

## APPENDIX 3

*(Attached to the Minutes of 2015 Annual General Meeting of Shareholders)*

### 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. All Group core business activities made significant contributions to this impressive growth.

*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 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) and BFF (international fashion). Vingroup is preparing to launch its e-commerce brand, Adayroi and, together with other retail brands of Vingroup, expects to dominate the retail market share.

*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 more than doubled the total number of hotel rooms in Vinpearl Resorts to 1,600 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<sup>1</sup> totaled VND1,349 billion, up 29% over 2013. Vinpearl launched a new

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<sup>1</sup> Gross segment revenue includes contributions from Vingroup subsidiaries prior to intercompany eliminations.

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<sup>1</sup> 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<sup>1</sup> 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. Perhaps 2014 should be remembered as the year of "Vingroup Transformation" as the company successfully decentralized operation model into management by business sector P&Ls. After twelve consecutive months of this focus, all of the business units 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 nationwide and 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 by the end of 2015 to 30 throughout the country. Vingroup will start construction of five new Vinpearl Land recreation facilities nationwide 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, 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 enters the agriculture business with VinEco. VinEco will provide Vietnamese customers with a trusted quality source of food for current and future generations. The unit will also put considerable research and development effort toward agricultural products that leverage Vietnam’s comparative advantage for export to the global market.

***Management and service quality control:*** continuously improve management processes; improve the quality and standard of services for all Vingroup businesses: Vinhomes residential projects, Vincom shopping malls and Vincom mega malls, Vinpearl hospitality projects, amusement parks and entertainment centers of Vinpearl Land, high-quality healthcare services of Vinmec, Vinschool-branded quality education, VinMart supermarkets and VinMart+ convenience stores, plus VinPro and other brands.

***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 maintain the Company's position as one of the best work environments in Vietnam.

*To:*

*- As above,*

*- Vingroup archives*

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

**(signed)**

**Pham Nhat Vuong**