

*Hanoi, 02 April 2015***REPORT FROM THE BOARD OF MANAGEMENT  
ON BUSINESS REVIEW AND OUTLOOK****Respectfully submitted to: THE ANNUAL GENERAL MEETING OF SHAREHOLDERS****1. Business performance of Vingroup Joint Stock Company (“Vingroup”) in 2014**

The national economy experienced clear signs of recovery in 2014, and Vingroup enjoyed outstanding growth led by completion of some remarkable projects plus continued expansion with impressive gains in new business areas. Audited consolidated net revenue reached VND27,724 billion and gross profit recorded VND10,439 billion, increases of 51% and 48%, respectively, compared to 2013. Profit after tax reached VND3,776 billion, in which core businesses contributed VND3,689 billion, an increase of 27% over the previous year.

***In the property sector,*** Vingroup handed over to buyers thousands of apartments with comprehensive facilities. The Company achieved the highest sales of properties in its history, VND21,772 billion a 49% increase over 2013, due largely to handing over units at Vinhomes Times City, Vinhomes Royal City, and final payments for Vinhomes Riverside. The Group is now beginning the pre-sale of two new projects, Vinhomes Central Park in Ho Chi Minh City and Vinhomes Nguyen Chi Thanh in Hanoi, while simultaneously developing Phase 2 of Vinhomes Times City (Park Hill). Vinhomes Central Park is the largest mixed-use development undertaken by Vingroup to date. This complex boasts a five-star marina by the Saigon River and the tallest tower in Vietnam, setting a new height record of over 350 meters.

***In the retail sector,*** Vincom expanded its chain of shopping malls to sites outside Hanoi and Ho Chi Minh City with the grand opening of Vincom Ha Long in the of Quang Ninh province. This expansion raised Vincom’s total retail space to 513,690 square meters with six shopping malls put into operation. The occupancy rate for all of Vincom’s shopping malls remained high due to superior amenities such as shopping areas, food courts, cinemas and amusement parks. The high occupancy rate strengthened Vingroup’s reputation in the domestic retail market.

Vingroup’s retail market expansion also included the launch of the VinMart supermarket and VinMart<sup>+</sup> convenience stores chains. At the end of 2014, VinMart and VinMart<sup>+</sup> had a total of 23 supermarkets and convenience stores in major cities and provinces across the country. As part of its expansion strategy, Vingroup also rolled out a series of new retail store brands such as VinFashion (clothing and accessories), BFF (international fashion), VinDS (department stores), and VinPro (electronics). Vingroup is also preparing to launch its e-commerce brand, Adayroi.

***In the Hospitality and Entertainment Sector,*** Vingroup opened the new Vinpearl Resort Phu Quoc complex in 2014 after just ten months of construction. This opening doubled the total number of hotel rooms in Vinpearl Resorts to 1,535 at the end of 2014.

Vinpearl welcomed 150,242 guests, an increase of 20% over 2013. Foreign tourists accounted for 56% of the total. Revenue totaled VND1,349 billion, up 29% over 2013. Vinpearl launched a new brand, Vinpearl Premium, to differentiate its highest-end hotels and vacation properties. The business unit is now accelerating construction of its projects in Nha Trang, Da Nang and Phu Quoc.

Vinpearl Land (theme parks) also had a successful year with total revenue of VND905 billion, a 59% of increase over 2013. Vinpearl Land opened two new properties in 2014, Vinpearl Land Phu Quoc and Vinpearl Land Ha Long.

**In Healthcare Services**, Vinmec achieved revenue of VND670 billion, an increase of 133% over 2013. Vinmec recorded growth in the number of patients served and the number of surgeries performed with tens of thousands of patients and thousands of surgeries. As part of the expansion of its international-standard healthcare system, Vingroup started construction of Vinmec Phu Quoc hospital and announced a plan to develop ten hospitals and a medical university within the next five years.

**In the Education Sector** during 2014, Vinschool opened a K-12 school, bringing the total number of students in its schools to more than 6,300. In the two years since its opening, Vinschool has achieved remarkable progress and strengthened its reputation with an educational philosophy that stresses comprehensive skills development for future generations.

To achieve its results in 2014, Vingroup emphasized its inherent strengths, especially its corporate governance system, known as "Vingroup Transformation." After twelve consecutive months of this focus, the "P&Ls Spirit" has spread throughout the Group to all of the business units, which have grown in both scale and management sophistication.

All of the Group's functional departments and divisions have gained a full understanding of their responsibility for controlling profit and loss, ensuring consistency and efficiency throughout the entire system. Vingroup is implementing a governance system that is in line with international practices and will enable the Company to effectively manage its growth and profitability as its scale and complexity continue to increase.

*For further information, please refer to the enclosed Report of the Executive Committee and Reports on Project status and Development progress.*

## **2. Activities of the Board of Management (the BOM)**

### **General activities:**

In 2014, the Board of Management issued resolutions to approve numerous policies and important adjustments for the efficient operation and development of Vingroup, including certain key decisions:

- Strengthened and realigned the organizational structure and business activities of the Group and its subsidiaries;
- Approved the decision to pay dividends by cash and shares from 2013 retained earnings to shareholders;
- Approved the increase of Charter Capital as a result of issuing new shares for paying dividends and conversion exercise of the international convertible bonds;

### **The BOM's supervisory activities**

Supervisory activities were performed in compliance with the Charter, Management Regulations of Vingroup and other internal management policies and regulations as well as current Vietnamese legislation. Specifically:

- Inspected the implementation of projects of Vingroup;
- Prepared financing sources for both current and future projects of Vingroup;
- Successfully organized the 2014 Annual General Meeting of Shareholders (the "AGM") on 18<sup>th</sup> April 2014;
- Strictly oversaw the implementation of quarterly, semi-annual and annual Financial Statements for 2014;
- Monitored the implementation of Resolutions issued by the Board of Management and the AGM as well as oversaw the operations management of the Executive Committee;
- Oversaw information disclosures with the objective of ensuring transparency and timeliness in accordance with regulations;

- Monitored the management of the Executive Committee in order to improve business performance and meet the targets set out in 2014.

### **3. Tentative plans**

The Group believes that 2015 will be a “Breakthrough Year” on every front. Vingroup’s principal mission is to concentrate on achieving growth in all business sectors. The Group will also focus on developing human resources, strengthening governance and maintaining its position as one of the leading private enterprises in Vietnam.

**Recurring revenue:** The Group continues to maintain steady revenue growth from the Vinhomes residential projects, the Vincom shopping malls, hotels and resorts (Vinpearl), entertainment services (Vinpearl Land), education (Vinschool), healthcare and medical services (Vinmec) as well as the other retail brands of the Group.

In 2015, Vingroup will start new Vinhomes projects in Hanoi, Ho Chi Minh City, Bac Ninh, Ha Tinh, and Can Tho. The Group will complete Vinpearl Premium hospitality complexes in Nha Trang and Phu Quoc and begin Vinpearl Ha Long, the Group’s first resort in the North.

The Group will continue to launch new shopping malls, increasing the number of shopping malls to 25 throughout the country. Vingroup will start construction of five new Vinpearl Land recreation facilities and four Vinmec hospitals in Quang Ninh, Nha Trang, Phu Quoc and Ho Chi Minh City.

In the retail sector, the e-commerce brand Adayroi will be launched and is expected to be a leader in the e-commerce area. Other business brands in the retail segment (VinMart, VinPro, VinDS, VinFashion and BFF) will also accelerate the pace of store openings to increase their coverage and take the lead in their respective segments.

In 2015, Vingroup will enter the agriculture business with VinEco. This unit has the goal of providing consumers with a source of healthy, organic food.

**Corporate Governance:** During 2015, Vingroup will implement a major project to reform its management systems, the main objectives of which are improving corporate governance to follow best practices, retaining Vingroup’s culture and core values, optimizing management tools to improve operational efficiency, and increasing overall productivity.

**Fund raising:** Vingroup will continue consider and mobilize attractive sources of capital in both domestic and international markets.

**Human resources and corporate culture:** the Group will continue to promote training in all departments to enhance staff performance, introduce new policies to attract and retain talent and emphasize discipline and individual responsibilities to reinforce the corporate culture of Vingroup - "Where the Best Gather and Grow."

To:

- As above;
- Vingroup archives.

**ON BEHALF OF  
THE BOARD OF MANAGEMENT  
CHAIRMAN**

**(signed)**

**Pham Nhat Vuong**

*Note: This report is subject to appropriate change and supplementation and will be submitted to the General Shareholders’ Meeting for consideration and decision on the day of the Meeting.*