

Ho Chi Minh city, 25th April 2015

REPORT OF INSPECTION COMMITTEE

To: Shareholders of Nam Long JSC

- Pursuant to the functions and tasks of the Inspection Committee stated in Article 121 – 127 of Law on Enterprises and Article 33-34 of the Charter of Nam Long Investment JSC;
- Pursuant to the consolidated financial report for year ended 31 December 2014 of Nam Long Investment JSC, audited by Ernst & Young Vietnam;
- Based on the supervisory results of the business operations of Nam Long Investment JSC in 2014;
- Implementing the tasks of the Inspection Committee as stated in the company charter, the Inspection Committee would like to report on the operation results in 2014 as follows:

A. OPERATIONS OF THE INSPECTION COMMITTEE

The members of the Board during the year 2014 and the date of the report as follows:

- Mr. David Yip Chong Kuan - Appointed on 26 April 2012
- Mr. Vuong Thuan - Appointed on 5 May 2011
- Mr. Timothy Thien Chau - Appointed on 25 April 2014

The Inspection Committee voted Mr. David Yip Chong Kuan to be the Committee Head on 23 June 2014.

Functions of the Inspection Committee include:

1. Organizing quarterly meetings.
2. Attending the quarterly meetings of the Board of Directors during the year.
3. Appraising the financial reports and annual business plan of the company periodically.
4. Appraising the report by the independent auditor.
5. Advising the Board of Management regarding accounting, auditing and information publishing issues.

B. REPORT ON THE OPERATION IN 2014 AS FOLLOWS:

I. Appraisal on business operations in 2014

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Item	Actual	Business Plan	Actual/Plan	%
Gross revenue	866.93	1,073.71	(206.78)	(19.26)
Cost of goods sold	(562.75)	(737.07)	174.32	23.65
Gross profits	304.17	350.64	(46.47)	(13.25)
Rate of gross profits (%)	35.09	32.66	2.43	
Profits from business operation	115.30	136.82	(21.52)	(15.72)
Profits before tax (EBT)	139.13	136.82	2.31	1.68
Profits after tax	103.39	99.65	3.74	3.75

Appraisal comments:

- (a) Actual profits after tax achieved as targeted. Financial indices were positive in general.
- (b) The company effectively used financial measures to stabilize capital and reduce costs of capital.
- (c) Continuous good business results thanks to affordable housing product. Ehome has already had its foothold in the market.
- (d) Successful capital mobilization showed that local and international investors appreciated the management and business plan by Nam Long.

II. Appraisal of financial report

The Inspection Committee appraised the consolidated financial report 2014 of Nam Long Investment with supervising and exchanging information with accounting department. We noted that the accounting records conformed to the accounting standards regulated by Ministry of Finance. The financial reports are prepared regularly every quarter. The company has followed the regulations on report and information announcement.

(a) Summarized balance sheet

VND

	This year	Previous year
ASSETS		
A Current assets	3,390,886,030,630	2,865,166,180,486
Receivables	319,820,924,756	275,646,375,838
Inventories	2,610,299,543,869	2,359,796,817,078
Other assets	86,769,023,309	62,734,723,295
A Long term assets	538,534,924,333	458,550,308,580
Fixed assets	54,543,181,955	53,431,920,229
Investment	289,981,848,307	259,657,964,485
Other assets	194,009,894,071	145,460,423,866
TOTAL ASSETS	3,929,420,954,963	3,323,716,489,066
CAPITAL		
A. Payables	1,938,207,790,008	1,741,546,198,036
B. Equity	1,933,690,678,758	1,290,027,045,815
C. Minority interests	57,522,486,197	292,143,245,215
TOTAL CAPITAL	3,929,420,954,963	3,323,716,489,066

(b) Summarized Income Statement

VND

Item	This year	Previous year
1. Net revenue from sales and services	866,929,052,587	601,746,505,592
2. Costs of goods and services	(562,755,566,552)	(370,250,973,823)
3. Gross profits from goods sales and services	304,173,486,035	231,495,531,769
4. Profits from financing activities	9,374,184,141	(29,381,512,940)
7. Costs of financing activities	(39,794,044,651)	(39,794,044,651)

8. Costs of sales and business management	(198,242,734,749)	(146,247,543,093)
9. Net profits from operations	115,304,935,427	55,866,475,736
10. Other profits	23,832,351,117	81,658,340
11. Total profits before tax	139,293,611,354	55,627,243,020
12. Profits after CIT	103,553,887,958	34,492,060,979

Appraisal comments:

In our opinion, the audited financial report of Nam Long Investment JSC reflected the fact of the main points of financial situation on the date 31 December 2014. The report was done pursuant to accounting standards in Vietnam as well as relating regulations.

C. REPORT ON APPRAISAL OF MANAGEMENT OF BOARD OF DIRECTORS (BOD)

1. BOD organized quarterly meetings to evaluate the results of business operations in the previous quarter as well as to plan for the following quarters.
2. BOD formed subcommittees which were specialized in each field in order to have useful advices for better management.
3. The resolutions by BOD in 2014:
 - a. are legal and in accordance with regulations and resolution of General Shareholders' Meeting; and
 - b. are the long-term orientation and suitable measures for business operations.
4. Meeting contents are practical and in timely manner to resolve the arising issues of the company.
5. Members of the BOD fully conformed to regulations, management regulation, and resolution of General Shareholders' Meeting and carried out their tasks actively, diligently and responsibly.
6. The internal supervision shows its effectiveness in detection and minimization of management.

D. REPORT ON APPRAISAL OF MANAGEMENT OF BOARD OF MANAGEMENT (BOM)

(1) Some major work carried out by the BOM:

- (a) Working out orientation and long term plan for 3 years 2014-2016.
- (b) Ehome quality convinced buyers and investors.
- (c) Good sales of Ehome 3, Ehome 4, Ehome 5 projects, contributing to leadership position of Nam Long in affordable apartment market.
- (d) Making breakthrough changes in human resources in recruiting and appointing capable management team and creating dynamic-enthusiatic-effective working culture in the company.

(2) Comments

- (a) Management apparatus to be streamlined for cost reduction and improvement of management and making decision.
- (b) To improve forecast ability in order to improve long term business plan proposal.

(3) Conclusion:

- (a) Management and execution by BOD conformed to the law and regulations, as well as management regulation and resolution by General Shareholders' Meeting.
- (b) BOD carried out their duties dynamically and diligently.

- (c) Even though the revenue target in 2014 was not achieved, sales revenue was sufficient to fund business operations and reserve for 2015 and 2016.
- (d) If the core business is defined for apartment and affordable housing, BOD has well implemented their duties. It's the remarkable efforts of BOD to not only contribute to business result 2014 but also to be basis for sustainable development of the company in the following years.

(4) Joint operations of Inspection Committee, Board of Directors and Board of Management

- (a) Inspection Committee was provided with information about resolutions, decisions of BOD fully and timely.
- (b) Inspection Committee was also invited to regular or extraordinary meetings of BOD.
- (c) Generally, Inspection Committee was facilitated by BOM and BOD to properly implement its duties.

E. GENERAL RECOMMENDATIONS

- (a) To review missions and regulations of member companies in order to make sure that they are suitable to financial management of the group.
- (b) To make the accounting team more effective, meeting requirements of management work and management information providing.
- (c) To have solutions to optimize the use of assets by quickly implementing the key projects.
- (d) To have solutions for better management of price and cost for better business performance.
- (e) To complete the yearly budgeting.
- (f) To build up the standards for all businesses in order to accurately measure the performance of each management level.

The above content is the report by the Inspection Committee of Nam Long Investment JSC submitting to the annual General Shareholders' Meeting 2015. We would like to take this occasion to express our gratitude to the Board of Directors, Board of Management and all staffs in the divisions and departments for your support the Inspection Committee to fulfill our duties to the shareholders.

ON BEHALF OF INSPECTION COMMITTEE
Head of Inspection Committee



David Yip Chong Kuan