



MASAN CONSUMER CORPORATION
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ENGLISH TRANSLATION

Ho Chi Minh City, April 13, 2018

**REPORT OF THE SUPERVISORY BOARD
AT THE 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

- Pursuant to the functions and duties of the Supervisory Board according to the Law on Enterprises in 2014, Law on Securities in 2006 and Charter of Masan Consumer Corporation dated April 26, 2016 (the “Company”);
- Based on the 2017 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 2017 financial position and the management activities of the Board of Directors and Chief Executive Officer in 2017 as follows:

I. The Supervisory Board’s activities in 2017:

In 2017, the Supervisory Board:

1. Fulfilled its functions in supervising the activities of the Board of Directors (the “Board”) and CEO based on the Company’s Charter and legal regulations; checking the compliance of decisions by the Board and CEO.
2. Checking and monitoring the implementation of 2017 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. 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 2017, the Supervisory Board had 2 meetings: (i) approving the reviewing results of 2016 financial statements audited by KPMG, and (ii) approving the reviewing results of 2017 half-year financial statements reviewed by KPMG.
8. In 2017, the Supervisory Board did not get compensation.

II. The Company's 2017 financial position:

Table 1: CONSOLIDATED BALANCE SHEET

Unit: VND 1,000

Figures	31/12/2017	31/12/2016	% (2017/2016)
Asset			
Current Assets	5,793,075,752	11,519,694,860	50%
Cash and equivalent	4,235,913,074	6,914,244,921	61%
Short-term Investments	154,258,720	1,732,948,841	9%
Short-term Receivables	348,223,852	2,121,205,427	16%
Inventories	1,010,974,147	715,921,028	141%
Other Current Assets	43,705,959	35,374,643	124%
Long-term Assets	11,851,980,807	5,858,131,386	202%
Long-term Receivables	6,237,572,226	24,757,902	25194%
Fixed Assets	4,412,933,244	4,444,692,084	99%
Long-term work in progress	252,152,224	371,351,502	68%
Long-term Investments	249,391,859	249,391,859	100%
Other Long-term Assets	699,931,254	767,938,039	91%
TOTAL ASSETS	17,645,056,559	17,377,826,246	102%
Resources			
Liabilities	6,313,229,100	5,449,387,898	116%
Short-term liabilities	5,947,095,673	4,942,371,388	120%
Long-term borrowings and liabilities	366,133,427	507,016,510	72%
Owners' equity	11,331,827,460	11,928,438,348	95%
Share capital	5,431,327,770	5,381,601,170	101%
Share premium	5,088,056,395	5,088,056,395	100%
Other capital	(265,775,657)	(265,775,657)	100%
Treasury shares	(1,640,252,631)	(1,640,252,631)	100%
Foreign exchange differences	2,951,013,886	(2,253,725)	NA
Investment and development fund	22,731,973	22,731,973	100%
Undistributed profit after tax	2,226,022,362	2,434,650,312	91%
Non-controlling interests	466,766,233	909,680,511	51%
TOTAL RESOURCES	17,645,056,560	17,590,646,510	100%

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

Figures	2017	2016	% (2017/2016)
Revenue from sales of goods and provision of services	13,422,926,705	13,971,502,083	96%
Revenue deductions	(209,286,432)	(181,742,641)	115%
Net revenue	13,213,640,273	13,789,759,442	96%
Cost of sales	(7,181,058,837)	(7,539,940,955)	95%
Gross profit	6,032,581,436	6,249,818,488	97%
Financial Income	456,988,463	486,486,717	94%
Financial Expenses	(135,642,808)	(120,181,486)	113%
Share of profit in associates	5,318,434	6,648,043	80%
Selling Expenses	(3,013,408,049)	(2,619,544,147)	115%
General & Administration Expenses	(721,475,937)	(840,490,030)	86%
Net Operating Profit	2,624,361,539	3,162,737,584	83%
Other Income	1,340,162	3,946,391	34%
Other Expenses	(3,734,129)	(3,831,459)	97%
Accounting Profit Before Tax	2,621,967,572	3,162,852,516	83%
Income tax expense – current	(398,411,247)	(432,682,943)	92%
Income tax benefit/ (expenses) – deferred	22,441,351	60,942,674	37%
Net profit after tax	2,245,997,676	2,791,112,247	80%
Equity holders of the Company	2,131,847,622	2,679,382,871	80%
Non-controlling interests	114,150,054	111,729,376	102%
Basic Earnings per share	4.080	5.165	79%

III. Review of the governance by the Board of Directors in 2017

1. In 2017, the Board of Directors fully observed the legal regulations and the Company's Charter, executed the AGM resolutions successfully.
2. The Board of Directors Meetings was held on a quarterly basis in accordance with the law and the Charter of the Company. In 2017, 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 2017.
3. Resolutions by the Board of Directors were issued in compliance with the functions and duties of the Board according to legal regulations and the Company's Charter.

IV. Review of the management by the CEO in 2017:

1. With the Board of Management, CEO carried out the decisions and resolutions of AGM and BOD in a timely and complete manner, and implemented the Company's business plan successfully; proactively prepared plans for managing and performing business operations, and developed the efficiency of the organizational and managerial structure of the Company.

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

V. Conclusion:

1. The Company's activities in 2017 basically comply with the provisions of law and the Charter of the Company;
2. In 2017, the Board of Supervisors has not found any abnormal signs in the business operation of the Company;
3. The business results and accounting data have been strictly checked to ensure the accuracy and legality of recording data.

This is the report of the Supervisory Board at the 2018 Annual General Shareholders Meeting of Masan Consumer Corporation.

We wish great success to the meeting.

ON BEHALF OF THE SUPERVISORY BOARD
Head of the Supervisory Board

(Signed and sealed)

Nguyen Quynh Lam