

## APPENDIX 5

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

### **REPORT FROM THE SUPERVISORY COMMITTEE ON 2013 CORPORATE GOVERNANCE BY THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS**

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

Looking back at the year 2013, economic conditions in Vietnam and around the world remained challenging, particularly in the real estate sector. The real estate market remained frozen with low liquidity, declining prices in most market segments, unfinished inventory, and overall adverse market conditions, which pushed many real estate firms into losses, or even bankruptcy. Although a series of stimulus policies and relief packages were implemented by the Government and State agencies, it will take time for these policies to take effect in order to boost sales activities, support the market and rescue some real estate developers. Against this backdrop, Vingroup JSC ("Vingroup") faced numerous challenges and negative impacts in its daily business operations. However, with the firm determination, strong foundation, and flexible, effective, innovative business strategies, together with the outstanding effort from the management and the entire staff, Vingroup successfully delivered positive business results in 2013. Its position and resources were further strengthened, reaffirming its position as one of the leading real estate and hospitality groups in Vietnam.

Within the scope of our responsibilities, functions and power as provided under Vingroup's Charter, in accordance with the Enterprise Law and other regulations applicable to listed companies, the Supervisory Committee ("SC") successfully completed all tasks. These included supervising and inspecting compliance with relevant regulations and with Vingroup's Charter in terms of finance and accounting practices, investment activities, business cooperation, civil construction, and development and operation of real estate projects and tourism complexes. The SC also conducted periodic reviews of Vingroup's financial statements as well as those of its subsidiaries.

On behalf of the SC, I would like to report to the General Shareholders' Meeting as follows:

#### **1. Vingroup's financial status:**

The SC agreed with the contents of both the 2013 consolidated and unconsolidated financial statements as prepared by the Board of Directors ("**BoD**") and audited by Ernst & Young Vietnam Ltd. These financial statements accurately reflect Vingroup's financial position as at 31 December 2013 as well as its business performance and cash flows for the fiscal period from 1 January 2013 to 31 December 2013.

Key financial indicators from Vingroup's 2013 consolidated financial statements are as follows:

##### a. Business performance:

- Net revenue : VND18,378 billion
- Total profit before tax : VND9,740 billion
- Profit after tax : VND7,149 billion

##### b. Assets:

- Current assets : VND39,845 billion
- Non-current assets : VND 35,928 billion
- Total assets : VND75,773 billion

##### c. Owners' equity (including parent's and minority interests): VND18,616 billion

d. Summary:

2013 was the year in which Vingroup reaped benefits from its investments and development of major real estate projects in Hanoi. Vingroup recorded net revenue of VND18,378 billion, a 132.5% increase compared to 2012, and exceeding target. Profit after tax was VND7,149 billion, an increase of 287% compared to 2012. In the context of a challenging market, the fact that Vingroup met almost all revenue and profit targets is an outstanding achievement in 2013.

**2. Assessment of legal compliance and implementation of the resolutions of the General Shareholders' Meeting ("GSM") and the Board of Management ("BoM")**

In 2013, while keeping its growth momentum, maintaining high business efficiency as well as continuing to implement new projects, Vingroup maintained full legal compliance.

Monitoring, inspection and assessment activities by the SC have shown that Vingroup's operations in 2013 were secure, sustainable and in full legal compliance. The implementation of the GSM and BoM resolutions was strictly monitored by managerial staff and relevant departments at both the Group level and at each subsidiary. Within the scope of our responsibilities and power, the SC hereby concludes that the BoD of Vingroup, its subsidiaries and relevant departments have fulfilled their responsibilities and there were no major violations that affected Vingroup's operation.

**3. Supervision and inspection of the implementation of internal management rules and related parties' transactions**

Vingroup's operations involve various business fields and span across different geographical areas, such as: Investing in new projects while concurrently commencing operations at completed projects; Engaging in high-end hospitality and healthcare services. In 2013, Vingroup carried out an internal restructuring of the entire Group, thereby multiplying the amount of work and volume of internal communication. Thanks to its strict compliance with internal management rules, the BoM could proactively direct, manage and supervise the restructuring while at the same time strengthening its business operation, ensuring high operational efficiency and security, closely following the GSM's approved development strategies. In 2013, the BoD exhibited exceptional efforts in organising the implementation of business activities while ensuring tight internal management, thereby minimising possible risks and violations.

In 2013, Vingroup strictly honoured its commitments with foreign investors without any violations or mishandling.

Entering 2014, the real estate market is showing signs of recovery. Vingroup aims to complete the remaining components at our mega projects while also developing new projects. Thus, the future workload and other market challenges will continue to present the BoM, BoD and all employees with heavy responsibilities. Big challenges remain, requiring outstanding efforts from individual units within the group as well as strong support and trust of our Shareholders. For the SC, in order to perform and fulfill our responsibilities, we will have to further extend our efforts, and we look forward to enduring support from the Shareholders and the BoM, together with tight cooperation with the BoD and with functional departments within Vingroup.

On this occasion, on behalf of the SC, I would like to send our best wishes to the Shareholders, the BoM and the BoD and wish our General Shareholders' Meeting a great success!

Thank you.

To:

- As stated above;
- Vingroup archives.

**ON BEHALF OF  
THE SUPERVISORY COMMITTEE  
Head of Supervisory Committee**

(signed)

**Nguyen The Anh**