

## APPENDIX 3

*(Enclosed with the Minutes of the 2014 Annual General Shareholders' Meeting)*

### **REPORT FROM THE BOARD OF MANAGEMENT ON BUSINESS MANAGEMENT IN 2013**

**Respectfully submitted to: THE GENERAL SHAREHOLDERS' MEETING OF  
VINGROUP JOINT STOCK COMPANY**

#### **1. Business performance of Vingroup Joint Stock Company (“Vingroup”) in 2013**

2013 continued to be a difficult year for the global economy and for Vietnam. Vingroup, similar to other real estate companies, experienced a challenging year. However, Vingroup not only weathered the storm but also demonstrated its depth of capital and development capabilities to sustain its growth momentum and continue to expand into new complimentary business ventures.

In our real estate business, Vingroup reaffirmed its leading market position by providing consumers with pioneering real estate products. In 2013, Vingroup successfully completed the entire Royal City Project and Phase 1 of Times City Project. Along with handing over thousands of apartments to customers on time, Vingroup concurrently launched two mega shopping malls under the Vincom Mega Mall brand with a total area of over 400,000 sqm, revolutionizing the market.

Focusing on high quality of products and services as the foundation for development in 2013 Vingroup continued to invest to improve the infrastructure of our residential projects and introduce new facilities to serve residents. We also launched Vinhomes, our residential sales, leasing and home services brand, to introduce an internationally inspired lifestyle in Vietnam.

In hospitality, we continued to experience growth both in revenues and in number of visitors to our existing recreational facilities, hotels and resorts. Vingroup also commenced a series of tourism and service projects in key destinations such as Binh Dinh, Ha Long, and Phu Quoc to add to the chain of resorts under the Vinpearl brand name and provide customers with new, exciting choices.

Beside its core businesses in real estate and tourism, 2013 also marked Vingroup's strategic development in new business ventures such as healthcare, education, retail and recreation services under the brands of Vinmec, Vinschool, Vincom Retail, VinKE and VinKC (now as Kids World).

In financing, Vingroup had another successful year attracting a US\$200 million investment from Warburg Pincus, a leading U.S investment firm, into Vincom Retail, a subsidiary of Vingroup. In October 2013, Vingroup completed the signing and disbursement of an international syndicated loan worth US\$150 million. In November 2013, Vingroup completed the issuance of international bonds with a total value of US\$200 million. The proceeds will be used for the development of shopping center projects under Vincom Center and Vincom Mega Mall brands.

Thanks to Vingroup's determination on all fronts, the company attained record-high sales and profit in 2013. Specifically, Vingroup generated VND18,378 billion in net revenue and VND7,149 billion in profit after tax, representing growth rates of 132.5% and 287% respectively compared to 2012.

Vingroup is proud to achieve strong growth in almost every aspect of its business and operations under difficult economic conditions.

*For details, please refer to the enclosed Report of the Board of Directors and Reports on Project Implementation.*

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

### **General activities:**

In 2013, the Board of Management conducted 44 meetings, 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 continue issuing bonds on the international market as well as the adjusted plan related to the issuance of non-convertible international bonds;
- Approved the documents to be signed with foreign investors relating to the issuance of non-convertible international bonds;
- Approved the mobilization of an offshore syndicated loan worth up to USD250 million

### **The BoM's inspection activities**

Inspection 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 organised the 2013 Annual Shareholders' Meeting ("the GSM") on 8<sup>th</sup> June 2013;
- Strictly oversaw the implementation of quarterly, semi-annual and annual Financial Statements for 2013;
- Oversaw the mobilisation of an offshore syndicated loan;
- Directed the implementation and successful issuance of non-convertible international bonds with a total value of USD200 million;
- Monitored the implementation of Resolutions issued by the Board of Management and the GSM as well as oversaw the operations management of the Board of Directors;
- Oversaw information disclosures with the objective of ensuring transparency and timeliness in accordance with regulations.

## **3. Tentative plans**

2014 is an important year with the task of developing many new businesses of the Group while still maintaining the growth for existing ones. In that spirit, the Group's key tasks in 2014 are to continue marshalling all resources to complete under development projects as planned, to further grow its existing businesses and to efficiently run its operational projects.

Vingroup will focus on intensive investment in developing its human resources, streamlining the organisation structure with the aim to become one of the leading private economic groups in Vietnam, while expanding to the region.

**Business activities:** continue to maintain stable and growing its recurring revenues from shopping malls and offices such as Vincom Center Ba Trieu, Vincom Center Long Bien, Vincom Center Dong Khoi, Vincom Mega Mall Royal City and Vincom Mega Mall Times City; from hospitality, tourism and recreation businesses under the Vinpearl brand (including Vinpearl Resort Nha Trang, Vinpearl Luxury Nha Trang, Vinpearl Golf Club – Nha Trang, Vinpearl Luxury Da Nang and Vinpearl Land); from Vinmec International Hospitals; from Vinschool; and from revenues recognised from the sales of apartments at two mega projects, Royal City and Times City.

**Management and quality control activities:** constantly improve management processes and enhance service quality and standards for Vinhomes-branded properties, Vinpearl-branded hotel, resorts and

recreation facilities, Vinmec International Hospital and Clinics, and Vinschool - the high quality education system.

**Corporate governance activities:** Continue to improve and standardise internal cross-function processes and procedures among Vingroup, its functional departments and its subsidiaries.

**Source of capital and investment:** Vingroup continues to evaluate opportunities to mobilise domestic and international capital resources.

**Management of human resources and building corporate culture:** Continue to promote training in all departments in order to enhance staff capability; continue implementing favourable policies to attract talent strongly promote discipline and appreciation of staff's individual capabilities. The Group does all it can to promote Vingroup's culture and is worthy of the slogan "Vingroup – a convergence of quintessence for mutual development".

*To:*

*- As above,*

*- Vingroup archives*

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

**(signed)**

**Pham Nhat Vuong**