater than in 2023.

It is forecasted that our country's investment and international trade activities will continue to face a challenging year. The contraction in investment and trade significantly impacts the economic growth, employment, and income, consequently affecting household consumption, which plays a significant role in the overall economy.

The Russia-Ukraine conflict is unlikely to end in 2024, and tensions may even escalate further if both sides fail to find common ground in negotiations. Conflicts in the Middle East region are still escalating and spreading. Ongoing conflicts will lead to increased prices of energy and food, disrupt global supply chains, and escalate transportation costs.

Thus, not only will there be a contraction in overall demand, but the shock to overall supply could potentially lead the global economy into a state of stagnation: High inflation accompanied by stagnation in production activities. In this state, the economy does not experience one-sided gain or loss, but overall suffers damage. Growth declines, unemployment rises, and macroeconomic instability increases. This is likely to be the most plausible scenario for the global economy in 2024.

However, overcoming the difficulties and challenges, Masan Consumer has planned a budget where both gross revenue and net profit after tax are expected to grow within the range of 15% to 25%.

Therefore, the budget plan for the fiscal year 2024 is tentative. The details will be shared at the 2024 Annual General Meeting.

MANAGEMENT REPORT (continued)

FACTORS AFFECTING OUR BUSINESS AND RESULTS OF OPERATIONS (continued)

Masan Consumer'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

Masan Consumer competes mainly on the basis of brand image, pricing, distribution network and product mix. The entrance of established foreign brands and companies has heightened the competitiveness of the FMCG 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. Masan Consumer may be required to make greater investments in research and development, as well as promotions and marketing. These expenditures may lower our profit margins and thereby adversely affect our results of operations.

Masan Consumer's cost is not always stable

Our production cost much depends on supply of raw material. The Covid-19 pandemic has seriously affected us due to disruptive supply chain. Despite having multiple suppliers for our materials, we do not depend on any single supplier for any material, we may still face possible shortages. If we do not have sufficient materials in terms of quantity and quality as required by us, or at prices and other conditions that we can accept, product quality, production capacity and our revenue may be adversely affected.



On the other hand, raw material prices may fluctuate as a result of unforeseeable events such as weather conditions, climate, and fluctuation in commodity prices, currency and government policies regarding agriculture. If we cannot manage these costs and increase our product selling prices, our business, financial condition, results of operations and prospects might be considerably and adversely affected.

MANAGEMENT REPORT (continued)

FACTORS AFFECTING OUR BUSINESS AND RESULTS OF OPERATIONS (continued)

Masan Consumer depends on a continued ability to recruit or retain appropriately skilled personnel for its key management positions

Although Masan Consumer is not dependent on any one member of our respective Board 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 the 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.

We depend on our existing distribution network

We rely on our relationships with a network of distributors to sell our products. Our competitors may offer more favorable conditions or larger promotions to our distributors, causing them to end their distribution

contract with us. In a situation where our relationships with a large number of distributors worsen, our business, financial condition, results of operations and prospects might be considerably and adversely affected.

Masan Consumer's sales are affected by our brand image

Masan Consumer strives to protect our image as a successful company that is committed to improving the spiritual and material lives of our consumers. Nevertheless, unexpected events can occur which may

impact our image, such as unhealthy competition. Our brand image affects our sales heavily, and we might suffer loss in sales which results in lower revenue as well as higher expenses to protect our image.

MANAGEMENT REPORT (continued)

FACTORS AFFECTING OUR BUSINESS AND RESULTS OF OPERATIONS (continued)

We may not be successful in the development of new products

We have an in-house research and development team, dedicated to developing new products and new variations of existing products. In particular, it focuses on creating new innovative, healthy, affordable and convenient products. The development and launch of new products may require substantial expenditure, including higher cost in administration, production and marketing.

Successful market acceptance of our new products is largely dependent on our ability to successfully cater to the market's demands, taste and the changing dietary preference of consumers. We cannot assure that the market will respond favorably to the new products that we produce. If our products are not successful, we will not be able to recover the research and development expenses incurred and this may have an adverse effect on our business, financial condition, results of operation and prospects.

We may face product contamination and any such case may cause us to receive public backlash and hold responsible for that product

Contamination is a possible risk in the food and beverage business. Despite our best efforts, including frequent inspection at manufacturing plants and of our raw materials, we cannot completely rule out all possible causes for contamination. Not all of our processes is automated, as such, human risk is still a possibility, thus increasing the risk of contamination. As a result, it is possible that we may be held responsible for any product

contamination and be forced to recall our product or exit the market, and this may have an adverse effect on our business, financial condition, results of operation and prospects. Although product liability is not fully recognized in Vietnam, we cannot guarantee that we may not face complaints or court orders regarding our product's safety and quality.

MANAGEMENT REPORT (continued)

AUDITED FINANCIAL RESULTS

Consolidated Statement of Income

	2023	2022
Figures in VND million	Audited	Audited
Total Revenue	28,395,714	27,178,348
Less Sales Deductions	(154,722)	(201,075)
Net sales	28,240,992	26,977,273
Cost of Goods Sold	(15,266,624)	(15,845,759)
Gross profit	12,974,368	11,131,514
Selling, General & Administrative Expenses	(6,253,758)	(5,428,060)
Financial Income	1,853,512	934,533
Financial Expenses	(538,028)	(385,172)
Share of Profit in an Associate	58,661	13,296
Net Operating Profit	8,094,755	6,266,111
Results of Other Activities	4,091	(22,751)
Profit Before Tax	8,098,846	6,243,360
Tax	(904,676)	(710,554)
Net Profit After Tax	7,194,170	5,532,806
Attributable to		
Non-controlling Interests	109,006	81,688
Equity Holders of the Company	7,085,164	5,451,118

MANAGEMENT REPORT (continued)

AUDITED FINANCIAL RESULTS (continued)

Consolidated Balance Sheet

	31 December 2023	31 December 2022
Figures in VND million	Audited	Audited
CURRENT ASSETS	23,921,695	26,092,453
Cash and cash equivalents	5,789,871	5,588,278
Short-term Investments	4,908,123	1,403,815
Net Operating Receivables	1,366,440	991,923
Other Short-term Receivables	9,622,826	15,534,686
Inventories - Net	2,178,374	2,501,748
Other Current Assets	56,061	72,003
LONG-TERM ASSETS	16,630,994	7,424,193
Long-term Receivables	9,338,161	192,573
Fixed Assets	5,558,125	5,099,952
Tangible Fixed Assets	4,789,111	4,256,150
Intangible Fixed Assets	763,264	836,443
Investment Properties	5,750	7,359
Construction in Progress	275,199	810,615
Long-term Investments	294,757	249,392
Other Long-term Investments	1,164,752	1,071,661
TOTAL ASSETS	40,552,689	33,516,646

MANAGEMENT REPORT (continued)

AUDITED FINANCIAL RESULTS (continued)

Consolidated Balance Sheet (continued)

	31 December 2023	31 December 2022
Figures in VND million	Audited	Audited
CURRENT LIABILITIES	13,728,746	10,061,229
Short-term Debt	8,468,803	6,626,217
Current Account Payables	2,023,712	1,495,520
Advance from Customers	66,138	57,801
Tax Payables	593,032	225,676
Payroll Payables	278	588
Accrued Expense	2,385,301	1,521,372
Other Payables	191,482	134,055
LONG TERM LIABILITIES	448,383	1,009,771
Long-term Debt	227,388	774,749
Other Long-term Liabilities	220,995	235,022
TOTAL LIABILITIES	14,177,129	11,071,000

MANAGEMENT REPORT (continued)

AUDITED FINANCIAL RESULTS (continued)

Consolidated Balance Sheet (continued)

EQUITY	26,375,560	22,445,646
Chartered Capital	7,274,619	7,274,619
Capital Surplus	3,610,329	3,610,329
Other Capital	(265,776)	(265,776)
Treasury Shares	(994,666)	(994,666)
Foreign Exchange Differences	8,324	7,419
Investment and Development Fund	22,732	22,732
Retained Earnings	16,124,128	12,263,423
Non-controlling Interests	595,870	527,566
TOTAL RESOURCES	40,552,689	33,516,646

MANAGEMENT REPORT (continued)

AUDITED FINANCIAL RESULTS (continued)

Financial Ratios

	2023	2022
Current Ratio	1.7x	2.6x
Quick Ratio	1.6x	2.3x
Debt/EBITDA	1.16x	1.12x
Debt/Total Assets	0.21x	0.22x
Inventory Turnover	6.5x	6.7x
Days Inventory (days)	56	55
ROE	29.5%	28.0%
ROA	19.4%	17.4%
Net Sales/Total Assets	76.3%	84.7%
Net Margin	25.5%	20.5%
EBIT Margin	23.8%	21.1%
EBITDA Margin	26.6%	24.4%

MANAGEMENT REPORT (continued)

DISCUSSION ON AUDITED RESULTS

Net Revenue

In 2023, Masan Consumer achieved a net revenue of VND 28,241 billion, representing a 4.7% increase compared to 2022, driven by the sales growth of seasoning, non-alcoholic beverages, and HPC products. The revenue growth is attributed to the maintenance and development of power brands, particularly highlighted by the “Go Global” initiative of the Chin-Su brand, and the expansion of product distribution on digital platforms. These efforts contribute to the long-term development of Masan Consumer.

(VND billion)

28,241

↑4.7% compared to 2022

Gross Profit

Masan Consumer’s gross profit margin increased by 4.6% from 41.3% in 2022 to 45.9% in 2023. The increase in gross profit margin is the result of a rational product mix with high-profit margins, a pricing strategy reinforced by power brands, and efficient operations.

4.6%

↑ compared to 2022

Selling, General and Administration Expenses

In 2023, Masan Consumer’s selling, general, and administrative expenses (SG&A) amounted to VND6,254 billion, an increase of VND826 billion compared to the VND5,428 billion in 2022. This increase is primarily driven by promotional and advertising expenses aimed at building brand recognition and driving sales for the Group.

(VND billion)

6,254

↑826 VND billion compared to 2022

Net Financial Income

Net financial income is determined by subtracting financial expenses from financial revenue. In 2023, it amounted to VND1,315 billion, representing an increase of VND766 billion compared to VND549 billion in 2022, marking a 139% increase. This significant growth is attributed to the optimization of the Group’s investment cash flows and reduced borrowing interest rates.

(VND billion)

1,315

↑139% compared to 2022

MANAGEMENT REPORT (continued)

DISCUSSION ON AUDITED RESULTS (continued)

Net Profit After Tax

The profit after tax in 2023 reached VND7,194 billion, marking a 30% increase compared to the VND5,533 billion in 2022. This growth can be attributed to the rational rotation of high-margin product categories, power branding, and innovative cost-saving initiatives.

(VND billion)

7,194

↑30% compared to 2022

Cash and Cash Equivalents

As of 31 December 2023, Masan Consumer held VND10,698 billion in cash, including cash and cash equivalents and more than three months term deposit, and other investments, marking a corresponding increase of 53% compared to the VND6,992 billion as of 31 December 2022. The increase in cash was mainly attributed to positive cash flow generated from the growth of business operations and financial activities, offset by a decrease in cash used for investment activities.

(VND billion)

10,698

↑53% compared to 2022

Fixed Assets

As of 31 December 2023, the total value of fixed assets (including the value of construction in progress) amounted to VND5,833 billion, representing a slight decrease of 1.3% compared to the value of VND5,911 billion as of 31 December 2022. The fixed assets put into use during the year mainly resulted from new investments in machinery and equipment at the Hau Giang plant and expansions at the Nghe An and Binh Duong plants. These investments aimed to increase capacity and upgrade technology with modern machinery and equipment such as production lines, automatic filling and packaging, and bottle blowing for the convenience food, seasonings, beverage categories, and general utility assets.

(VND billion)

5,833

↓1.3% compared to 2022

Investment in Associates

The investment in associates includes 32.8% of economic interest in Cholimex Food Joint Stock Company as at 31 December 2023. During the year, the Group also received VND13 billion in cash dividend from this investment.

32.8%

of economic interest in Cholimex Food Joint Stock Company

MANAGEMENT REPORT (continued)

DISCUSSION ON AUDITED RESULTS (continued)

Total Assets

As of 31 December 2023, total assets increased by 21% from the level of VND33,517 billion as of 31 December 2022, to VND40,553 billion. This increase was primarily driven by the accumulation of funds generated from favorable business results and receivables from investment activities, optimizing cash flow and increasing financial profit. It was offset by a decrease in inventory and other asset items.

(VND billion)

40,553

↑21% compared to 2022

Borrowings

As of 31 December 2023, both short-term and long-term borrowings increased by 18% from VND7,401 billion as of 31 December 2022, to VND8,696 billion. This increase was primarily driven by an increase in short-term borrowings, which were secured at lower interest rates compared to the previous year, aimed at financing production activities to enhance the Group's profitability.

(VND billion)

8,696

↑18% compared to 2022

Owners' Equity

As at 31 December 2023, owners' equity reached VND26,376 billion, increasing by 18% from VND22,446 billion on 31 December 2022. The increase was mainly due to growth in net profit after tax.

(VND billion)

26,376

↑18% compared to 2022

MANAGEMENT REPORT (continued)

2024 FINANCIAL OUTLOOK

After a year of stagnation due to the uncertainties in the global landscape, the economic outlook for Vietnam in 2024 is forecasted to be fairly optimistic by international organizations, with GDP growth expected to rebound strongly to the range of 5.5% to 6.5%. However, the economy still faces numerous challenges. Given that situation, Masan Consumer has made budget for net sales and net profit after tax growth from 15% to 25%. 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 2024 is tentative. The details will be shared at the 2024 Annual General Meeting.

FINANCIAL STATEMENTS

This Financial Report is consolidated audited financial statement. For separate audited financial statement, please find in the below links:
<https://masanconsumer.com/wp-content/uploads/2024/03/110.-MSC-Consol-Audited-FY2023-VN.pdf>

FINANCIAL STATEMENTS



Corporate Information

Enterprise Registration Certificate No. 0302017440 31 May 2000

The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 31 January 2024. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors	Mr Danny Le	Chairman
	Mr Truong Cong Thang	Member
	Ms Nguyen Hoang Yen	Member
	Mr Nguyen Thieu Quang	Member
	Ms Nguyen Thi Thu Ha	Member
	Ms Nguyen Thu Hien	Member
Audit Committee	Ms Nguyen Thu Hien	Chairwoman
	Mr Nguyen Thieu Quang	Member
Board of Management	Mr Truong Cong Thang	Chief Executive Officer
	Ms Nguyen Hoang Yen	Deputy Chief Executive Officer
	Mr Pham Hong Son	Deputy Chief Executive Officer
Registered Office	23 Le Duan, Ben Nghe Ward District 1, Ho Chi Minh City, Vietnam	
Auditor	KPMG Limited Vietnam	

Statement of the Board of Management

The Board of Management of Masan Consumer 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 2023.

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

- the consolidated financial statements set out on pages 78 to 111 give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, 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; and
- at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Nguyen Hoang Yen
Authorised Representative

Ho Chi Minh City, 01 March 2024

Independent auditor's report

TO THE SHAREHOLDERS MASAN CONSUMER CORPORATION

We have audited the accompanying consolidated financial statements of Masan Consumer Corporation (“the Company”) and its subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheet as at 31 December 2023, 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 1 March 2024, as set out on pages 78 to 111.

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 Consumer Corporation and its subsidiaries as at 31 December 2023 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.: 23-01-00976-24-02



Nelson Rodriguez Casihan
Practicing Auditor Registration
Certificate No. 2225-2023-007-1
Deputy General Director

Ho Chi Minh City, 1 March 2024

Nguyen Thuy Ninh
Practicing Auditor Registration
Certificate No. 4623-2023-007-1

Consolidated balance sheet

as at 31 December 2023

Form B 01 – DN/HN

(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2023 VND	1/1/2023 VND		Code	Note	31/12/2023 VND	1/1/2023 VND
ASSETS									
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		23,921,695,273,733	26,092,449,023,518	Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		16,630,993,661,720	7,424,194,062,002
Cash and cash equivalents	110	5	5,789,870,873,591	5,588,278,453,404	Accounts receivable – long-term	210		9,338,160,677,026	192,573,706,896
Cash	111		159,897,624,135	93,843,655,219	Other long-term receivables	216	9(b)	9,338,160,677,026	192,573,706,896
Cash equivalents	112		5,629,973,249,456	5,494,434,798,185	Fixed assets	220		5,552,374,681,907	5,092,592,979,450
Short-term financial investments	120		4,908,122,525,558	1,403,814,717,880	Tangible fixed assets	221	11	4,789,111,012,429	4,256,149,930,619
Trading securities	121	6(a)	2,592,779,525,558	1,202,171,717,880	Cost	222		9,619,243,660,832	8,642,295,346,974
Held-to-maturity investments	123	6(b)	2,315,343,000,000	201,643,000,000	Accumulated depreciation	223		(4,830,132,648,403)	(4,386,145,416,355)
Accounts receivable – short-term	130		10,989,266,253,040	16,526,609,661,885	Intangible fixed assets	227	12	763,263,669,478	836,443,048,831
Accounts receivable from customers	131	7	1,068,837,859,281	663,867,546,603	Cost	228		2,397,933,897,522	2,396,630,305,722
Prepayments to suppliers	132		297,602,347,854	328,055,851,416	Accumulated amortisation	229		(1,634,670,228,044)	(1,560,187,256,891)
Short-term loans receivable	135	8	3,492,430,547,940	6,047,191,980,732	Investment property	230	13	5,749,808,978	7,359,461,196
Other short-term receivables	136	9(a)	6,130,395,497,965	9,487,494,283,134	Cost	231		18,627,973,918	18,627,973,918
Inventories	140	10	2,178,374,332,996	2,501,747,857,460	Accumulated depreciation	232		(12,878,164,940)	(11,268,512,722)
Inventories	141		2,220,500,505,262	2,531,009,688,650	Long-term work in progress	240		275,199,403,100	810,614,752,363
Allowance for inventories	149		(42,126,172,266)	(29,261,831,190)	Construction in progress	242	14	275,199,403,100	810,614,752,363
Other current assets	150		56,061,288,548	71,998,332,889	Long-term financial investments	250		294,757,072,601	249,391,858,906
Short-term prepaid expenses	151		15,261,335,004	21,864,190,200	Investment in an associate	252	6(c)	294,757,072,601	249,391,858,906
Deductible value added tax	152		37,879,347,121	46,519,568,421	Other long-term assets	260		1,164,752,018,108	1,071,661,303,191
Taxes and other receivables from State Treasury	153		2,920,606,423	3,614,574,268	Long-term prepaid expenses	261	15	644,959,073,099	667,880,246,079
					Deferred tax assets	262	16	394,126,932,594	250,748,144,987
					Goodwill	269	17	125,666,012,415	153,032,912,125
					TOTAL ASSETS (270 = 100 + 200)	270		40,552,688,935,453	33,516,643,085,520

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

Consolidated balance sheet

as at 31 December 2023 (continued)

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2023 VND	1/1/2023 VND		Code	Note	31/12/2023 VND	1/1/2023 VND
RESOURCES					EQUITY (400 = 410)	400		26,375,559,178,420	22,445,645,207,154
LIABILITIES (300 = 310 + 330)	300		14,177,129,757,033	11,070,997,878,366	Owners' equity	410	23	26,375,559,178,420	22,445,645,207,154
Current liabilities	310		13,728,746,969,395	10,061,228,330,556	Share capital	411	24	7,274,618,790,000	7,274,618,790,000
Short-term accounts payable to suppliers	311	18	2,023,711,673,115	1,495,519,562,993	Share premium	412	24	3,610,328,815,858	3,610,328,815,858
Advances from customers	312		66,137,653,839	57,801,371,025	Other capital	414		(265,775,657,006)	(265,775,657,006)
Taxes payable to State Treasury	313	19	593,031,958,022	225,676,023,072	Treasury shares	415	24	(994,666,327,121)	(994,666,327,121)
Payables to employees	314		279,692,397	587,599,793	Foreign exchange differences	417		8,323,564,190	7,418,664,660
Accrued expenses	315	20	2,385,300,904,155	1,521,371,528,492	Investment and development fund	418		22,731,972,844	22,731,972,844
Other short-term payables	319	21(a)	163,606,696,919	106,179,705,073	Undistributed profits after tax	421		16,124,127,868,061	12,263,423,092,167
Short-term borrowings	320	22(a)	8,468,802,865,360	6,626,217,014,520	- Undistributed profits after tax brought forward	421a		9,038,963,882,667	6,816,958,384,098
Bonus and welfare funds	322		27,875,525,588	27,875,525,588	- Undistributed profit after tax for the current year/ prior year	421b		7,085,163,985,394	5,446,464,708,069
Long-term liabilities	330		448,382,787,638	1,009,769,547,810	Non-controlling interests	429		595,870,151,594	527,565,855,752
Long-term accounts payable to suppliers	331	18	19,288,737,000	24,324,232,000	TOTAL RESOURCES (440 = 300 + 400)	440		40,552,688,935,453	33,516,643,085,520
Other long-term payables	337	21(b)	30,438,053,506	31,756,586,755					
Long-term borrowings	338	22(b)	227,387,827,971	774,748,996,895					
Deferred tax liabilities	341	16	159,914,589,911	166,878,229,906					
Long-term provisions	342		11,353,579,250	12,061,502,254					

01 March 2024

Prepared by:

Approved by:



Phan Thi Thuy Hoa
Chief Accountant



Huynh Viet Thang
Chief Financial Officer



Nguyen Hoang Yen
Authorized Representative

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

Consolidated statement of income

for the year ended 31 December 2023

Form B 02 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2023 VND	2022 VND
Revenue from sale of goods and provision of services	01	27	28,395,714,292,201	27,178,348,373,405
Revenue deductions	02	27	154,721,659,364	201,075,203,377
Net revenue (10 = 01 - 02)	10	27	28,240,992,632,837	26,977,273,170,028
Cost of sales and services provided	11	28	15,266,624,295,107	15,845,758,614,044
Gross profit (20 = 10 - 11)	20		12,974,368,337,730	11,131,514,555,984
Financial income	21	29	1,853,512,410,411	934,533,482,162
Financial expenses	22	30	538,028,288,437	385,172,202,557
<i>In which: Interest expense</i>	23		485,285,780,065	307,330,035,566
Share of profit in an associate	24	6(c)	58,661,298,695	13,296,085,000
Selling expenses	25	31	5,328,084,292,551	4,527,142,745,516
General and administration expenses	26	32	925,673,676,418	900,917,485,901
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		8,094,755,789,430	6,266,111,689,172
Other income	31		9,577,037,619	3,300,140,266
Other expenses	32		5,486,220,370	26,050,918,673
Results of other activities (40 = 31 - 32)	40		4,090,817,249	(22,750,778,407)
Accounting profit before tax (50 = 30 + 40)	50		8,098,846,606,679	6,243,360,910,765
Income tax expense – current	51	33	1,055,018,789,136	669,373,615,088
Income tax (benefit)/expense – deferred	52	33	(150,342,427,602)	41,180,186,596
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		7,194,170,245,145	5,532,807,109,081

	Code	Note	2023 VND	2022 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		7,194,170,245,145	5,532,807,109,081
Attributable to:				
Equity holders of the Company	61		7,085,163,985,394	5,451,118,633,692
Non-controlling interests	62		109,006,259,751	81,688,475,389
Earnings per share				
Basic earnings per share	70	34	9,888	7,612

01 March 2024

Prepared by:

Approved by:


Phan Thi Thuy Hoa
Chief Accountant


Huynh Viet Thang
Chief Financial Officer


Nguyen Hoang Yen
Authorised Representative

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

Consolidated statement of cash flows

for the year ended 31 December 2023 (Indirect method)

	Code	2023 VND	2022 VND		Code	2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES				CASH FLOWS FROM INVESTING ACTIVITIES			
Accounting profit before tax	01	8,098,846,606,679	6,243,360,910,765	Payments for additions to fixed assets and other long-term assets	21	(573,174,002,924)	(1,243,183,928,156)
Adjustments for				Proceeds from disposals of fixed assets and other long-term assets	22	3,885,569,813	3,638,838,655
Depreciation and amortisation	02	655,993,278,154	814,270,399,742	Payments for granting loans	23	(826,000,000,000)	(190,000,000,000)
Allowances and provisions	03	108,026,674,230	76,909,069,186	Placements of term deposits to banks and payments for other investments	23	(27,315,650,815,035)	(11,061,143,000,000)
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	2,499,315,770	(88,121,775)	Receipts from collecting loans	24	519,500,000,000	-
(Gains)/losses on disposals and written-off of fixed assets and investment in a subsidiary	05	(7,562,851)	7,621,992,370	Withdrawals of term deposits from banks and collections of other investments	24	19,620,210,815,035	2,013,875,000,000
Interest and other income from investing activities	05	(1,808,788,060,961)	(899,616,238,833)	Net cash flows from deconsolidation of investments in a subsidiary and transactions with non-controlling interests	26	-	240,054,419,416
Share of profit in an associate	05	(58,661,298,695)	(13,296,085,000)	Receipts of interest from deposits at banks, loans, other investments and dividends	27	1,483,406,845,017	964,303,835,358
Interest expense and other financial expenses	06	488,321,280,057	310,203,035,562	Net cash flows from investing activities	30	(7,087,821,588,094)	(9,272,454,834,727)
Operating profit before changes in working capital	08	7,486,230,232,383	6,539,364,962,017	CASH FLOWS FROM FINANCING ACTIVITIES			
Change in receivables and other assets	09	(405,613,326,371)	(83,797,854,940)	Proceeds from shares issued	31	-	56,455,185,000
Change in inventories	10	214,638,927,230	(323,700,694,346)	Proceeds from shares issued in a subsidiary	31	-	38,345,000,000
Change in payables and other liabilities	11	1,526,486,553,528	(1,397,713,341,246)	Proceeds from bank borrowings	33	22,927,569,362,282	19,834,325,634,311
Change in prepaid expenses	12	52,889,237,750	41,017,991,792	Payments to settle loan principals to banks	34	(21,632,256,415,020)	(20,452,689,345,551)
Change in trading securities	13	(1,390,607,807,678)	(1,202,171,717,880)	Payments of dividends at the Company and subsidiaries	36	(261,545,703,173)	(113,973,663,980)
		7,484,023,816,842	3,572,999,345,397	Net cash flows from financing activities	40	1,033,767,244,089	(637,537,190,220)
Interest paid	14	(496,972,593,124)	(294,397,896,986)				
Corporate income tax paid	15	(731,465,659,511)	(789,711,507,804)				
Other payments for operating activities	17	-	(4,697,076,597)				
Net cash flows from operating activities	20	6,255,585,564,207	2,484,192,864,010				

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

Consolidated statement of cash flows

for the year ended 31 December 2023 (Indirect method - continued)

Form B 03 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	2023 VND	2022 VND
Net cash flows during the year (50 = 20 + 30 + 40)	50	201,531,220,202	(7,425,799,160,937)
Cash and cash equivalents at beginning of the year	60	5,588,278,453,404	13,013,125,962,658
Effect of exchange rate fluctuations on cash and cash equivalents	61	(11,322,170)	(35,107,277)
Currency translation differences	61	72,522,155	986,758,960
Cash and cash equivalents at end of the year (70 = 50 + 60 + 61) (Note 5)	70	5,789,870,873,591	5,588,278,453,404

NON-CASH INVESTING AND FINANCING ACTIVITIES

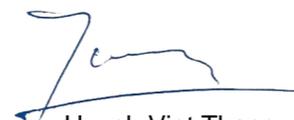
	2023 VND	2022 VND
Collection of loans and interest receivable through net-off with dividends payable	3,002,364,736,327	-
Conversion of interest income receivables to principal of loans receivable	-	1,770,610,109,140

01 March 2024

Prepared by:


Phan Thi Thuy Hoa
Chief Accountant

Approved by:


Huynh Viet Thang
Chief Financial Officer




Nguyen Hoang Yen
Authorised Representative

Notes to the consolidated financial statements

for the year ended 31 December 2023

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 Consumer Corporation (“the Company”) is a joint stock company incorporated in Vietnam. The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in an associate.

(b) Principal activities

The principal activities of the Company are to trade in food products; trade in non-alcoholic drinks, mineral water; trade in home and personal care products; and provide distribution services under Enterprise Registration Certificate No. 0302017440 issued by the Department of Planning and Investment of Ho Chi Minh City (“DPI”) on 31 May 2000 and its amendments.

(c) Normal operating cycle

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

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

Thuyết minh báo cáo tài chính hợp nhất

cho năm kết thúc ngày 31 tháng 12 năm 2023 (tiếp theo)

Mẫu B 09 - DN/HN

(Ban hành theo Thông tư số 202/2014/TT-BTC ngày 22 tháng 12 năm 2014 của Bộ Tài chính)

(d) The Group's structure

As at 31 December 2023, the Company has 5 directly owned subsidiaries, 17 indirectly owned subsidiaries and 1 associate (1/1/2023: 5 directly owned subsidiaries, 17 indirectly owned subsidiaries and 1 associate). Information of the subsidiaries and an associate are described as follows:

No.	Name	Principal activities	Address	Percentage of economic interests		Percentage of voting rights	
				31/12/2023	1/1/2023	31/12/2023	1/1/2023
Directly owned subsidiaries							
1	Masan Food Company Limited	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
2	Masan Beverage Company Limited	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
3	Masan Consumer (Thailand) Limited ("MTH")	Trading and distribution	No. 83, 4 th Floor, Amnuay Songkhram Road, Tanon Nakornchaisri Sub-District, Dusit District, Bangkok, Thailand.	99.99%	99.99%	99.99%	99.99%
4	Masan HPC Company Limited	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
5	Masan Innovation Company Limited	Trading and distribution	12 th Floor, MPlaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
Indirectly owned subsidiaries							
1	Masan Industrial One Member Company Limited	(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.	100%	100%	100%	100%
2	Viet Tien Food Technology One Member Company Limited	(i) Seasonings and bottled water manufacturing	Lot III-10, Street No. 1, Industrial Group III, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
3	Masan PQ Corporation	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc City, Kien Giang Province, Vietnam.	99.99%	99.99%	99.99%	99.99%
4	Masan Long An Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Hamlet 2, Thanh Hoa Commune, Ben Luc District, Long An Province, Vietnam.	100%	100%	100%	100%
5	Masan HD One Member Company Limited	(i) Convenience food and seasonings manufacturing	Lot 22, Dai An Industrial Park, Tu Minh Ward, Hai Duong City, Hai Duong Province, Vietnam.	100%	100%	100%	100%
6	Masan MB One Member Company Limited	(i) Seasonings, convenience food, packaging and beverage manufacturing	Area B, Nam Cam Industrial Park, Dong Nam Nghe An Economic Zone, Nghi Long Ward, Nghi Loc District, Nghe An Province, Vietnam.	100%	100%	100%	100%
7	Masan HG One Member Company Limited	(i) Seasonings, convenience food, packaging and beverage manufacturing	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam.	100%	100%	100%	100%

Thuyết minh báo cáo tài chính hợp nhất

cho năm kết thúc ngày 31 tháng 12 năm 2023 (tiếp theo)

Mẫu B 09 - DN/HN

(Ban hành theo Thông tư số 202/2014/TT-BTC ngày 22 tháng 12 năm 2014 của Bộ Tài chính)

No.	Name	Principal activities	Address	Percentage of economic interests		Percentage of voting rights	
				31/12/2023	1/1/2023	31/12/2023	1/1/2023
8	Nam Ngu Phu Quoc One Member Company Limited	(i) Seasonings manufacturing	Area 1, Suoi Da Hamlet, Duong To Ward, Phu Quoc City, Kien Giang Province, Vietnam.	100%	100%	100%	100%
9	Masan HN Company Limited	(i) Seasonings, convenience food manufacturing and packaging	Lot CN-08 and CN-14, Dong Van IV Industrial Park, Dai Cuong Commune, Kim Bang District, Ha Nam Province, Vietnam.	100%	100%	100%	100%
10	Masan HG 2 Company Limited	(i) Seasonings, convenience food, beverage manufacturing and packaging	Song Hau Industrial Park, Dong Phu Ward, Chau Thanh District, Hau Giang Province, Vietnam.	100%	100%	100%	100%
11	VinaCafé Bien Hoa Joint Stock Company	(ii) Beverage manufacturing and trading	Bien Hoa Industrial Park I, Bien Hoa City, Dong Nai Province, Vietnam.	98.79%	98.79%	98.79%	98.79%
12	Vinh Hao Mineral Water Corporation	(ii) Beverage manufacturing and trading and packaging	Vinh Son Hamlet, Vinh Hao Commune, Tuy Phong District, Binh Thuan Province, Vietnam.	89.52%	89.52%	89.52%	89.52%
13	KronFa., JSC	(iii) Beverage manufacturing	Km 37, Highway 27, Tan Son Town, Ninh Son District, Ninh Thuan Province, Vietnam.	89.52%	89.52%	99.999%	99.999%
14	Quang Ninh Mineral Water Corporation	(ii) Beverage manufacturing and trading	No. 3A, Area 4, Suoi Mo, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam.	65.85%	65.85%	65.85%	65.85%
15	NET Detergent Joint Stock Company	(v) Home and personal care products manufacturing and trading	D4 Street, Loc An – Binh Son Industrial Park, Binh Son Commune, Long Thanh District, Dong Nai Province, Vietnam.	52.25%	52.25%	52.25%	52.25%
16	Hi-Fresh Company Limited	(v) (vi) Trading and distribution	8 th Floor, MPLaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
17	Joins Pro Professional Laundry Company Limited	(vi) Providing laundry services	8 th Floor, MPLaza Saigon, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%	100%	100%
An associate							
1	Cholimex Food Joint Stock Company	(i) Seasonings manufacturing and trading	Lot C40 – 43/I, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.	32.83%	32.83%	32.83%	32.83%

Thuyết minh báo cáo tài chính hợp nhất

cho năm kết thúc ngày 31 tháng 12 năm 2023 (tiếp theo)

- (i) These subsidiaries and an associate are indirectly owned by the Company through Masan Food Company Limited.
- (ii) These subsidiaries are indirectly owned by the Company through Masan Beverage Company Limited.
- (iii) KronFa., JSC is indirectly owned by the Company through Vinh Hao Mineral Water Corporation.
- (iv) NET Detergent Joint Stock Company is indirectly owned by the Company through Masan HPC Company Limited.
- (v) These subsidiaries are indirectly owned by the Company through Masan Innovation Company Limited.
- (vi) Due to a change in business orientation, in June 2023, the Chairman of Masan Innovation Company Limited, a directly owned subsidiary of the Company, approved the decision on the dissolution of Hi-Fresh Company Limited. As at the date of this report, the dissolution has been completed.

In accordance with the Resolution of the Company's Shareholders in Annual General Meeting No. 01/2023/NQ-DHDCD-MSD dated 24 April 2023, the Company's shareholders approved the plan to merge the Company to MasanConsumerHoldings Company Limited, the parent company. As at the date of this report, the merger exercise has yet to taken place.

MTH is incorporated in Thailand. Other subsidiaries and the associate are incorporated in Vietnam.

As at 31 December 2023, the Group had 5,061 employees (1/1/2023: 5,211 employees).

2. BASIS OF PREPARATION

(a) Statement of compliance

These 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

These 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"), which is also the currency used for consolidated financial statements presentation purposes.

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) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Non-controlling interests

Non-controlling interests ("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 shareholders. Prior to 1 January 2015, 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 other capital under equity. From 1 January 2015, as a result of the adoption of Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance ("Circular 202"), such difference is recorded directly in undistributed profits after tax under equity.

(iii) 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 statement of income. 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.

Thuyết minh báo cáo tài chính hợp nhất

cho năm kết thúc ngày 31 tháng 12 năm 2023 (tiếp theo)

(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. Associates are accounted for 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 the 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 consolidated statement of income (such as revaluation of fixed assets, or 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 financial 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.

(v) Transactions and balances eliminated on consolidation

Intra-group transactions, balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

(vi) Business combinations under common control

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 policies 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. Prior to 1 January 2015, any difference between the cost of acquisition and net assets value acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in other capital under equity. From 1 January 2015, as a result of the adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity.

The consolidated statement of income and consolidated statement of cash flows include the results of operations of the combining companies as if the group structure had been in existence from the Controlling Shareholders' perspective throughout the entire periods presented, or where the companies were incorporated at a date later than the beginning of the earliest periods presented, for the periods from the date of incorporation to the end of the relevant reporting periods.

(vii) Business combinations under non-common control

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 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, 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 (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.

(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 average of the account transfer buying rates and selling 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.

Thuyết minh báo cáo tài chính hợp nhất

cho năm kết thúc ngày 31 tháng 12 năm 2023 (tiếp theo)

(ii) Foreign operations

All assets and liabilities of foreign operations are translated to VND at the average of the account transfer buying rates and selling rates at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions. Capital is translated into VND at historical exchange rate. Accumulated losses are derived from the translated net loss from which they were appropriated. Revenue, income and expenses, and cash flows of foreign operations during the year are translated into VND at the exchange rates which approximate actual exchange rates ruling on the date of transactions.

Foreign currency differences arising from the translation of foreign operation's financial statements to VND are recognised in the consolidated balance sheet under the caption "Foreign exchange differences" in equity.

(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 those 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 has been determined if no allowance had been recognised.

ii) Held-to-maturity investments

Held-to-maturity investments are those that the Board of 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. These investments are stated at costs less allowance for doubtful debts.

(e) Accounts receivable

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

(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 manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and the 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, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the 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.

(ii) Depreciation

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

- buildings and structures 4 – 35 years
- leasehold improvements 3 – 5 years
- machinery and equipment 3 – 25 years
- motor vehicles 3 – 10 years
- office equipment 3 – 10 years

Thuyết minh báo cáo tài chính hợp nhất

cho năm kết thúc ngày 31 tháng 12 năm 2023 (tiếp theo)

(h) Intangible fixed assets

(i) Land use rights

Land use rights are stated at cost less accumulated amortisation. The initial cost of a land use right 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 19 years to 50 years.

(ii) Software

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 their estimated useful lives ranging from 4 years to 10 years.

(iii) Exploitation rights for mineral water resources

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 their estimated useful lives ranging from 17 years to 30 years.

(iv) Brand name

Cost of acquiring a brand name is capitalised and treated as an intangible fixed asset and is amortised on a straight-line basis over the estimated useful lives of 10 years.

The fair value of brand name that is acquired by the Group on the acquisition of a subsidiary is recognised as an intangible fixed asset and amortised on a straight-line basis over their estimated useful lives ranging from 10 years to 30 years. The fair value of brand name acquired in a business combination is determined based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned.

v) Customer relationships

The fair value of customer relationships that is acquired by the Group on the acquisition of a subsidiary is capitalised and treated as an intangible fixed asset. 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. The fair value of customer relationships is amortised on a straight-line basis over their estimated useful lives ranging from 5 years to 15 years.

(vi) Mineral water resources

The fair value of mineral water resources that is acquired by the Group on the acquisition of a subsidiary is capitalised and treated as an intangible fixed asset. The fair value of mineral water resources acquired in a business combination is determined using either the direct comparison method or the multi-period excess earnings method. The direct comparison approach estimates the value of mineral water resources by comparing recent asking/transacted price of similar interests located in the same area. In the multi-period excess earnings method, subject assets are valued after deducting a fair return on all the assets that are part of creating the related cash flows. The fair value of mineral water resources is amortised on a straight-line basis over their estimated useful lives ranging from 10 years to 37 years.

(i) Investment property held to earn rental

(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 buildings, infrastructures and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Management of the Company's subsidiary. 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 expenditure 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 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. The estimated useful lives are as follows:

- buildings 20 – 25 years
- infrastructures 5 – 20 years

(j) Construction in progress

Construction in progress represents the costs of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

Thuyết minh báo cáo tài chính hợp nhất

cho năm kết thúc ngày 31 tháng 12 năm 2023 (tiếp theo)

(k) Long-term prepaid expenses

(i) Prepaid land costs and infrastructure usage fees

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 from 42 years to 50 years.

Infrastructure usage fees are prepaid expenses incurred in connection with securing the use of infrastructure in the industrial park. These costs are amortised on a straight-line basis over the term of the contract for using the infrastructure from 46 years to 47 years.

(ii) Goodwill from equitisation

Goodwill arising from equitisation of the state-owned enterprise is recognised as long-term prepaid expenses. Goodwill arising from equitisation of the state-owned enterprise 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 year 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, etc.). 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 arising from equitisation of the state-owned enterprise is amortised on a straight-line basis over 10 years starting from the date of transformation from a state-owned enterprise into a joint stock company (date of business registration certificate to transform to joint stock company).

(iii) Tools and instruments

Tools and instruments 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. Costs of these assets are amortised on a straight-line basis over a period ranging from 2 years to 3 years.

(iv) Loan arrangement costs

Loan arrangement costs are initially recognised at cost and amortised on a straight-line basis over the terms of the related loans.

(l) Goodwill

Goodwill arises on the acquisition of subsidiaries and associates. 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 of a subsidiary is written down to recoverable amount as management determines that it is not fully recoverable.

In respect of equity accounted investees, 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.

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.

Thuyết minh báo cáo tài chính hợp nhất

cho năm kết thúc ngày 31 tháng 12 năm 2023 (tiếp theo)

(o) Equity

(i) *Share capital and share premium*

Ordinary shares are classified as equity. Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issuance of shares, net of tax effects. Such costs are recognised as a deduction from share premium. The excess of proceeds from issuance of shares over the par value of shares issued is recorded as share premium.

(ii) *Other capital*

Equity movements resulted from common control business combination and acquisition of/disposal to non-controlling interests for the years before 1 January 2015 that do not result in a loss of control are recorded in other capital under equity.

(iii) *Repurchase and reissue of ordinary shares (treasury shares)*

Before 1 January 2021

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

From 1 January 2021

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the Company issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan. In all other cases, when shares recognised as equity are repurchased, their par value amount is recognised as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

This change in accounting policy has been applied prospectively from 1 January 2021 due to change in applicable laws and regulations on buying back shares.

(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 adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using 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) Revenue

(i) *Sale of goods*

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

(ii) *Rental income*

Rental income from leased property under operating lease is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Thuyết minh báo cáo tài chính hợp nhất

cho năm kết thúc ngày 31 tháng 12 năm 2023 (tiếp theo)

(iii) Provision of services

Revenue from provision of services 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.

(r) Financial income and financial expenses

(i) Financial income

Financial income mainly comprises interest income from deposits at banks, loans receivable, trading securities and other investing activities 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 mainly comprise interest expense on borrowings from banks, foreign exchange losses and other financial expenses.

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.

(s) Operating lease 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.

(t) 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 ordinary shareholders of the Company (after deducting any amounts appropriated to bonus and welfare funds for the annual accounting period) by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

(u) 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 segment. The Group's primary format and secondary format for segment reporting are based on business segments and geographical segments, respectively.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise cash and cash equivalents and related income, investments and related income and expenses, loans and borrowings and related expenses, the Company's headquarters corporate assets, general and administration expenses, income tax assets and liabilities and expenses, and items that are attributable to more than one segment and cannot reasonably be allocated to a segment.

(v) 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.

(w) 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 audited consolidated financial statements as at and for the year ended 31 December 2022.

Thuyết minh báo cáo tài chính hợp nhất

cho năm kết thúc ngày 31 tháng 12 năm 2023 (tiếp theo)

Mẫu B 09 - DN/HN
(Ban hành theo Thông tư số 202/2014/TT-BTC ngày 22 tháng 12 năm 2014 của Bộ Tài chính)

4. SEGMENT REPORTING

(a) Business segments

The Group classified its business segments into four main business segments which are Food, Beverage, Home and personal care products and Others. Food segment includes seasonings and convenience food. Others segment includes warehouse rental and others.

	Food		Beverage		Home and personal care products		Others		Consolidated	
	2023 VND	2022 (*) VND	2023 VND	2022 (*) VND	2023 VND	2022 (*) VND	2023 VND	2022 (*) VND	2023 VND	2022 (*) VND
Total segment revenue – net	19,447,477,993,426	19,024,685,354,380	6,492,071,053,579	6,179,427,802,519	2,069,957,443,070	1,569,114,792,073	231,486,142,762	204,045,221,056	28,240,992,632,837	26,977,273,170,028
Segment results	5,585,132,354,656	4,484,477,870,040	1,568,779,079,524	1,542,445,706,580	(88,301,645,840)	16,697,991,210	85,253,649,777	39,759,102,729	7,150,863,438,117	6,083,380,670,559
Unallocated general and administration expenses									(371,591,770,661)	(366,630,260,992)
Financial income									1,853,512,410,411	934,533,482,162
Financial expenses									(538,028,288,437)	(385,172,202,557)
Net operating profit									8,094,755,789,430	6,266,111,689,172
Other income									9,577,037,619	3,300,140,266
Other expenses									(5,486,220,370)	(26,050,918,673)
Income tax expense									(904,676,361,534)	(710,553,801,684)
Net profit after tax									7,194,170,245,145	5,532,807,109,081

(*) Certain figures are reclassified for the comparative purpose.

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5. CASH AND CASH EQUIVALENTS

	31/12/2023 VND	1/1/2023 VND
Cash on hand	693,460,555	1,050,088,807
Cash at banks	159,204,163,580	92,793,566,412
Cash equivalents	5,629,973,249,456	5,494,434,798,185
Cash and cash equivalents in the consolidated statement of cash flows	5,789,870,873,591	5,588,278,453,404

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

6. FINANCIAL INVESTMENTS

	31/12/2023 VND	1/1/2023 VND
Short-term financial investments		
Trading securities (a)	2,592,779,525,558	1,202,171,717,880
Held-to-maturity investments (b)	2,315,343,000,000	201,643,000,000
	4,908,122,525,558	1,403,814,717,880
Long-term financial investments		
Investment in an associate (c)	294,757,072,601	249,391,858,906

(a) Trading securities

	31/12/2023				1/1/2023					
	Quantity	Cost VND	Allowance for diminution in value VND		Fair value VND	Quantity	Cost VND	Allowance for diminution in value VND		Fair value VND
Corporate bonds issued by third parties	13,512,100	2,592,779,525,558	-	(*)	12,000,000	1,202,171,717,880	-	(*)		

The Group purchased these bonds for trading purpose over a short period of time. As at 31 December 2023, the bonds have remaining terms to maturity of 8 to 22 months from the end of the annual accounting period and earn interest at rates of 10% to 13.78% per annum. A certain number of these bonds are secured by assets of third parties. The Group has a commitment from a related party to purchase some bonds by end of January 2024 and then those bonds were sold out by the Group in January 2024 according to the commitment. For the remaining bonds, the Group has another commitment from that related party to purchase these bonds by 12 April 2024.

(*) The Group has not determined the fair value of the trading securities 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 value of these trading securities may differ from their carrying amounts.

(b) Held-to-maturity investments – short-term

	31/12/2023 VND	1/1/2023 VND
Term deposits at banks	2,315,343,000,000	201,643,000,000

Held-to-maturity investments – short-term represented term deposits at banks with remaining terms to maturity of twelve months or less from the end of the annual accounting period.

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(c) Investment in an associate

	31/12/2023			1/1/2023		
	Number of shares	% of equity owned and voting rights	Carrying value under equity method VND	Number of shares	% of equity owned and voting rights	Carrying value under equity method VND
Cholimex Food Joint Stock Company ("CLX")	2,659,217	32.83%	294,757,072,601	2,659,217	32.83%	249,391,858,906

The Group has not determined the fair value of the investment in an associate 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 value of the investment in an associate may differ from its carrying value.

Please see Note 1(d) for principal activities of CLX.

Movements of carrying value of investment in an associate during the year were as follows:

	2023 VND
Opening balance	249,391,858,906
Share of post-acquisition profit during the year	58,661,298,695
Post-acquisition dividends declared during the year	(13,296,085,000)
Closing balance	294,757,072,601

7. ACCOUNTS RECEIVABLE FROM CUSTOMERS

	31/12/2023 VND	1/1/2023 VND
Receivable from related parties	803,765,279,555	382,713,005,733
Receivable from third parties	265,072,579,726	281,154,540,870
	1,068,837,859,281	663,867,546,603

Please see Note 35 for detailed balances with the related parties. The trade related amounts due from related parties were unsecured, interest free and are receivable within 30 to 180 days from invoice issued date.

8. SHORT-TERM LOANS RECEIVABLE

	31/12/2023 VND	1/1/2023 VND
Short-term loans receivable from related parties	3,492,430,547,940	6,047,191,980,732

The short-term loans receivable from the related parties were unsecured and earned annual interest as stipulated in the respective loan agreements. These loans will mature in December 2024. Interest is receivable on the repayment or the maturity date of the loan agreements, whichever is earlier. Please see Note 35 for detailed balances with the related parties.

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9. OTHER RECEIVABLES

(a) Other short-term receivables

	31/12/2023 VND	1/1/2023 VND
Non-trade amounts due from related parties:		
• Accrued interest receivable (i)	261,021,238,351	-
• Short-term deposits (ii)	67,199,190,493	54,871,988,576
• Other receivables	-	43,814,136
Short-term deposits for other investments (iii)	5,510,000,000,000	9,015,000,000,000
Accrued interest receivable from other investments (iii)	219,064,383,561	347,321,164,376
Accrued interest receivable from deposits at banks and trading securities	37,931,472,100	28,874,209,236
Other short-term deposits	3,734,823,560	33,849,261,670
Others	31,444,389,900	7,533,845,140
	6,130,395,497,965	9,487,494,283,134

(b) Other long-term receivables

	31/12/2023 VND	1/1/2023 VND
Long-term deposits for other investments (iii)	9,086,740,000,000	-
Accrued interest receivable from other investments (iii)	32,426,304,000	-
Receivable from business cooperation contract (iv)	188,300,000,000	182,300,000,000
Other long-term deposits	30,694,373,026	10,273,706,896
	9,338,160,677,026	192,573,706,896

- (i) These balances represented interest income receivable from loans provided to the parent company and related parties. Please see Note 8 and Note 35 for further information.
- (ii) Deposits placed with a related party for warehouse rental.
- (iii) These balances represented the amounts deposited to third parties under investment cooperation contracts. According to these contracts, these third parties are committed to pay the Group a minimum rate of return as agreed in the respective investment cooperation contracts.

- (iv) In 2021, a subsidiary indirectly owned by the Company entered into a business cooperation contract (“the BCC”) with a third party to cooperate in manufacturing of raw fish sauce for a period of 5 years. In which, this subsidiary will contribute to the BCC by cash for capital expenditure purpose. The third party will contribute the rights to use all of its lands, factory, warehouse, machinery, equipment and related infrastructures. This subsidiary and the third party will share profits of the BCC according to the agreed ratio between the parties in the BCC.

10. INVENTORIES

	31/12/2023		1/1/2023	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	49,798,915,692	-	105,747,622,863	-
Raw materials	1,039,041,247,106	(33,682,759,735)	1,217,432,443,405	(17,539,183,873)
Tools and supplies	77,921,023,881	-	77,536,763,185	(1,197,147,302)
Work in progress	164,338,825,097	-	209,765,004,307	-
Finished goods	779,596,999,121	(8,443,412,531)	846,757,477,607	(10,509,751,502)
Merchandise inventories	109,803,494,365	-	68,186,986,806	(15,748,513)
Goods on consignment	-	-	5,583,390,477	-
	2,220,500,505,262	(42,126,172,266)	2,531,009,688,650	(29,261,831,190)

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

	2023 VND	2022 VND
Opening balance	29,261,831,190	37,654,256,409
Increase in allowance during the year	110,237,962,896	82,682,297,477
Allowance utilised during the year	(95,870,256,158)	(82,668,524,669)
Written back during the year	(1,503,365,662)	(5,836,173,323)
Deconsolidation of a subsidiary	-	(2,570,024,704)
Closing balance	42,126,172,266	29,261,831,190

Included in inventories of the Group as at 31 December 2023 was VND42,126 million (1/1/2023: VND29,262 million) of slow-moving inventories.

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11. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Leasehold improvements VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost						
Opening balance	2,741,198,228,109	59,361,231,666	5,706,860,256,188	32,536,404,193	102,339,226,818	8,642,295,346,974
Additions during the year	255,735,300	-	2,447,528,583	482,000,000	35,800,000	3,221,063,883
Transfer from construction in progress	55,487,133,202	-	1,021,941,564,966	4,769,079,738	3,657,902,056	1,085,855,679,962
Disposals	(1,487,605,193)	(19,466,337,742)	(54,037,432,331)	(6,990,631,707)	(1,779,717,049)	(83,761,724,022)
Written off	(32,538,645)	(20,311,838,036)	(8,022,329,284)	-	-	(28,366,705,965)
Closing balance	2,795,420,952,773	19,583,055,888	6,669,189,588,122	30,796,852,224	104,253,211,825	9,619,243,660,832
Accumulated depreciation						
Opening balance	759,540,750,758	59,361,231,666	3,477,772,251,755	16,087,617,923	73,383,564,253	4,386,145,416,355
Charge for the year	107,143,276,280	-	432,992,255,582	3,956,222,936	8,442,000,275	552,533,755,073
Disposals	(1,403,752,635)	(19,466,337,742)	(51,395,450,236)	(6,632,190,803)	(1,562,078,323)	(80,459,809,739)
Written off	(9,453,796)	(20,311,838,036)	(7,765,421,454)	-	-	(28,086,713,286)
Closing balance	865,270,820,607	19,583,055,888	3,851,603,635,647	13,411,650,056	80,263,486,205	4,830,132,648,403
Net book value						
Opening balance	1,981,657,477,351	-	2,229,088,004,433	16,448,786,270	28,955,662,565	4,256,149,930,619
Closing balance	1,930,150,132,166	-	2,817,585,952,475	17,385,202,168	23,989,725,620	4,789,111,012,429

Included in tangible fixed assets of the Group were assets costing VND1,601,560 million which were fully depreciated as of 31 December 2023 (1/1/2023: VND1,297,724 million), but which are still in active use.

As at 31 December 2023 and 1 January 2023, certain tangible fixed assets of the Group were pledged with banks as security for loans granted to the Group (Note 22).

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12. INTANGIBLE FIXED ASSETS

	Land use rights VND	Software VND	Exploitation rights for mineral water resources VND	Brand name VND	Customer relationships VND	Mineral water resources VND	Total VND
Cost							
Opening balance	119,085,818,402	305,218,219,691	76,959,571,667	1,085,327,898,373	397,341,034,078	412,697,763,511	2,396,630,305,722
Additions during the year	-	208,820,000	-	-	-	-	208,820,000
Transfer from construction in progress	-	1,816,329,800	-	-	-	-	1,816,329,800
Other decrease	-	-	(721,558,000)	-	-	-	(721,558,000)
Closing balance	119,085,818,402	307,243,369,491	76,238,013,667	1,085,327,898,373	397,341,034,078	412,697,763,511	2,397,933,897,522
Accumulated amortisation							
Opening balance	46,961,603,093	275,064,259,076	30,243,205,130	679,681,971,307	367,099,758,073	161,136,460,212	1,560,187,256,891
Charge for the year	2,953,213,512	20,786,754,453	2,796,528,067	22,726,925,729	5,671,498,404	19,548,050,988	74,482,971,153
Closing balance	49,914,816,605	295,851,013,529	33,039,733,197	702,408,897,036	372,771,256,477	180,684,511,200	1,634,670,228,044
Net book value							
Opening balance	72,124,215,309	30,153,960,615	46,716,366,537	405,645,927,066	30,241,276,005	251,561,303,299	836,443,048,831
Closing balance	69,171,001,797	11,392,355,962	43,198,280,470	382,919,001,337	24,569,777,601	232,013,252,311	763,263,669,478

Included in intangible fixed assets of the Group were assets costing VND1,173,232 million which were fully amortised as of 31 December 2023 (1/1/2023: VND887,757 million), but which are still in active use.

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13. INVESTMENT PROPERTY

	Buildings VND	Infrastructures VND	Total VND
Cost			
Opening and closing balance	18,016,283,093	611,690,825	18,627,973,918
Accumulated depreciation			
Opening balance	11,082,182,048	186,330,674	11,268,512,722
Charge for the year	1,546,004,760	63,647,458	1,609,652,218
Closing balance	12,628,186,808	249,978,132	12,878,164,940
Net book value			
Opening balance	6,934,101,045	425,360,151	7,359,461,196
Closing balance	5,388,096,285	361,712,693	5,749,808,978

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

Included in investment property of the Group were assets costing VND9,447 million which were fully depreciated as of 31 December 2023 (1/1/2023: VND9,447 million), but which are still in active use.

14. CONSTRUCTION IN PROGRESS

	2023 VND
Opening balance	810,614,752,363
Additions during the year	590,169,960,997
Transfer to tangible fixed assets	(1,085,855,679,962)
Transfer to intangible fixed assets	(1,816,329,800)
Transfer to long-term prepaid expenses	(37,617,200,498)
Disposals	(296,100,000)
Closing balance	275,199,403,100

Major constructions in progress at the end of the annual accounting period were as follows:

	31/12/2023 VND	1/1/2023 VND
Machinery and equipment	210,966,002,951	637,988,338,119
Buildings and structures	7,678,018,468	126,909,501,231
Others	56,555,381,681	45,716,913,013
	275,199,403,100	810,614,752,363

As at 31 December 2023 and 1 January 2023, certain construction in progress of the Group were pledged with banks as security for loans granted to the Group (Note 22).

15. LONG-TERM PREPAID EXPENSES

	Prepaid land costs and infrastructure usage fees VND	Goodwill from equitisation VND	Tools and instruments VND	Loan arrangement costs VND	Total VND
Opening balance	568,453,762,061	9,403,113,463	78,512,064,988	11,511,305,567	667,880,246,079
Additions during the year	-	-	25,085,474,598	-	25,085,474,598
Transfer from construction in progress	-	-	37,617,200,498	-	37,617,200,498
Reclassification from short-term prepaid expenses	-	-	30,250,000	-	30,250,000
Amortisation for the year	(13,773,944,001)	(3,134,371,151)	(61,274,209,098)	(5,656,333,329)	(83,838,857,579)
Disposals	-	-	(545,228,488)	-	(545,228,488)
Written off	-	-	(1,261,494,171)	-	(1,261,494,171)
Currency translation differences	-	-	(8,517,838)	-	(8,517,838)
Closing balance	554,679,818,060	6,268,742,312	78,155,540,489	5,854,972,238	644,959,073,099

As at 31 December 2023 and 1 January 2023, certain long-term prepaid expenses of the Group were pledged with banks as security for loans granted to the Group (Note 22).

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16. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

	31/12/2023		1/1/2023	
	Deferred tax assets VND	Deferred tax liabilities VND	Deferred tax assets VND	Deferred tax liabilities VND
Accrued advertising, promotion and sale support expenses	276,031,089,578	-	152,534,227,134	-
Accrued logistic expenses	19,743,801,488	-	17,253,390,773	-
Accrued sale discounts	9,023,342,566	-	9,889,377,519	-
Other accruals and provisions	56,090,836,797	(438,405,628)	28,440,734,928	-
Unrealised profits	33,428,968,822	-	42,630,414,633	-
Tangible fixed assets	(191,106,657)	(7,460,294,627)	-	(7,883,669,190)
Intangible fixed assets	-	(152,015,889,656)	-	(158,994,560,716)
	394,126,932,594	(159,914,589,911)	250,748,144,987	(166,878,229,906)

17. GOODWILL

	VND
Cost	
Opening and closing balance	750,964,625,546
Accumulated amortisation	
Opening balance	597,931,713,421
Charge for the year	27,366,899,710
Closing balance	625,298,613,131
Net book value	
Opening balance	153,032,912,125
Closing balance	125,666,012,415

18. ACCOUNTS PAYABLE TO SUPPLIERS

	31/12/2023	1/1/2023
	Cost/Amount within payment capacity VND	Cost/Amount within payment capacity VND
Payable to third parties	1,716,444,041,448	1,360,413,359,945
Payable to related parties	326,556,368,667	159,430,435,048
	2,043,000,410,115	1,519,843,794,993
In which:		
- Short-term	2,023,711,673,115	1,495,519,562,993
- Long-term	19,288,737,000	24,324,232,000
	2,043,000,410,115	1,519,843,794,993

Please see Note 35 for detailed balances with the related parties. The trade related amounts due to related parties were unsecured, interest free and are payable within 90 days from invoice issued date.

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19. TAXES PAYABLE TO STATE TREASURY

	1/1/2023 VND	Incurred VND	Paid VND	Deducted/Refunded VND	Reclassified VND	31/12/2023 VND
Value added tax	54,526,443,388	4,654,537,263,782	(853,004,150,414)	(3,755,243,724,573)	-	100,815,832,183
Import-export tax	-	31,620,098,386	(31,620,098,386)	-	-	-
Corporate income tax	163,213,798,814	1,055,018,789,136	(731,465,659,511)	-	(2,728,399,426)	484,038,529,013
Personal income tax	6,075,763,060	137,279,592,356	(117,288,412,450)	(21,934,816,495)	2,874,651,652	7,006,778,123
Others	1,860,017,810	161,188,791,457	(161,877,990,564)	-	-	1,170,818,703
	225,676,023,072	6,039,644,535,117	(1,895,256,311,325)	(3,777,178,541,068)	146,252,226	593,031,958,022

20. ACCRUED EXPENSES

	31/12/2023 VND	1/1/2023 VND
Advertising, promotion and sale support expenses	1,423,832,535,929	795,007,028,724
Bonus and 13th month salary	286,519,904,907	216,914,450,978
Purchases of goods payable	157,122,404,546	136,490,994,684
Exhibition expenses	105,491,746,264	30,866,532,380
Logistic expenses	103,235,208,936	89,456,440,246
Sale discounts	47,908,590,925	49,446,887,596
Construction in progress	43,905,616,688	33,514,858,628
Information and technology expenses	36,874,662,212	23,662,966,359
Interest expense	20,147,882,808	34,555,531,409
Market research expenses	11,622,522,038	6,997,977,043
Others	148,639,828,902	104,457,860,445
	2,385,300,904,155	1,521,371,528,492

21. OTHER PAYABLES

(a) Other short-term payables

	31/12/2023 VND	1/1/2023 VND
Obligation to issue shares	48,033,250,000	-
Dividends payable	11,235,335,600	9,984,601,600
Trade union fee, social, health and unemployment insurances	3,468,159,688	8,553,330,849
Short-term deposits received	2,227,592,736	2,954,492,736
Others	98,642,358,895	84,687,279,888
	163,606,696,919	106,179,705,073

(b) Other long-term payables

	31/12/2023 VND	1/1/2023 VND
Long-term deposits received	30,438,053,506	31,756,586,755

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22. BORROWINGS

(a) Short-term borrowings

	1/1/2023		Movements during the year			31/12/2023
	Carrying amount/ Amount within repayment capacity VND		Addition VND	Decrease VND	Revaluation VND	Carrying amount/ Amount within repayment capacity VND
Short-term borrowings	6,012,686,646,185	22,847,868,263,015	(20,983,470,018,131)	(88,265,346)		7,876,996,625,723
Current portion of long-term borrowings	613,530,368,335	591,806,239,637	(613,530,368,335)	-		591,806,239,637
	6,626,217,014,520	23,439,674,502,652	(21,597,000,386,466)	(88,265,346)		8,468,802,865,360

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

	Currency	Annual interest rate	31/12/2023 VND	1/1/2023 VND
• Unsecured bank loans	VND	2.8% - 5.0%	7,846,351,914,554	5,869,909,782,253
• Unsecured bank loans	USD	3.2%	30,644,711,169	142,776,863,932
			7,876,996,625,723	6,012,686,646,185

(b) Long-term borrowings

	31/12/2023 VND	1/1/2023 VND
Long-term borrowings	819,194,067,608	1,388,279,365,230
Repayable within 12 months	(591,806,239,637)	(613,530,368,335)
Repayable after 12 months	227,387,827,971	774,748,996,895

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

	Currency	Annual interest rate	Year of maturity	31/12/2023 VND	1/1/2023 VND
• Secured bank loans	VND	4.6% - 10.4%	2024 - 2025	819,194,067,608	1,388,279,365,230

The secured bank loans – long-term of the Group were secured over tangible fixed assets, construction in progress and long-term prepaid expenses of the Group with carrying value as at 31 December 2023 of VND1,046,041 million, VND14,355 million and VND35,124 million, respectively (1/1/2023: VND808,731 million, VND291,966 million and VND35,965 million, respectively).

As at 31 December 2023 and 1 January 2023, the secured bank loans – long-term of the subsidiaries of the Group were also guaranteed by the Company.

During the year, the Group complied with the loan covenants on the above borrowings. As at 31 December 2023 and 1 January 2023, the Group did not have any overdue borrowings including principal and interest.

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23. CHANGES IN OWNERS' EQUITY

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Undistributed profits after tax VND	Non-controlling interests VND	Total VND
Balance as at 1 January 2022	7,267,938,180,000	3,560,554,240,858	(265,775,657,006)	(994,666,327,121)	6,989,018,595	22,731,972,844	6,816,958,384,098	590,964,125,113	17,005,693,937,381
Share capital issued	6,680,610,000	49,774,575,000	-	-	-	-	-	-	56,455,185,000
Net profit for the year	-	-	-	-	-	-	5,451,118,633,692	81,688,475,389	5,532,807,109,081
Increase of capital in a subsidiary	-	-	-	-	-	-	-	38,345,000,000	38,345,000,000
Dividends declared by subsidiaries	-	-	-	-	-	-	-	(95,089,096,480)	(95,089,096,480)
Deconsolidation of a subsidiary	-	-	-	-	-	-	-	(96,919,860,885)	(96,919,860,885)
Transactions with non-controlling interests	-	-	-	-	-	-	(4,653,925,623)	8,577,210,623	3,923,285,000
Currency translation differences	-	-	-	-	429,646,065	-	-	1,992	429,648,057
Balance as at 31 December 2022	7,274,618,790,000	3,610,328,815,858	(265,775,657,006)	(994,666,327,121)	7,418,664,660	22,731,972,844	12,263,423,092,167	527,565,855,752	22,445,645,207,154
	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Undistributed profits after tax VND	Non-controlling interests VND	Total VND
Balance as at 1 January 2023	7,274,618,790,000	3,610,328,815,858	(265,775,657,006)	(994,666,327,121)	7,418,664,660	22,731,972,844	12,263,423,092,167	527,565,855,752	22,445,645,207,154
Net profit for the year	-	-	-	-	-	-	7,085,163,985,394	109,006,259,751	7,194,170,245,145
Dividends (Note 25)	-	-	-	-	-	-	(3,224,459,209,500)	-	(3,224,459,209,500)
Dividend declared by subsidiaries	-	-	-	-	-	-	-	(40,701,964,000)	(40,701,964,000)
Currency translation differences	-	-	-	-	904,899,530	-	-	91	904,899,621
Balance as at 31 December 2023	7,274,618,790,000	3,610,328,815,858	(265,775,657,006)	(994,666,327,121)	8,323,564,190	22,731,972,844	16,124,127,868,061	595,870,151,594	26,375,559,178,420

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24. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

The Company's authorised and issued share capital were as follows:

	31/12/2023		1/1/2023	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	727,461,879	7,274,618,790,000	727,461,879	7,274,618,790,000
Treasury shares				
Ordinary shares	10,915,388	994,666,327,121	10,915,388	994,666,327,121
Shares currently in circulation				
Ordinary shares	716,546,491	7,165,464,910,000	716,546,491	7,165,464,910,000
Share premium		3,610,328,815,858		3,610,328,815,858

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. All rights of shares bought back by the Company are suspended until those shares are reissued.

Share premium represents the excess of the proceeds on issuance of shares over their par value.

Movements of shares currently in circulation during the year were as follows:

	2023		2022	
	Number of shares	Par value VND	Number of shares	Par value VND
Balance at beginning of the year – currently in circulation	716,546,491	7,165,464,910,000	715,878,430	7,158,784,300,000
Issuance of new shares by cash	-	-	668,061	6,680,610,000
Balance at end of the year – currently in circulation	716,546,491	7,165,464,910,000	716,546,491	7,165,464,910,000

25. DIVIDENDS

The Annual General Meeting of Shareholders and the Board of Directors of the Company on 24 April 2023 and 7 July 2023, respectively, approved to advance dividends by cash amounting to VND3,224,459 million (2022: nil).

26. OFF BALANCE SHEET ITEMS

(a) Lease commitments

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

	31/12/2023 VND	1/1/2023 VND
Within 1 year	168,579,253,918	95,359,587,077
Within 2 to 5 years	215,659,182,231	70,502,619,625
More than 5 years	264,509,656,854	284,273,062,662
	648,748,093,003	450,135,269,364

(b) Capital expenditure commitments

The Group had the following outstanding capital expenditure commitments approved but not provided for in the consolidated balance sheet:

	31/12/2023 VND	1/1/2023 VND
Approved and contracted	121,826,844,274	266,292,999,337
Approved but not contracted	146,832,859,611	308,788,352,300
	268,659,703,885	575,081,351,637

(c) Foreign currencies

	31/12/2023		1/1/2023	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	2,419,958	58,318,931,581	630,464	14,758,126,880
EUR	191	5,055,815	202	4,983,736
THB	58,898,301	40,286,433,146	45,255,027	29,823,058,621
		98,610,420,542		44,586,169,237

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27. REVENUE FROM SALE OF GOODS AND PROVISION OF SERVICES

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

Net revenue comprised of:

	2023 VND	2022 VND
Total revenue		
• Sale of goods	28,259,132,728,469	27,074,705,589,790
• Other sales	136,581,563,732	103,642,783,615
	<u>28,395,714,292,201</u>	<u>27,178,348,373,405</u>
Less revenue deductions		
• Sale discounts	102,117,937,128	94,595,670,924
• Sale returns	52,603,722,236	106,479,532,453
	<u>154,721,659,364</u>	<u>201,075,203,377</u>
Net revenue	<u>28,240,992,632,837</u>	<u>26,977,273,170,028</u>

28. COST OF SALES AND SERVICES PROVIDED

	2023 VND	2022 VND
Total cost of sales and services provided		
• Goods sold	15,095,078,905,809	15,645,513,344,636
• Other cost of sales	62,810,792,064	123,399,145,254
• Allowance for inventories	108,734,597,234	76,846,124,154
	<u>15,266,624,295,107</u>	<u>15,845,758,614,044</u>

29. FINANCIAL INCOME

	2023 VND	2022 VND
Interest and other income from deposits at banks and other investing activities	1,402,516,943,732	627,328,321,290
Interest income from loans provided to related parties	403,086,185,722	272,287,917,543
Interest income from loans provided to a third party	3,184,931,507	-
Foreign exchange gains	44,724,349,450	34,917,243,329
	<u>1,853,512,410,411</u>	<u>934,533,482,162</u>

30. FINANCIAL EXPENSES

	2023 VND	2022 VND
Interest expense on borrowings from banks	485,285,780,065	307,330,035,566
Foreign exchange losses	34,080,765,377	46,175,725,060
Borrowing costs	3,035,499,992	2,872,999,996
Others	15,626,243,003	28,793,441,935
	<u>538,028,288,437</u>	<u>385,172,202,557</u>

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31. SELLING EXPENSES

	2023 VND	2022 VND
Advertising, promotion and sale support expenses	3,756,241,798,966	3,015,416,983,635
Logistic expenses	757,906,554,602	839,223,610,343
Staff costs	498,971,460,939	500,970,049,848
Exhibition expenses	163,663,335,373	46,538,728,773
Leased line system and information technology services	28,435,523,940	48,966,751,027
Marketing research expenses	43,296,900,258	16,273,363,715
Others	79,568,718,473	59,753,258,175
	5,328,084,292,551	4,527,142,745,516

32. GENERAL AND ADMINISTRATION EXPENSES

	2023 VND	2022 VND
Staff costs	412,210,469,562	410,879,640,007
Leased line system and information technology services	73,934,442,305	97,557,649,628
Research and development expenses	83,736,851,248	79,947,780,164
Office rental	57,875,888,034	70,813,506,602
Amortisation of fair value uplift of fixed assets, long-term prepaid expenses and investment property arising in business combination	53,723,143,152	57,505,837,808
Amortisation of goodwill	27,366,899,710	56,483,755,359
Depreciation and amortisation of fixed assets	34,044,179,103	46,773,916,821
Others	182,781,803,304	80,955,399,512
	925,673,676,418	900,917,485,901

33. INCOME TAX

(a) Recognised in the consolidated statement of income

	2023 VND	2022 VND
Current tax expense		
Current year	1,053,878,525,133	675,300,683,622
Under/(over) provision in prior years	1,140,264,003	(5,927,068,534)
	1,055,018,789,136	669,373,615,088
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	(150,342,427,602)	41,180,186,596
Income tax expense	904,676,361,534	710,553,801,684

(b) Reconciliation of effective tax rate

	2023 VND	2022 VND
Accounting profit before tax	8,098,846,606,679	6,243,360,910,765
Tax at the Company's income tax rate	1,619,769,321,336	1,248,672,182,153
Tax loss utilised	(1,717,226,010)	(4,625,722,462)
Effect of incentive tax rates in subsidiaries	(713,203,711,097)	(530,531,361,372)
Tax exempt income	(2,332,597,301)	-
Effect of share of profit in an associate	(11,732,259,739)	(2,659,217,000)
Non-deductible expenses	4,238,605,188	10,373,490,929
Under/(over) provision in prior years	1,140,264,003	(5,927,068,534)
Effect of amortisation of goodwill	5,473,379,958	11,296,751,077
Change in unrecognised deferred tax assets (*)	3,040,585,196	1,558,399,127
Other changes in temporary differences	-	(18,664,434,701)
Effect of deconsolidation of a subsidiary	-	1,060,782,467
	904,676,361,534	710,553,801,684

(*) Deferred tax assets have not been recognised in certain subsidiaries because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits therefrom.

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(c) Applicable tax rates

The Company has an obligation to pay corporate income tax to the government at usual income tax rate of 20% of taxable profits.

The Company's subsidiaries enjoy various tax incentives which provide some subsidiaries with further tax incentives.

(d) Tax contingencies

The taxation laws and their application in Vietnam are subject to interpretation and change over time as well as from different tax offices. The final tax position may be subject to audit by a number of authorities, who are enabled by law to impose severe fines and interest charges. These facts may create tax risks in Vietnam that are substantially more significant than in other countries. The Board of Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation, including transfer pricing requirements and computation of corporate income tax. However, the relevant authorities may have differing interpretations and the effects could be significant.

34. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2023 was based on the profit attributable to ordinary shareholders of the Company after deducting the amounts appropriated to bonus and welfare funds for the year, of VND7,085,164 million (2022: VND5,451,119 million) and a weighted average number of ordinary shares outstanding of 716,546,491 shares (2022: 716,132,842 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2023 VND	2022 VND
Net profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare funds	7,085,163,985,394	5,451,118,633,692

(ii) Weighted average number of ordinary shares

	2023 Số cổ phiếu	2022 Số cổ phiếu
Issued ordinary shares at beginning of the year – currently in circulation	716,546,491	715,878,430
Effect of shares issued during the year	-	254,412
Weighted average number of ordinary shares for the year – currently in circulation	716,546,491	716,132,842

(iii) Basic earnings per share

	2023 VND	2022 VND
Basic earnings per share	9,888	7,612

(b) Diluted earnings per share

As at 31 December 2023 and 1 January 2023, the Company did not have any potential ordinary shares, therefore the presentation of diluted earnings per share is not applicable.

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35. SIGNIFICANT TRANSACTIONS AND BALANCES WITH RELATED PARTIES

During the year and as at the year end, the Group had the following significant transactions and balances with its related parties:

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2023 VND	2022 VND	31/12/2023 VND	1/1/2023 VND
Ultimate parent company					
Masan Group Corporation	Sale of goods	137,082,611	203,421,872	-	18,881,346
	Management fee	882,162,425	6,961,885,607	-	10,088,159,277
	Service costs recharge	11,372,386,989	-	(11,288,691,491)	-
Intermediate parent company					
The CrownX Corporation	Sale of goods	88,863,896	622,914	97,750,286	-
	Purchase of services	19,177,897,430	-	-	-
	Management fee	-	6,184,540,884	-	(6,679,304,155)
Parent company					
MasanConsumerHoldings Company Limited	Dividends declared	3,021,089,152,500	-	-	-
	Loans provided	190,000,000,000	1,960,610,109,140	3,356,430,547,940	6,047,191,980,732
	Interest income from loans receivable	400,339,281,615	269,620,424,393	258,274,334,244	-
	Collection of loans and interest receivable through net-off with dividends payable	3,002,364,736,327	-	-	-
	Collection of loans receivable by cash	19,500,000,000	-	-	-
	Collection of interest receivable from loans receivable by cash	961,643,836	-	-	-
	Dividends paid in cash	18,724,416,173	-	-	-
	Proceeds from transfer of an investment	-	315,033,720,000	-	-

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2023 VND	2022 VND	31/12/2023 VND	1/1/2023 VND
Associate					
Cholimex Food Joint Stock Company	Post-acquisition dividends received	13,296,085,000	13,296,085,000	-	-
Other related parties					
Masan JinJu Joint Stock Company and its branch (from October 2022)	Sale of goods	115,642,471,462	34,276,977,663	-	5,428,719,336
	Purchase of goods	174,148,845,162	439,020,868,191	(42,305,491,322)	(146,162,162,871)
	Distribution services revenue	60,893,605,576	-	-	-
	Payables for receipt on behalf of distribution services	-	-	(269,362,001,707)	-
	Sales and logistics support fees of distribution services paid on behalf	92,907,267,069	-	-	-
	Purchase of fixed assets	420,913,690	-	-	-
	Collection of loans receivable by cash	-	291,000,000,000	-	-
	Interest income from loans receivable	-	2,667,493,150	-	-
	Management fee	6,962,809,514	1,509,308,583	8,252,972,975	43,814,136
Masan Master Brewer Company Limited	Sale of goods	-	1,392,392	-	181,412
Masan Brewery PY One Member Company Limited	Sale of goods	121,575,798	55,737,068	15,179,972	12,191,338
	Loans provided	90,000,000,000	-	90,000,000,000	-
	Interest income from loans receivable	135,616,438	-	135,616,438	-

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Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2023 VND	2022 VND	31/12/2023 VND	1/1/2023 VND
Masan Brewery Distribution One Member Company Limited	Sale of goods	661,452,405	13,187,030,020	-	3,337,160,542
	Purchase of goods	928,970,484	9,404,455,886	(7,530,001)	(633,006,000)
	Management fee	54,527,767,767	35,540,419,406	59,202,736,386	43,423,973,251
	Loans provided	46,000,000,000	-	46,000,000,000	-
	Interest income from loans receivable	2,611,287,669	-	2,611,287,669	-
Masan Brewery HG One Member Company Limited	Sale of goods	197,070,250	2,701,644,142	32,819,972	12,517,422
	Purchase of goods and services	7,096,157,868	4,009,729,325	(686,112,379)	(552,827,601)
	Purchase of fixed assets	-	658,119,415	-	(559,266,341)
	Management fee	152,424,394	152,467,607	164,618,346	2,654,132,879
Masan Brewery MB Company Limited	Purchase of services	4,536,000,000	-	(2,289,836,809)	-
	Management fee	481,224,446	1,705,044,885	519,722,402	1,841,448,476
	Deposits for warehouse rental	12,327,201,917	54,871,988,576	67,199,190,493	54,871,988,576
Masan MEATLife Corporation	Sale of goods	28,951,509	35,686,364	2,178,000	5,576,728
	Management fee	21,867,558,287	40,311,911,535	24,054,314,116	44,338,995,834
MML Farm Nghe An Limited	Management fee	-	377,092,445	-	73,923,379
MEATDeli HN Company Limited	Sale of goods and services	268,596,582	36,339,060,845	189,202,323	39,480,000
	Sale of fixed assets	-	30,000,000	-	-
	Purchase of goods and services	62,566,250	50,915,043,441	-	-
	Purchase of fixed assets	-	186,781,103,729	-	-
	Management fee	-	5,791,448,325	-	1,592,653,552

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2023 VND	2022 VND	31/12/2023 VND	1/1/2023 VND
MEATDeli Sai Gon Company Limited	Sale of goods and services	163,661,924	2,308,790,725	-	79,417,000
	Purchase of goods	1,734,332,867	24,771,872,183	(547,101,800)	(92,918,733)
	Management fee	-	3,879,530,906	-	1,991,201,521
3F VIET Food Company Limited	Sale of goods and services	49,647,548	1,339,409,731	8,075,000	15,397,130
	Purchase of goods	33,148,791	37,012,747,140	-	-
	Management fee	-	184,581,341	-	147,846,759
3F VIET Joint Stock Company	Sale of goods	21,909,930	2,086,838	12,344,070	-
	Purchase of goods	-	13,219,612,800	-	-
Nui Phao Mining Company Limited	Sale of goods	1,039,851,344	1,524,892,691	147,621,167	318,612,735
	Management fee	139,088,070	122,030,349	152,996,877	999,463,463
Jinju Ham Company Limited	Capital contribution	-	38,344,780,000	-	-
	Dividends declared	-	38,344,787,200	-	-

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Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2023 VND	2022 VND	31/12/2023 VND	1/1/2023 VND
WinCommerce General Commercial Services Joint Stock Company	Sale of goods	1,469,296,862,079	1,118,826,761,706	629,797,907,880	254,999,528,515
	Sale of fixed assets	931,320,407	-	1,024,452,448	-
	Purchase of goods and services	361,788,024,986	217,592,394,769	(40,169,100)	(3,525,947,783)
	Purchase of fixed assets	1,522,851,000	-	-	-
	Payment in advance of goods	240,179,500	-	240,179,500	-
	Office rental support fee	19,680,961,961	23,400,773,330	6,886,915,115	3,342,739,292
	Settlement discount and other sale support payable	23,101,616,176	19,187,456,253	-	-
	Receivable on behalf of distribution services	-	-	67,572,186,586	-
	Other receivables	-	-	17,000,000	17,000,000
Wineco Agricultural Investment Development and Production Limited Liability Company	Sale of goods	-	-	-	7,572,247
	Purchase of goods	7,857,674,500	7,644,407,463	(302,960,000)	(586,696,000)
	Office rental support fee	703,008,870	811,032,816	234,007,780	74,344,675
Phuc Long Heritage Corporation	Sale of goods and services	10,645,102,479	17,966,668,052	1,221,745,500	4,996,732,505
	Purchase of goods	1,730,731,639	8,931,082,113	(688,457,286)	(871,192,978)
	Management fee	1,438,215,492	1,889,883,833	1,553,272,731	2,041,074,540

Relationship	Nature of transactions	Transaction value		Receivable/(Payable) as at	
		2023 VND	2022 VND	31/12/2023 VND	1/1/2023 VND
Mobicast Joint Stock Company	Sale of goods	-	9,238,570	-	9,977,656
	Purchase of services	5,660,418,990	4,669,694,202	(240,824,372)	(203,500,568)
The Surpa Corporation	Sale of goods	238,214,559	126,046,020	23,389,399	13,376,167
	Sale of fixed assets	21,000,000	-	-	-
	Purchase of services	450,096,070	653,654,856	-	(117,585,596)
	Management fee	1,650,296,993	747,895,144	1,782,320,752	807,726,756
	Other payables	3,000,000	-	(3,000,000)	-
Techcom Securities Joint Stock Company (*)	Purchase of trading securities	2,592,779,525,558	3,087,046,500,000	-	-
	Sale of trading securities	1,202,171,717,880	1,859,179,000,000	-	-
Key management personnel (**)	Remuneration to key management personnel	64,187,364,312	74,565,470,035	-	-

(*) As at 31 December 2023 and 1 January 2023, the Company and its subsidiaries had current and term deposit and loans accounts at Vietnam Technological and Commercial Joint Stock Bank ("Techcombank"), a related party, at normal commercial terms.

(**) No board fees were paid to members of the Board of Directors of the Company for the years ended 31 December 2023 and 31 December 2022.

As at 31 December 2023, the Group provided guarantees over the bank loans of its related parties with the carrying value of VND198,322 million (1/1/2023: VND344,650 million).

Thuyết minh báo cáo tài chính hợp nhất

cho năm kết thúc ngày 31 tháng 12 năm 2023 (tiếp theo)

Mẫu B 09 - DN/HN

(Ban hành theo Thông tư số 202/2014/TT-BTC ngày 22 tháng 12 năm 2014 của Bộ Tài chính)

(**) Included in the remuneration to key management personnel, the actual board fees, salary and bonus for each member of the Board of Directors, Audit Committee and Chief Executive Officer of the Company were as follows:

Name	Position	2023 VND	2022 VND
Board of Directors			
<i>Fee and bonus</i>			
Mr Danny Le	Chairman	-	-
Mr Truong Cong Thang	Member	-	-
Ms Nguyen Hoang Yen	Member	-	-
Mr Nguyen Thieu Quang	Member	-	-
Ms Nguyen Thi Thu Ha	Member	-	-
Ms Nguyen Thu Hien	Member	-	-
Audit Committee			
<i>Salary, bonus and other benefits</i>			
Ms Nguyen Thu Hien	Chairman	-	-
Mr Nguyen Thieu Quang	Member	-	-
Board of Management			
<i>Salary, bonus and other benefits</i>			
Mr Truong Cong Thang	Chief Executive Officer	7,000,474,708	6,592,776,987

36. POST BALANCE SHEET EVENTS

In December 2023, the Company's Board of Directors approved the plan for the issuance of shares to its employees under Employees' Share Ownership Plan ("ESOP") after obtaining shareholders' approval at the Annual General Meeting of Shareholders in April 2023. As at the issuance date of this report, the issuance of its ordinary shares under ESOP has been completed.

Other than listed above, there have been no significant events occurred after the balance sheet date which would require adjustments or disclosures to be made in these consolidated financial statements.

01 March 2024

Prepared by:

Approved by:


Phan Thi Thuy Hoa
Chief Accountant


Huynh Viet Thang
Chief Financial Officer




Nguyen Hoang Yen
Authorised Representative

GENERAL CORPORATE INFORMATION



GENERAL CORPORATE INFORMATION

MASAN CONSUMER'S CORPORATE HISTORY AND GROUP STRUCTURE

Corporate History

1996

On 01 April 1996: Masan established an import company based in Russia to sell food products in the Eastern European market.

On 20 June 1996: Viet Tien Industry - Technology - Trading JSC was established, specializing in food processing and food seasoning.

2000

On 31 May 2000: Minh Viet Industrial Import - Export JSC was established, specializing in trading food products.

2003

On 01 August 2003: Viet Tien Industry - Technology - Trading JSC merged with Minh Viet Industry Import - Export JSC and changed its name to Ma San Trading Corporation (the "Company") with total charter capital of VND28,500,000,000.

2004

On 14 June 2004: the Company increased its charter capital to VND45,000,000,000.

2006

On 20 July 2006: the Company increased its charter capital to VND72,250,000,000.

On 14 September 2006: the Company increased its charter capital to VND85,000,000,000.

2007

On 28 February 2007: the Company increased its charter capital to VND113,395,360,000.

On 25 December 2007: the Company increased its charter capital to VND138,395,360,000.

2008

On 10 May 2008: the Company increased its charter capital to VND257,191,230,000.

On 11 December 2008: the Company changed its name to Ma San Food Corporation.

GENERAL CORPORATE INFORMATION (continued)

MASAN CONSUMER'S CORPORATE HISTORY AND GROUP STRUCTURE (continued)

Corporate History (continued)

2009

On 11 June 2009: the Company increased its charter capital to VND630,000,000,000.

On 01 July 2009: the Company added an additional business line: producing seasoning (not producing at its head office) and spices (excluding basic chemicals production).

On 22 December 2009: the Company moved its head office to 12th Floor, Kumho Asiana Plaza Saigon Building, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City.

2010

On 29 September 2010: the Company increased its charter capital to VND1,300,000,000,000.

2011

On 9 March 2011: the Company changed its name to Ma San Consumer Corporation.

On 15 April 2011: the Company issued ordinary shares to KKR, representing a 10% equity interest in Ma San Consumer.

On 20 July 2011: the Company increased its charter capital to VND2,500,000,000,000.

On 17 October 2011 and 04 November 2011: the Company acquired 50.25% of Vinacafé Bien Hoa.

2012

On 08 June 2012: the Company increased its charter capital to VND5,025,000,000,000.

In December 2012: the Company acquired an additional 2.95% equity interest in Vinacafé Bien Hoa, increasing its ownership to 53.20%.

2013

On 01 February 2013: the Company acquired a 24.9% equity interest in Vinh Hao Mineral Water Corporation.

On 06 February 2013: the Company increased its charter capital to VND5,253,409,090,000 by issuing additional shares to its strategic shareholder, KKR, an equivalent to 4.35% of its enlarged charter capital, increasing KKR's (through the funds they manage) total ownership to 18.04%.

GENERAL CORPORATE INFORMATION (continued)

MASAN CONSUMER'S CORPORATE HISTORY AND GROUP STRUCTURE (continued)

Corporate History (continued)

On 27 March 2013: the Company acquired a 38.61% equity interest in Vinh Hao Mineral Water Corporation, increasing its ownership to 63.51%.

On 01 July 2013: the Company increased its charter capital to VND5,273,359,100,000.

2014

On 27 June 2014: the Company increased its charter capital to VND5,313,263,220,000.

On 30 December 2014: Masan Food Company Limited, a subsidiary of the Company, acquired 32.84% of Cholimex Food Joint Stock Company.

2015

On 14 January 2015: Masan Food Company Limited, a subsidiary of the Company, acquired 99.99% of Saigon Nutri Food Joint Stock Company.

On 10 June 2015: the Company changed its name to Masan Consumer Corporation.

On 6 August 2015: the Company increased its charter capital to VND5,351,601,170,000.

On 25 December 2015: Masan Beverage Company Limited, a subsidiary of the Company, acquired 65% of Quang Ninh Mineral Water Corporation.

2016

On 06 January 2016: Masan Beverage Company Limited, a subsidiary of the Company, acquired an additional 20.29% equity interest in Vinh Hao Mineral Water Corporation, increasing its ownership to 84.23%.

On 22 February 2016: Masan Beverage Company Limited also increased its direct ownership in Vinacafé to 60.16%.

On 28 April 2016: Masan Beverage Company Limited acquired an additional 4.32% stake in Vinh Hao Mineral Water Corporation, increasing its ownership to 88.56%.

On 23 May 2016: Vinacafé Bien Hoa Joint Stock Company acquired 85% stake of CDN Production Trading Corporation - a company in the coffee business.

On 21 June 2016: Masan Food Company Limited established a subsidiary company, Nam Ngu Phu Quoc One Member Limited in Phu Quoc Island.

On 08 July 2016: a subsidiary of the Company is Masan Consumer (Thailand) Limited was established at Thailand.

GENERAL CORPORATE INFORMATION (continued)

MASAN CONSUMER'S CORPORATE HISTORY AND GROUP STRUCTURE (continued)

Corporate History (continued)

On 04 August 2016: the Company increased its charter capital to VND5,381,601,170,000.

On 06 October 2016: Masan Food Company Limited increased its stake in Masan PQ Corporation to 99.99%.

On 09 December 2016: Masan Beverage Company Limited also increased its direct ownership in Vinacafé to 68.46% by tender offer.

2017

On 02 August 2017: the Company increased its charter capital to VND5,431,327,770,000.

2018

On 05 February 2018: Masan Beverage Company Limited increased its direct ownership in Vinacafé to 98.49% by a tender offer.

In 2018: Saigon Nutri Food Joint Stock Company ("SNF") signed a strategic cooperation with Jinju Ham Co., Ltd., Korea's leading branded processed meat company. Jinju Ham Co., Ltd. bought a 25% equity stake in SNF through primary shares and SNF was renamed to Masan Jinju Joint Stock Company.

On 26 July 2018: the Company increased its charter capital to VND5,483,736,040,000.

On 14 September 2018: the Company increased its charter capital to VND6,279,291,230,000.

2019

On 30 July 2019: the Company increased its charter capital to VND6,309,784,480,000.

On 12 September 2019: the Company increased its charter capital to VND7,229,246,040,000.

In December 2019: a wholly-owned home and personal care subsidiary - Masan HPC was established.

GENERAL CORPORATE INFORMATION (continued)

MASAN CONSUMER'S CORPORATE HISTORY AND GROUP STRUCTURE (continued)

Corporate History (continued)

2020

On 12 October 2020: the Company increased its charter capital to VND7,267,938,180,000.

December 2020: the Company established Masan Innovation Co., Ltd. and Hi-Fresh Co., Ltd. with operations in the retail sector, selling consumer products in specialty stores.

2022

In February 2022: Café' De Nam Corporation fulfilled the merging with Vinh Hao Mineral Water Corporation. Simultaneously, the Company added Masan HG 2 limited company to extend the factory and distribution in Mekong and South of Viet Nam.

On 29 August 2022: the Company increased its charter capital to VND7,274,618,790,000.

In September 2022: the Company restructured Masan Jinju Corporation ownership to Masan Consumer Holdings Company Limited.

2023

In 21 September 2023: the Company changed its headquarters to 23 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

In 31 January 2024: the Company increased its charter capital to VND7,284,225,440,000.

GENERAL CORPORATE INFORMATION (continued)

ORGANIZATION AND HUMAN RESOURCES

Organization

BOARD OF DIRECTORS

Chairman

Full name: **Danny Le**
 Gender: Male
 Year of birth: 1984
 Qualification: University graduate

Member

Full name: **Truong Cong Thang**
 Gender: Male
 Year of birth: 1973
 Qualification: University graduate

Full name: **Nguyen Hoang Yen**
 Gender: Female
 Year of birth: 1963
 Qualification: University graduate

Full name: **Nguyen Thieu Quang**
 Gender: Male
 Year of birth: 1959
 Qualification: University graduate

Full name: **Nguyen Thi Thu Ha**
 Gender: Female
 Year of birth: 1974
 Qualification: University graduate

Full name: **Nguyen Thu Hien**
 Gender: Female
 Year of birth: 1978
 Qualification: Master's Degree

AUDIT COMMITTEE

Chair of board

Full name: **Nguyen Thu Hien**
 Gender: Female
 Year of birth: 1978
 Qualification: Master's Degree

Member

Full name: **Nguyen Thieu Quang**
 Gender: Male
 Year of birth: 1959
 Qualification: University graduate

MANAGEMENT BOARD

Mr. **Truong Cong Thang** - Chief Executive Officer

Ms. **Nguyen Hoang Yen** - Deputy Chief Executive Officer

Mr. **Pham Hong Son** - Deputy Chief Executive Officer

GENERAL CORPORATE INFORMATION (continued)

CORPORATE GOVERNANCE

As at 31 December 2023.

Board of Directors

Name of members	Position	Number of share	Shareholding (%) ⁽¹⁾
Danny Le	Chairman	-	-
Truong Cong Thang	Member	-	-
Nguyen Hoang Yen	Member	894,712	0.123%
Nguyen Thieu Quang	Member	145,776	0.02%
Nguyen Thi Thu Ha	Member	-	-
Nguyen Thu Hien	Member	-	-

ACTIVITIES OF BOARD OF DIRECTORS

The Board of Directors is elected by shareholders to oversee the activities of the Company. Members of the Board of Directors regularly meet to discuss strategic decisions raised by the Management Board. The Board of Directors has a minimum of five members and maximum of 11 members. In 2023, the Board of Directors has 6 members.

The Board of Directors can hold periodical meetings or extraordinary meetings at the head office of the Company or other places. Periodical meetings are organized on a quarterly basis.

The Board of Directors passes decisions by voting at meetings or by collecting opinions in writing. Each member of Board of Directors has one vote.

ACTIVITIES OF CHIEF EXECUTIVE OFFICER AND MANAGEMENT BOARD

The Management Board is responsible for implementing the Company's business strategy and managing day to day operations. The Chief Executive Officer chairs the Management Board.

In 2023, 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.

In 2023, there were no transactions between Masan Consumer Corporation and members of the Board of Directors of the Company.

In 2023, the Board of Directors received no compensation.

¹ Based on total outstanding shares as at 31 December 2023.

GENERAL CORPORATE INFORMATION (continued)

CORPORATE GOVERNANCE (continued)

As at 31 December 2023.

Audit Committee

Name of members	Position	Number of share	Shareholding
Nguyen Thu Hien	Chairman	-	-
Nguyen Thieu Quang	Member	145,776	0.02%

ACTIVITIES OF AUDIT COMMITTEE IN 2023

Audit Committee is a professional body under the Board of Directors and has 2 or more members. Currently, the Company's Audit Committee has 2 members.

Chairman of Audit Committee must be an independent member of the Board of Directors. Other members of the Audit Committee must be non-executive members of BOD.

Audit Committee shall adopt the decision by voting at the meeting, collecting opinions in written or by other means prescribed by the Company's Charter or its operating regulations. Each member of Audit Committee has one vote.

GENERAL CORPORATE INFORMATION (continued)

CORPORATE GOVERNANCE (continued)

As at 31 December 2023.

Activities of Audit Committee in 2023

In 2023, Audit Committee has conducted:

- The Management Board has properly and fully performed its responsibilities for operating the Company's business in compliance with the Law on Enterprise, the Law on Securities, the Company's Charter, the Resolutions of the General Meeting of Shareholders, the Resolutions of the Board of Directors and other provisions of law.

- Reviewed the Company's internal control and risk management system. Reviewed the Company's procedures in issuing rules, policies, processes and other documents;
- Reviewed the reasonability, legality, integrity and carefulness in business management, accounting, statistics and financial reporting;
- Monitored the truthfulness of all the Company's financial statements and the Company's financial performance.
- Monitored and evaluated the independence and objectivity of the audit firm and the effectiveness of the audit process. Reviewed the reports from the Independent Auditors and the internal control of the Company prior to the Board of Directors' approval; provided opinions on the appointment of an Independent Auditor. Business performance and financial statements were strictly reviewed, ensuring the accuracy and legality in financial recording. The Company and its subsidiaries' financial statements were audited by KPMG Vietnam Ltd. to ensure

- The Company's quarterly financial statements have been prepared to truly reflect the financial results of the Company.
- The Resolutions of the Board of Directors have been issued in accordance with the competence of the Board of Directors and the contents of these resolutions are complied with the Resolutions of the General Meeting of Shareholders, the Law on Enterprises, the Law on Securities, the Company's Charter, and other provisions of law.

that these reports gave a true and fair view, in all material aspects, in accordance with Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting;

- Evaluated reports on business performance, the Company's half year and full year financial statements, reported on the assessment of the Board of Directors' oversight; evaluated Annual General Meetings' documents;
- Evaluated reports on business performance, the Company's half year and full year financial statements, reported on the assessment of the Board of Directors' oversight; evaluated Annual General Meetings' documents;
- In 2023, the Supervisory Board met 2 times to discuss the issues within their responsibilities.
- In 2023, the Supervisory Board received no compensation.

THE CO-OPERATION BETWEEN AUDIT COMMITTEE AND OPERATION OF BOARD OF DIRECTORS, MANAGEMENT BOARD AND OTHER MANAGERS

GENERAL CORPORATE INFORMATION (continued)

SHAREHOLDER INFORMATION



Domestic shareholders

Domestic shareholder ownership: 97.94%¹

Detailed information about major shareholders

Name of shareholder	Place of permanent residence/head office	Occupation/business lines	Number of shares	Percent % ²
MasanConsumerHoldings Company Limited	Room 802, Floor 8, Central Plaza Building, 17 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City	Investment	671,353,145	93.69%

Foreign shareholders

Foreign shareholder ownership: 2.06%¹

There are no major foreign shareholders.

¹ Based on latest shareholder list as at 19 July 2023 and total outstanding shares as at 31 December 2023.

² Based on total outstanding shares as at 31 December 2023.

GLOSSARY OF TERMS

BOD	Board of Directors	MNC	Multinational Company
CEO	Chief Executive Officer	MT	Modern Trade
Cholimex	Cholimex Food Joint Stock Company	NETCO	Net Detergent Joint Stock Company
Covid-19	Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)	Quang Ninh Mineral Water	Quang Ninh Mineral Water Corporation
CSR	Corporate Social Responsibility	R&D	Research and Development
ESOP	Employees' Share Ownership Program	RTE	Ready-to-Eat
GDP	Gross Domestic Product	SG&A	Sales, General and Administrative Expenses
FMCG	Fast-moving Consumer Goods	Singha	Singha Asia Holding One Pte Ltd,
HCMC	Ho Chi Minh City	SNF	Saigon Nutri Food Joint Stock Company
HORECA	Hotel, restaurants, and cafes	The Group or the Company	Masan Consumer
HPC	Home and Personal Care	US\$	United States Dollar, U.S, Dollar
HR	Human Resources	WCM	Wincommerce General Commercial Services Joint Stock Company
IMF	International Monetary Fund	Vinacafé Bien Hoa	Vinacafé Bien Hoa Joint Stock Company
Ltd	Limited Liability Company	Vinacafé	Trade mark of Vinacafé Bien Hoa Joint Stock Company
M&A	Mergers and Acquisitions	Vinh Hao	Vinh Hao Mineral Water Corporation
Masan or Masan Consumer	Masan Consumer Corporation and its subsidiaries; the Company	MSI	Masan Industrial Co., Ltd.
Masan Consumer Holdings	MasanConsumerHoldings Company Ltd	VND	Vietnamese Dong
		ESG	Environment – Sustainability – Governance
		GHG	Green House Gas
		GJ	Energy Consumption

CONTACT

Masan Consumer Corporation

Abbreviated name	:	MSC or MASAN CONSUMER CORP.
Head office	:	23 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Tel	:	+84 902 662 660
Website	:	www.masanconsumer.com
Tax code	:	0302017440
Charter capital	:	VND7,274,618,790,000 in 31 December 2023 <i>(Seven thousand two hundred seventy-four billion, six hundred eighteen million, seven hundred ninety thousand Vietnamese Dongs).</i>
		VND7,284,225,440,000 in 31 January 2024 <i>(Seven thousand two hundred eighty-four billion, two hundred twenty-five million, four hundred forty thousand Vietnamese Dongs).</i>



MASAN CONSUMER CORPORATION

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