

Activities of independent and non-executive member of Board of Director.

Commenting on organization, production, management, require general director to explain production decisions, executive point of view, solutions to recover capital involved in the projects.

Board of Director's member list of having corporate governance certificate. Board of Director's member list of participating in corporate governance program.

	Full name	Title	Participated in corporate governance conference [IFC & SSC]	Corporate governance certificate
1	Ton That Manh	Chairman	x	x
2	Le Huu Thuan	Member		x
3	Vu Hai Bang	Member		x
4	Nguyen Vu Thinh	Member		x
5	Nguyen Le Phong	Member		x
6	Nguyen Van Nam	Member		x
7	Bui Hai Quan	Member		x





2. Board of Supervisory

The duties of Supervisory Board are stipulated in the Charter of Navifico which was approved by SHAREHOLDERS' GENERAL MEETING (SGM), Supervisory Board would like to report main contents of AGM 2014 as follows:

2.1. Board of Supervisory's activities in 2014

In 2014, Supervisory Board has maintained regular mission by controlling activities through production and business records, documents and attend all meetings of Board of Directors, Board of Management. At the meeting, the Supervisory Board has participated in comments to the Board of Directors, Board of Management about policy, plan, implement production, business, finance, information published, such as:

- Control the process of developing and implementing business plans production.
- Control the development and implementation of regulations and internal rules of the company.
- Controlling the implementation of resolutions of the general meeting of shareholders in 2014.
- Control the disclosure of information under the regulations of the Stock Exchange.
- Control of the financial statements of the Company on a quarterly basis, considering the transparency of the flow of documents.

Supervisory Board has reviewed operating contents under the assigned tasks

2.1.1 Review of Annual Report in 2014

a) Board of Supervisory agreed with opinion of auditors on report number 0613240/AISC-D7 for company's financial statements for financial year on 31/12/2014, prepared on 06-03-2015.

Through the examination of Board of Management's report, discussed with the auditors and review of relevant documents (Audit Letter).

b) Quarter reports of the year: The implementation of quarter reports for the full year that met content and form in accordance with regulations.

Prepare and send financial statements in compliance with regulations, timely to serve corporate governance and update information to shareholders

c) Assessment of management and financial control in 2014:

Supervisory Board agreed with data as well as comments made in the 2014 Audit Report;

- Accounting records, full statistics, obviously, stored in accordance with provisions of Accounting and Statistics.
- Examination of cash reserves, raw materials, periodical inventory, balance of company's capital preservation.
- Through 2014 financial report, Supervisory Board believes that there is the need to continue to improve in 2015:

	Unit	2013	2014	Compare (+/-)	Compare %
Net sales	Vnd	186,937,500,476	208,579,550,863	21,642,050,387	11.58%
Selling expenses	Vnd	6,441,931,108	9,601,727,398	3,159,796,290	49.05%
General & administration expenses	Vnd	11,791,670,076	16,838,661,099	5,046,991,023	42.80%
Interest expenses	Vnd	4,887,240,333	3,308,272,260	(1,578,968,073)	-32.31%

Ratios on Net sales

	Unit	2013	2014	Compare %
Selling expenses	%	3.45%	4.60%	1.15%
General & administration expenses	%	6.31%	8.07%	1.76%
Interest expenses	%	2.61%	1.59%	-1.02%

Net sales increased by 11.58% over the same period causes selling expenses and administration expenses to increase. Profit is not sustainable relating to the quality of sales forecast and business plan.

	Unit	2013	2014	Compare (+/-)	Compare %
Net sales	đồng	186,937,500,476	208,579,550,863	21,642,050,387	11.58%
Net accounting profit	đồng	4,717,910,677	9,307,681,654	4,589,770,977	97.28%

Proportion of Net sales

	Unit	2013	2014	Compare %
Interest expenses	%	2.61%	1.59%	-1.02%
Borrowings	%	75.83%	74.21%	-1.62%
Payments of borrowings	%	73.54%	81.39%	7.85%
Cost of Sales	%	85.79%	82.11%	-3.68%

- % Interest expense in 2014 decreased 1.02% over the same period.
- % Cost of sales in 2014 fell 3.68% over the same period.

There are two key factors that contribute to increase company's profits in 2014
Company's assets:

	Unit	31/12/2013	31/12/2014
Fixed assets (Closing balance)	đồng	36,959,738,247	33,533,255,507
Intangible fixed assets (Closing balance)	đồng	13,774,278,800	13,774,278,800
angible fixed assets (Closing	đồng	21,074,544,323	19,332,500,112

Residual value of tangible fixed assets is 19,332,500,112 Vnd showed that production line is old, lack of uniformity and not commensurate with scale and expected growth of the company.

2.1.2 Monitoring resolutions and decisions of Board of Directors in 2014

Supervisory Board is regularly invited to attend meetings of Board of Directors, and found that:

- Meetings, contents; resolutions, decisions and documents of Board of Directors are in accordance with Enterprise Law, Securities Law, Charter of Company.
 - Implementation of dividend payment is in accordance with resolution of the Assembly General Shareholders transparently, the regulations of the State.
 - Resolutions and Decisions of Board of Directors that showed the goals of Shareholders General Meeting in 2014.
- Supervisory Board agreed with contents of evaluation carried out in 2014 and explanation of reasons for not completing the main criterias as the report of Board of Directors.

2.1.3 Monitoring Board of Management's operating activities

	Unit	Resolution 2014	Implementation 2014	Compare
Net sales	Vnd	207,550,000,000	208,579,550,863	100.50%
Net accounting profit before tax	Vnd	9,230,000,000	9,307,681,654	100.84%
Dividends paid	%	6.00%	6.00%	100.00%

Supervisory Board agreed with assessment in the report of General Director about existing problems, weaknesses and suggestions to overcome these weaknesses.

2.1.4 Evaluation of coordination between Supervisory Board, Board of Directors, Board of Management

With responsibility, building and cooperation during the operation, perform tasks assigned by the shareholders, Supervisory Board has always cooperate, exchange and feedback frankly and truthfully with Board of Management in the construction of regulation, contents of the meeting, resolutions and Decisions of Board of Directors. Supervisory Board also regularly reviews, comments to Board of Management in production and business activities to suit the objectives of the company, Board of Directors, policies and regulations.

2.1.5 Shareholders' reviews

In 2014, Supervisory Board was not received complaints and denunciations in written by shareholders for wrong commitments cause by Board of Directors, Board of Management, Supervisory Board in the execution of assigned tasks.

2.2. Supervisory Board's reviews and recommendations

In 2014, Board of Directors and Board of Management has made efforts to find solutions to implement resolutions of Annual General Meeting in 2014, completed main economic indicators specified in resolution of Annual General Meeting.

Supervisory Board recommended Board of Directors, Board of Management:

- Consider and acquire comments to improve management in accordance with recommendations of auditing firm.
- Early submit relocation plan, expanding the range of financial investments (project transfer, raising capital) for the land which located at 18F Tang Nhon Phu, Phuoc Long B Ward.
- Continue to improve management of production, quality, cost;

Maintaining good performance and cost savings such as energy, cost of materials and tools in production ..., lower production costs.

Focus on improving product quality through inputs materials quality management, and comply with production process. Diversification of product, enhance innovative designs and product specifications to meet the needs of the market.

- Continue to improve and amend consumption policy, sales and debt collection ... to increase business efficiency, increase the rotation of capital, as well as the effective management.
- Raise awareness and responsibility of the management staffs, uncompromising discipline, do not use incompetence managers.

2.3. Conclusion

Activities of company in the last year complied with Enterprise Law, Securities Law, Charter of company, relevant regulations and to abide the decision of Annual General Meeting and resolutions of Board of Directors. Information disclosure complied with relevant regulations that applied to listed companies.

Here is a report on activities of Supervisory Board in 2014 and recommendations to Board of Directors, Board of Management, Supervisory Board would like to request Shareholders General Assembly for consideration and approval. /.



Board of Supervisory and related persons:

No	Name of organization/individual	Title/Relation with internal shareholders	Owned (shares)
1	Nguyen Dinh Minh	Head of Supervisory Board	-
	Le Thi Be	Mother	-
	Nguyen Thanh Nhan	Wife	-
	Nguyen Anh Thu	Daughter	-
	Nguyen Dinh Minh Khang	Son	-
	Nguyen Dinh Ai	Brother	-
2	Nguyen Ngoc Dung	Member	93,856
	Đinh Thi Bích Thanh	Wife	-
	Nguyen Trung Nghia	Son	-
	Nguyen Trong Nhan	Son	-
3	Vu Thai Hoa	Member	62,180
	Bach Le Phuong	Wife	-
	Vu Hai Linh	Daughter	-