

MASAN RESOURCES CORPORATION

*Suite 802, Central Plaza, 17 Le Duan, Ben Nghe Ward, District 1,
Ho Chi Minh City, Vietnam*



ENGLISH TRANSLATION

REPORT OF THE SUPERVISORY BOARD

AT THE 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

Pursuant to the rights and responsibilities of the Supervisory Board provided in the Company's Charter, the Supervisory Board would like to report our activities in 2017 as follows:

I. Operations of the Supervisory Board in 2017

1. Supervising and reviewing the management and execution of 2017 business activities by the Board of Directors and the Management Team. Reviewing the legality and reasonableness of our business in 2017 in accordance with resolutions of the General Meetings of Shareholders in 2017.
2. Reviewing and supervising the issuing of resolutions and decisions of the Board of Directors and the Management Team.
3. Reviewing the reasonableness, legality, honesty and diligence in implementing accounting operations and forming financial statements.

Members of the Supervisory Board were not compensated in their capacity as members of the Supervisory Board, and the Supervisory Board did not incur any operational expenses.

II. Supervisory Board's review of the Company's operations

1. On the accounting and financial operations of the Company:

The Supervisory Board confirms that the financial figures presented in the report of the Board of Directors submitted to the 2018 Annual General Meetings of Shareholders are a fair reflection of the Company's and its subsidiaries' current financial situation.

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Key figures of the financial situation as of December 31, 2017:

Part 1: Balance Sheet

	<u>Group</u>		<u>Company</u>	
	31/12/2017 VND'000	1/1/2017 VND'000	31/12/2017 VND'000	1/1/2017 VND'000
ASSETS				
Current assets	3,456,003,440	2,496,130,991	2,782,039	951,931
Cash and cash equivalents	780,414,201	603,345,037	483,619	896,931
Short-term financial investments	32,500,000	-	-	-
Accounts receivable – short-term	860,460,818	583,833,584	2,298,420	55,000
Inventories	1,409,062,969	1,112,385,216	-	-
Other current assets	373,565,452	196,567,154	-	-
Long-term assets	23,688,207,422	24,039,367,458	9,995,844,635	10,024,094,084
Accounts receivable - long-term	1,346,793,937	1,379,457,775	4,855,509,062	4,883,758,511
Fixed assets	18,898,064,279	18,629,319,036	-	-
Long-term work in progress	987,802,403	1,681,618,571	-	-
Long-term financial investments	-	-	5,140,335,573	5,140,335,573
Other long-term assets	2,455,546,803	2,348,972,076	-	-
TOTAL ASSETS	27,144,210,862	26,535,498,449	9,998,626,674	10,025,046,015
RESOURCES				
LIABILITIES	15,132,604,815	14,825,018,166	554,834,167	581,264,773
Current liabilities	4,871,844,056	3,518,587,636	13,759,992	40,190,598
Long-term liabilities	10,260,760,759	11,306,430,530	541,074,175	541,074,175
EQUITY	12,011,606,047	11,710,480,283	9,443,792,507	9,443,781,242
TOTAL RESOURCES	27,144,210,862	26,535,498,449	9,998,626,674	10,025,046,015

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2. On the Company's business performance

In 2017, the Supervisory Board did not find any abnormal signs in the Company's business operations. All of business activities were conducted in compliance with the Company's Charter, the Law on Enterprises and other, relevant legal regulations.

Business performance results and accounting figures have been carefully checked to ensure the accuracy and legality of accounting books.

The Company fully observed all current legal regulations required for information disclosure to the stock market.

Figures of business results as of December 31, 2017:

Part 2: Income statement

	<u>Group</u>		<u>Company</u>	
	2017 VND'000	2016 VND'000	2017 VND'000	2016 VND'000
Net operating profit	334,717,770	131,491,833	11,265	82,295,487
Results of other activities	(42,595,318)	(30,927,079)	-	(2,942)
Accounting profit before tax	292,122,452	100,564,754	11,265	82,292,545
Income tax expense – current	36,841,033	14,320,441	-	-
Income tax benefits – deferred	(45,844,345)	(29,101,561)	-	-
Net profit after tax	301,125,764	115,345,874	11,265	82,292,545
Net profit attributable to:				
Equity holders of the Company	205,914,056	109,841,024	11,265	82,292,545
Non-controlling interest	95,211,708	5,504,850	-	-

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3. On the governance and management

a. The Board of Directors:

The Supervisory Board opines that the Board of Directors has fulfilled their management responsibilities in compliance with the Company's Charter, the Resolutions of the General Meetings of Shareholders, the Law on Enterprises and other, relevant legal regulations.

The Board of Directors has duly executed all resolutions of the General Meetings of Shareholders in 2017.

The Board of Directors' resolutions were issued in compliance with the legal authority of the Board of Directors and the contents of the resolutions were in compliance with the Company's Charter, the resolutions of the General Meetings of Shareholders, the Law on Enterprises and other, relevant legal regulations.

b. The Management Team

The Supervisory Board opines that the Management Team has executed the Company's business operations efficiently and in compliance with the Board of Directors' resolutions.

III. Conclusions

The Company's operations during the 2017 were in compliance with the Company's Charter, the Law on Enterprises and other, relevant legal regulations, and were based on the Resolutions of the General Meetings of Shareholders and of the Board of Directors.

Yours faithfully,

Ho Chi Minh City, April 10, 2018

ON BEHALF OF THE SUPERVISORY BOARD

/signed/

DOAN THI MY DUYEN
Head of the Supervisory Board