



**MASAN CONSUMER CORPORATION**  
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**ENGLISH TRANSLATION**

*HCMC, April 8, 2013*

**REPORT OF THE SUPERVISORY BOARD  
AT THE 2013 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

- Based on the functions and duties of the Supervisory Board according to the Law on Enterprises, Law on Securities and Charter of Masan Consumer Corporation (the “Company”);
- Based on the 2012 financial statements of the Company audited by KPMG.

The Supervisory Board would like to report the General Shareholders’ Meeting on the reviewing results of the Company’s 2012 financial position and the Board’s and CEO’s management activities in 2012 as following:

**I. The Supervisory Board’s activities in 2012:**

In 2012, the Supervisory Board:

1. Fulfilled its functions in supervising the activities of the Board of Directors and CEO based on the Company’s Charter and legal regulations; checking the compliance of decisions by the Board and CEO.
2. Checking and monitoring the implementation of 2012 business plan; supervising the implementation of Annual General Meeting (AGM) resolutions.
3. Controlling the orders and procedures for issuing regulations, policies, procedures and other documents of the Company.
4. Checking the legality, rationality, integrity and prudence in the business management and operations, in accounting and reporting principles;
5. Reviewing the report of the independent auditor and reports of internal auditing systems for the Board of Directors’ approval; consulting the appointment of the independent auditor. The business result and accounting figures have been checked carefully to ensure the accuracy and legality in bookkeeping. The Company’s and its subsidiaries’ financial statements have been audited by KPMG and ensured to reflect fairly and rationally the key financial aspects of the Company, and checked to comply with Vietnamese Accounting Principles, Vietnamese Accounting Practices and other principles according to legal regulations.
6. Reviewing the Company’s annual and half-year business and financial statements, reports on the Board of Directors’ management; reviewing documents for the AGM.

7. In 2012, the Supervisory Board had 2 meetings: (i) change of Head of the Supervisory board, and (ii) approving the reviewing results of half-year financial statements reviewed by KPMG.
8. In 2012, the Supervisory Board did not get compensation.

## II. The Company's 2012 financial position:

**Table 1: CONSOLIDATED BALANCE SHEET**

**Unit: VND 1,000**

<b>Figures</b>	<b>2012</b>	<b>2011</b>	<b>% (2012/2011)</b>
<b>Asset</b>			
<b>Current Assets</b>	<b>6,125,830,321</b>	<b>8,948,743,518</b>	<b>68%</b>
Cash and equivalent	3,383,585,011	4,730,726,781	72%
Short-term Investments	1,772,500,000	802,000,000	221%
Short-term Receivables	375,303,069	2,631,739,221	14%
Inventories	563,855,229	612,846,021	92%
Other Current Assets	30,587,012	171,431,495	18%
<b>Long-term Assets</b>	<b>11,141,536,434</b>	<b>4,981,001,774</b>	<b>224%</b>
Long-term Receivables	5,470,161,109	2,260,161,506	242%
Fixed Assets	3,027,005,061	2,400,169,199	126%
<i>Tangible Fixed Assets</i>	<i>1,497,779,704</i>	<i>843,328,398</i>	<i>178%</i>
<i>Intangible Fixed Asset</i>	<i>857,364,745</i>	<i>979,651,844</i>	<i>88%</i>
<i>Construction in Progress</i>	<i>671,860,612</i>	<i>577,188,957</i>	<i>116%</i>
Long-term Investments	2,332,887,118	-	-
Other Long-term Assets	311,483,146	320,671,069	97%
<b>TOTAL ASSETS</b>	<b>17,267,366,755</b>	<b>13,929,745,292</b>	<b>124%</b>
<b>Resources</b>			
<b>Liabilities</b>	<b>5,858,041,705</b>	<b>5,190,408,823</b>	<b>113%</b>
Short-term liabilities	3,212,419,012	2,380,764,431	135%
Long-term borrowings and liabilities	2,645,622,693	2,809,644,392	94%
<b>Equity</b>	<b>10,604,651,131</b>	<b>7,937,093,334</b>	<b>134%</b>
Chartered Capital	5,025,000,000	2,500,000,000	201%
Capital Surplus	3,111,514,809	3,111,514,809	100%
Other reserve	(283,274,277)	(191,690,689)	148%
R&D fund	18,324,741	-	-
Financial reserve	4,407,232	-	-
Retained Earnings	2,728,678,626	2,517,269,214	108%
<b>Minority interest</b>	<b>804,673,919</b>	<b>802,243,135</b>	<b>100%</b>
<b>TOTAL RESOURCES</b>	<b>17,267,366,755</b>	<b>13,929,745,292</b>	<b>124%</b>

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

<b>Figures in VND 1,000</b>	<b>2012</b>	<b>2011</b>	<b>% (2012/2011)</b>
<b>Total Revenue</b>	<b>10,575,249,545</b>	<b>7,239,003,024</b>	<b>146%</b>
Less Deductions	(185,834,895)	(182,154,352)	102%
Net sales	10,389,414,650	7,056,848,672	147%
Cost of Goods Sold	(6,178,925,703)	(3,997,833,772)	155%
<b>Gross profit</b>	<b>4,210,488,947</b>	<b>3,059,014,900</b>	<b>138%</b>
Financial Income	1,332,727,670	1,006,185,078	132%
Financial Expenses	(531,991,410)	(281,036,864)	189%
Selling Expenses	(1,325,121,188)	(1,010,148,574)	131%
General & Administrative Expenses	(394,642,867)	(186,273,375)	212%
<b>Net Operating Profit</b>	<b>3,291,461,152</b>	<b>2,587,741,165</b>	<b>127%</b>
Other Income	52,209,252	19,511,120	268%
Other Expense	(26,637,369)	(23,308,565)	114%
Share of Profit in Associate	2,555,287	-	
<b>Profit Before Tax</b>	<b>3,319,588,322</b>	<b>2,583,943,720</b>	<b>128%</b>
Current corporate income tax	(593,858,061)	(204,280,677)	291%
Deferred corporate income tax (expenses)/benefit	124,578,798	(125,450,924)	199%
<b>Net profit</b>	<b>2,850,309,059</b>	<b>2,254,212,119</b>	<b>126%</b>
Minority interest	86,162,000	792,206	10,876%
Company's shareholders' benefit	2,764,147,059	2,253,419,913	123%
<b>Earning per share (EPS)</b>	<b>5,509</b>	<b>4,674</b>	<b>118%</b>

## Comments:

1. The Company's 2012 Financial Statements were prepared in compliance with VAS and audited by KPMG; the reported figures reflect fairly and rationally the financial situation of the Company. Accounting books have been well maintained to record clearly and sufficiently the business expenses and results in the reporting period.
2. In 2012, the Company's consolidated revenue was VND10,575 billion, equivalent to 146% of 2011 revenue, obtaining 75.5% of the Committed Targets approved by the AGM with the support from strong growth across product categories. Especially, financial income continued to contribute a significant portion to the Company's profit thanks to the big amount of cash and equivalents.

The Company continued to focus on the 2 key categories of condiments and instant noodles. In addition to premium brands of Chin-su and Omachi, the Company promoted penetration into medium and mass segments with Nam Ngu fish sauce, Tam Thai Tu soya sauce and Tien Vua and Kokomi instant noodles.

The growth of coffee and instant cereal categories from Vinacafe Bien Hoa also contributed a fair portion into the Company's growth.

The Company's 2012 consolidated net profit was VND2,850 billion, equivalent to 126% of 2011 profit, obtaining 81% of the Committed Target approved by the AGM. 2012 earnings per share is 5,509 VND.

3. In 2012, the Company received the transfer of 100% of charter capital of Hoa Muoi Gio Ltd, leading to the indirect ownership of 40% of outstanding shares of Proconco.
4. In 2012, the Company acquired addition 3% of outstanding shares of Vinacafe Bien Hoa, increasing the Company's stake at VCF to 53.2%.
5. The Company made ordinary and extraordinary reports and disclosures in compliance with disclosure regulations for large-scale public companies on the stock exchange. Quarterly, semi-annual and annual financial statements, management reports... were disclosed in a timely manner and posted on the Company's website, facilitating the provision of official information to shareholders and investors.

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

1. In 2012, the Board of Directors fully observed the legal regulations and the Company's charter, executed the AGM resolutions successfully.
2. The Board of Directors worked actively and efficiently, closely co-ordinated with the CEO and Board of Management to determine directions and solve business requirements in a timely manner, leading to the impressive business results for the Company and great value for the shareholders in 2012.
3. Resolutions by the Board of Directors were issued in compliance with the functions and duties of the Board according to legal regulations and the Company's charter.

### **IV. Review of the management by the CEO**

1. With the Board of Management, CEO carried out the decisions and resolutions of AGM and BOD in a timely and complete manner, and implemented the Company's business plan successfully; proactively prepared plans for managing and performing business operations, and developed the efficiency of the organizational and managerial structure of the Company.
2. The Board of Management co-ordinated closely and proactively in sourcing, directing business operations, and ensuring jobs and improving income for employees.
3. The Board of Management regularly held meetings to discuss business plans of the Company and its subsidiaries, give directions, correct and improve shortcomings.

### **V. Changes of members of the Supervisory Board**

The Supervisory Board for period 2009 – 2014 was elected by the AGM with 3 members: Mr. Nguyen Quynh Lam, Ms. Nguyen Thu Hien, and Ms. Do Thi Hoang Yen. On 31 December 2012, Ms. Nguyen Thu Hien applied for resignation from her position as a Supervisory Board member. This is to ensure compliance with new regulations on board constitutions applicable to all financial institutions, as Ms. Nguyen Thu Hien is concurrently a Supervisory Board member at Techcombank. Therefore, we would like the 2013 AGM to approve the resignation of Ms. Nguyen Thu Hien as a Supervisory Board member and to elect a substitute to replace Ms. Nguyen Thu Hien in the Supervisory Board.

We wish great success to the meeting.

We wish health and happiness to the shareholders and participants.

**On behalf of the Supervisory Board**

**Head of the Supervisory Board**

*(Signed and sealed)*

**Nguyen Quynh Lam**