

Hanoi, April 02<sup>nd</sup>, 2015.

**REPORT ON**  
**ACTIVITIES OF SUPERVISORY BOARD IN 6 MONTHS IN 2014**  
**AND PLAN FOR YEAR 2015.**

Attn to: General Meeting of Shareholders

The year 2014 was the first year Viglacera Corporation operated under the model of a Joint-Stock Company since 02/07/2014. In 2014, global economic situation still had lots of fluctuations affecting production and business activities of the Corporation, domestic economic growth remains slow (GDP increased by 5.98% in 2014 compared to 2013), real estate market has not really recovered, and material production was facing much difficulties. However, thanks to flexible management of the Corporation and commitment of staff, the Corporation have achieved business targets and affirmed its leading position in Building Material manufacturing and trading in Vietnam, as well as its favorable brandname in Real Estates industry, in terms of Industrial Zones, Urban Areas, Commercial Centers and Residences.

Within the scope of responsibilities, functions and powers in compliance with regulations of the Corporation, business law and others, the Supervisory Board would like to report the following contents:

**I- ACTIVITIES OF SUPERVISORY BOARD**

Supervisory Board (SB) consists of 03 members elected in the First Annual General Meeting of Shareholders (AGM). During the last 6 months of 2014, in collaboration with the Board of Management (BOM), the Supervisory Board has performed inspection and supervision, along with department, functional sections, on functional activities and risk management for the management quality improvement of the Corporation.

**Summary of AB's meetings**

Date	Participants	Main content
02/07/2014	3/3	Elected Head of SB; Assigned work to SB's members
27/09/2014	3/3	Summarized and revised Business Results of Quarter 3/2014; Independent auditing report on 21/07/2014; Gave comments on drafts of the Corporation's regulations
06/01/2015	3/3	Summarized SB's activities as assigned; revised auditing work and business results; independent auditing report on 31/12/2014.

The Supervisory Board also coordinated with other departments to check the operations at subsidiaries, joined discussions with independent auditing firm and other supervisory units to complete the SB's work and other tasks required by the BOM.

## II-REPORT ON SUPERVISORY RESULTS

### 1-Supervision on implementation of resolutions issued at the first AGM

During the last 6 months of 2014, Viglacera Corporation has conducted plans approved by the first AGM on 02.07.2014 as follows:

**\*Revenue** of parent company (calculated on the basis of accumulated revenue of all subsidiaries): Actual revenue of 2,463,649 million / Planned revenue of 2,096,709 million, equivalent to 117%.

**\*Profit before tax** in the last 6 months of 2014 (since transformation to JSC on 21/07/2014): Profit before tax of parent company reached 191,582 million, compared to Profit planned under Resolution of 101 800 million, exceeding 88%; Profit of subsidiaries (in accordance with rate of equity) reached 68,570 million, compared to that under Resolution of 53,193 million, exceeding 29%, Profit of affiliates (in accordance with rate of equity) reached 10,269 million, compared to that under Resolution of 673 million.

#### **\*Investment & Development:**

+ **Actual Investment Value** is 1,756 billion, Planned investment value is 1,500 billion, of which:

Area	Planned (billion VND)	Actual (billion VND)
House Leasing and Investment – continue implementing key projects: Dang Xa 2 urban area; Xuan Phuong urban area; Thang Long N01 luxury residences; Social/Low-income housing projects at Dang Xa(phase III), low-income housing in Tay Mo, leasing at Yen Phong urban area	1,388	1,633
Buidling Materials – implementing part of energy-saving glass project; intensive investment projects in: Viglacera float glass; Binh Duong Sanitary Wares	80	0
Rresearch, development and training – mainly invest in resources and facilities for Viglacera R&D Institute, Viglacera Vocational College, scientific research projects as planned	17	17
Preparation for Investment in Industrial zones(IZ) and services: expanded Yen Phong IZ, Phu Ha IZ, Phong Dien IZ, Ha Vang IZ, water treatment plants, etc.	15	106

#### **+ Business Arrangement and Innovation Activities:**

The Corporation has restructured the executive management, organizational structure and financially restructured some units; reviewed and assigned work to representatives of the Corporation's capital in each unit.

Implementing Decision No. 609/BXD, dated 24/06/2013, issued by Ministry of Construction, on the approval of the restructuring scheme of Viglacera Corporation in 2013-2015 period, targeting to 2020, the Corporation has increased funds for Viglacera Ha Long JSC, Viglacera Autoclave

Aerated Concrete JSC, Viglacera Investment and Import-Export company, builded and deployed restructuring projects in Packaging and Brake JSC, Mechanical and Construction JSC.

**\*Payment for for BOM and SB:** in compliance with the range approved by AGM.

No.	Sector	Title	Monthly salary according to AGM's resolution	Actual monthly salary
I	<b>Board of Directors</b>		<b>174.0</b>	<b>174.0</b>
1	Luyen Cong Minh	Chairman	58.00	58.00
2	Nguyen Anh Tuan	General Director, member	58.00	58.00
3	Tran Ngoc Anh	Deputy GD, member	48.00	48.00
4	Luu Van Lau	Member	48.00	48.00
5	Nguyen Quy Tuan	Member	48.00	48.00
II	<b>Supervisory Board</b>		<b>82.0</b>	<b>82.0</b>
1	Ngo Thuy Trang	Head	38.00	38.00
2	Nguyen Thi Cam Van	Member	22.00	22.00
3	Nguyen Hai Long	Member	22.00	22.00

## **2- SB's activities on BOM, Executive Committee and Shareholders:**

**2.1 For the BOM:** In the last 6 months of 2014, the BOM has implemented under Resolutions issued in the first AGM which complied with charter of the Corporation and the provisions of law. The BOM held 37 meetings, issued the 34 resolutions, 03 minutes with the following main contents:

- Arrange organization model and assign staff;
- Approve regulations of the Corporation and subsidiaries;
- Ratify partnership with HANDICO on low-income housing in CT5 Kim Chung Dong Anh - Hanoi;
- Approve investment project and procurement plan at blocks N03, N04 in Dang Xa urban area;
- Resolution to continue cooperation with ASIBO;
- Guarantees and loan authorization for the dependent units;

The BOM and SB participated in weekly, monthly briefings of the executive committee to get updated on implementation of resolutions and business plan.

**2.2 For Executive Committee:** The Executive Committee, consisting of 05 persons (General Director and 04 Deputy General Directors), has: fully implemented resolutions of the BOM, in compliance with the provisions of the law; comprehensively, promptly directed all subsidiaries and affiliates through representatives of the capital for target and result achievement.

**2.3 For Shareholders:** During 06 months of 2014, SB has not received any complaint from shareholders.

**3- Following Laws, internal management rules and regulations:**

The management, functional parts, individuals and relevant units of the Corporation properly follow all laws and internal management rules and regulations.

**4- Proposal of choosing an Independent Auditing Firm for fiscal year 2015:**

Supervisory Board agreed with the goal of choosing a highly independent, reputable, experienced auditing firm which comprehensively understands about the Corporation. The Supervisory Board suggests the Board of Management to submit their proposal of an independent auditing firm for the fiscal year 2015, named AASC, to GAM for approval.

**5- Financial Supervision in 6 months of 2014:**

SB has participated in meetings and regularly discussed with the Independent Auditor of the Corporation (namely AASC) on the auditing scope, audit findings and other important issues needed to be emphasized in audit reports.

The Corporation followed accounting standards, and completed financial reports on time.

Based on monthly, quarterly reports, financial statements produced by AASC on 31/12/2014, SB addressed that the financial situation of the Viglacera Corporation -JSC is balanced. The use, preservation and development of capital are considered through the following basic criteria:

Total assets and total liabilities at the time of 31/12/2014 of parent company is 9,650,963 million VND, decreased by 152,260 million VND compared to the beginning of the period, mainly due to reduction of liabilities of 302,063 million, of which short-term and long-term debts decreased by 56,463 million VND. Consolidated Report of the Corporation is 12,219,692 million VND, decreased by 187,027 million compared to the beginning of a period because liabilities decreased by 459,411 million, of which short-term and long-term debts decreased by 224,310 million.

Liabilities at the time of 31/12/2014 of the parent company is 6,849,746 million, of which: unrealized revenue is 2,598,489 million, mainly from infrastructure leasing at Industrial Zones gradually distributed over the years. Liabilities on the Consolidated Report is 9,287,028 million, of which unrealized revenue is 2,615,667 million.

Equity at 31.12.2014 of the parent company is 2,801,217 million, increased by 149,803 million compared to the beginning of a period; Equity on Consolidated Report is 2,643,515 million, increased by 199,032 million compared to initial term.

No	Item	Unit	Separate Report 31/12/2014	Consolidated Report 31/12/2014
A	BUSINESS RESULTS			
1	Total Profit before tax	Million VND	191,582	323,385

2	Total Profit after tax	Million VND	149,906	259,608
3	Basic profit/share	VND		796
B	OTHER CRITERIA			
1	Overall payables	Times	1.4	1.3
2	Short-term payables	Times	1.4	1.1
3	Quick payables	Times	0.6	0.4
4	Profit after tax/Gross Revenue	%	7.7	5.9
5	Profit after tax /Equity	%	5.5	10.2
6	Profit after tax/Assets	%	1.55	2.1
7	Hệ số vốn vay/Equity	%	47.05	94.88
8	Liabilities/Charter Capital	Times	2.59	3.51
9	Liabilities/Equity	Times	2.44	3.51
C	OWNER'S EQUITY		<b>2,801,217</b>	<b>2,643,515</b>
I	<b>Equity</b>		<b>2,795,719</b>	<b>2,634,729</b>
	In which			
1	Contributed legal capital	Million VND	2,645,000	2,645,000
2	Undistributed earnings after tax	Million VND	150,701	68,126
II	<b>Other capital and funds</b>		<b>5,498</b>	<b>8,786</b>
	Sources for expenditure	Million VND	5,498	8,786
D	NON-CONTROLLING INTEREST	<b>Million VND</b>		<b>289,148</b>

### III-WORK PLAN OF THE BOARD OF SUPERVISORS 2015

The Supervisory Board follows their right duties and responsibilities under the provisions of the Enterprise Law and Corporation's charter, focusing primarily on the followings:

- Monitoring the implementation of AGM's resolution for 2015. Monitoring the execution of the State laws, Corporation's charter, supervising the implementation of resolutions and decisions, the Council Directive Board of Directors.
- Monitoring execution of regulations and procedures of the Corporation and of its departments, units.
- Monitoring the implementation of business plans in 2015.
- Verifying business performance reports, financial reports; Analyzing and assessing financial situation, management and use of equity, capital investments in other business of the Corporation.
- Tracking, monitoring preparation, implementation and finalization of investment projects.
- Coordinating with other departments to complete internal management regulations of the Corporation.
- Improving internal auditing system of the Corporation based on results of consulting firms.

- Other duties as prescribed by Enterprise law and the Corporation.

**Proposal:** To reach the objective of risk management and administration improvement, the Supervisory Board proposes an independent auditing firm to the BOM in order to review regulations, internal control procedures. The internal supervisory system will not affect the independence and objectivity of the independent auditors.

This is a report of the Supervisory Board for the last 6 months of 2014 and plans for 2015, submitted to AGM 2015.

On behalf of the Supervisory Board, we wish you all good health, success!

Thanks and best regards!

ON BEHALF OF SUPERVISORY BOARD

**Head of Supervisory Board**

**Ngo Thuy Trang**