



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

*Ho Chi Minh City, April 12, 2019*

**REPORT OF THE SUPERVISORY BOARD  
AT THE 2019 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 2018 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 2018 financial position and the management activities of the Board of Directors and Chief Executive Officer in 2018 as follows:

**I. The Supervisory Board’s activities in 2018:**

In 2018, 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 2018 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 2018, the Supervisory Board had 2 meetings: (i) approving the reviewing results of 2017 financial statements audited by KPMG, and (ii) approving the reviewing results of 2018 half-year financial statements reviewed by KPMG.
8. In 2018, the Supervisory Board did not get compensation.

## II. The Company's 2018 financial position:

**Table 1: CONSOLIDATED BALANCE SHEET**

**Unit: VND 1,000**

<b>Figures</b>	<b>31/12/2018</b>	<b>31/12/2017</b>	<b>% (2018/2017)</b>
<b>Asset</b>			
<b>Current Assets</b>	<b>3,633,456,428</b>	<b>5,793,075,753</b>	<b>63%</b>
Cash and equivalent	1,669,119,982	4,235,913,074	39%
Short-term Investments	251,200,000	154,258,720	163%
Short-term Receivables	458,279,877	348,223,852	132%
Inventories	1,215,429,353	1,010,974,148	120%
Other Current Assets	39,427,216	43,705,959	90%
<b>Long-term Assets</b>	<b>13,419,348,775</b>	<b>11,851,980,806</b>	<b>113%</b>
Long-term Receivables	8,205,002,665	6,237,572,226	132%
Fixed Assets	4,077,188,360	4,412,933,244	92%
Long-term work in progress	230,563,819	252,152,223	91%
Long-term Investments	249,391,859	249,391,859	100%
Other Long-term Assets	657,202,072	699,931,254	94%
<b>TOTAL ASSETS</b>	<b>17,052,805,203</b>	<b>17,645,056,559</b>	<b>97%</b>
<b>Resources</b>			
<b>Liabilities</b>	<b>6,171,592,732</b>	<b>6,313,229,100</b>	<b>98%</b>
Short-term liabilities	5,917,949,751	5,947,095,673	100%
Long-term borrowings and liabilities	253,642,981	366,133,427	69%
<b>Owners' equity</b>	<b>10,881,212,471</b>	<b>11,331,827,459</b>	<b>96%</b>
Share capital	6,279,291,230	5,431,327,770	116%
Share premium	4,292,501,205	5,088,056,395	84%
Other capital	(265,775,657)	(265,775,657)	100%
Treasury shares	(1,640,252,631)	(1,640,252,631)	100%
Foreign exchange differences	5,398,308	2,951,014	183%
Investment and development fund	22,731,972	22,731,973	100%
Undistributed profit after tax	1,962,584,223	2,226,022,362	88%
Non-controlling interests	224,733,821	466,766,233	48%
<b>TOTAL RESOURCES</b>	<b>17,052,805,203</b>	<b>17,645,056,559</b>	<b>97%</b>

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

<b>Figures</b>	<b>2018</b>	<b>2017</b>	<b>% (2018/2017)</b>
<b>Revenue from sales of goods and provision of services</b>	<b>17,290,253,757</b>	<b>13,422,926,705</b>	<b>129%</b>
Revenue deductions	(283,778,144)	(209,286,432)	136%
Net revenue	<b>17,006,475,613</b>	<b>13,213,640,273</b>	<b>129%</b>
Cost of sales	<b>(9,388,082,264)</b>	<b>(7,181,058,837)</b>	<b>131%</b>
<b>Gross profit</b>	<b>7,618,393,349</b>	<b>6,032,581,436</b>	<b>126%</b>
Financial Income	550,227,206	456,988,463	120%
Financial Expenses	(182,528,190)	(135,642,808)	135%
Share of profit in associates	5,318,434	5,318,434	100%
Selling Expenses	(3,284,879,798)	(3,013,408,049)	109%
General & Administration Expenses	(793,223,584)	(721,475,937)	110%
<b>Net Operating Profit</b>	<b>3,913,307,417</b>	<b>2,624,361,539</b>	<b>149%</b>
Other Income	622,448	1,340,162	46%
Other Expenses	(19,524,647)	(3,734,129)	523%
<b>Accounting Profit Before Tax</b>	<b>3,894,405,218</b>	<b>2,621,967,572</b>	<b>149%</b>
Income tax expense – current	(565,570,609)	(398,411,247)	142%
Income tax benefit/ (expenses) – deferred	68,644,808	22,441,351	306%
<b>Net profit after tax</b>	<b>3,397,479,417</b>	<b>2,245,997,676</b>	<b>151%</b>
Equity holders of the Company	3,367,089,339	2,131,847,622	158%
Non-controlling interests	30,390,078	114,150,054	27%
<b>Basic Earnings per share (*)</b>	<b>5.549</b>	<b>3.548</b>	<b>156%</b>

(\*) 2017 figures have been revised to reflect bonus shares issued in 2018

### III. Review of the governance by the Board of Directors in 2018

1. In 2018, 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 2018, 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 2018.
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 2018:

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 2018 basically comply with the provisions of law and the Charter of the Company;
2. In 2018, 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 2019 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**