

TRANSLATION

REPORT OF THE INSPECTION COMMITTEE IN 2016

Based on rights and obligations of the Inspection Committee and Member of Inspection Committed prescribed in Law on Enterprises 2014;

Based on Searefico's Charter;

Based on Operation regulation of Searefico's Inspection Committee;

Based on the results of the inspection and supervision activities of the Inspection Committee in 2016, the Inspection Committee would like to report the activities in 2016 as follow:

I. Summary of the Inspection Committee's activities in 2016:

1. General content:

Members and structure of the Inspection Committee

No.	Full name	Position	Number of holding shares	Rate
1	Bui Van Quyet	Head of Inspection Committee	-	-
2	Lam Hoang Vu Nguyen	Member of Inspection Committee	600	0.002%
3	Do Trong Hiep	Member of Inspection Committee	-	-

Summary of the Inspection Committee's activities

No.	Date of meeting	Content	Result
1 st time	15/3/2016	Checking the Financial Statement of 2015; Evaluating the performance of the Inspection Committee, the Board of Directors, the Board of Management in 2015 and approving the documents submitted to the AGM.	Members of the Inspection Committee agreed on the financial statements of 2015 and documents submitted to the AGM
2 nd time	26/5/2016	Checking the Financial Statement of Quarter I/2016; Evaluating the implementation of the contents and targets approved by the AGM.	Members of the Inspection Committee agreed on the Financial Statements of Quarter I/ 2016 (Parent and consolidated financial statements)
3 rd time	9/8/2016	Checking the Financial Statement of Quarter II/2016; Evaluating the activities of the Inspection Committee, Board of Directors, Board of Management in the first 6 months of 2016; Evaluating the implementation of the contents and targets approved by the AGM.	Members of the Inspection Committee agreed on the Financial Statements of Quarter II/ 2016 (Parent and consolidated financial statements)
4 th time	15/11/2016	Checking the Financial Statement Quarter III/2016; Evaluating the activities of the Inspection Committee, Board of Directors, Board of Management in the first 9 months of 2016	Members of the Inspection Committee agreed on the Financial Statements of Quarter III/ 2016 (Parent and consolidated financial statements)

The Inspection Committee's operation program in 2016 was to hold a meeting to set up the work plan for the Inspection Committee during the year, including the assigned tasks of each Inspection Committee's member as follows:

- ✓ The Inspection Committee fully participated in meetings of the Board of Directors, discussed and contributed opinions to the issues presented and approved during the meeting.
- ✓ The Inspection Committee reviewed quarterly and annual financial statements, to consider the organization, recording and archiving of accounting books, compliance with accounting standards and regimes.
- ✓ The Inspection Committee promptly informed the results of the Inspection Committee's activities and the necessary recommendations to the Board of Directors and the Board of Management in accordance with regulations. The reports of the Inspection Committee were approved by the Board of Directors before submitting to the AGM.
- ✓ The Inspection Committee has coordinated with the independent Audit and the Company's Internal Audit in effectiveness control, report on controlling transparency and truthfulness and making recommendations for the Board of Directors, Board of Management to manage effectively, minimize risks, and comply with the law and the company's charter.
- ✓ During the year, the Inspection Committee coordinated with the Company's Internal Control Board to conduct quality control at sites, such as: Gate Way Thao Dien, Vista Verde District 2, Vinhomes Landmark 1, Capella Center, Viettel, Garden Gate.

2. Evaluation of the Inspection Committee on the Company's operating result and the implementation of the AGM's resolutions in 2016

No.	Item	Unit	2015	2016	2016/2015
1	Total asset	Billion VND	1,099	1,335	21.50%
2	Owners' equity	Billion VND	414	448	8.14%
3	Net revenue	Billion VND	1,044	1,316	26.05%
4	EBT	Billion VND	79	115	44.58%
5	EAT	Billion VND	65	96	47.27%

Evaluation of the Inspection Committee's

- *Revenue, profit:*

In 2016, net revenue of goods and services reached 1,316 billion VND, increased by 26% compared to 2015 and fulfilled more than 94% of the AGM's set target. EBT reached 115 billion VND, EAT reached 96 billion VND (including income from on land assets transfer), increased by 44% and 47% respectively over the same period and exceeded 64% and 60% the plan, respectively. If excluded the income from the on land assets transfer and related expenses, the profit target was still exceeded the AGM's approved target.

Other financial targets: The solvency, profitability and operational performance targets have remained well and stable over the years.

- *Dividend payment:*

In April 2016, the Company paid the second dividend of 15% share's par value in accordance with the resolution of the AGM for the fiscal year of 2015, raising the total dividend for the fiscal year 2015 to 20% of outstanding share's par value.

In November, the company advanced the first dividend of 8% on par value for the fiscal year 2016.

- Remuneration for Board of Directors and Inspection Committee in 2016: Remuneration for Board of Directors in 2016 was 750 millions VND, Inspection Committee was 216 millions VND. Therefore, the total remuneration of the Board of Directors and Inspection Committee in 2016 was 966 millions VND, not exceeding 1 billion VND as proposed by the AGM from the beginning of the year.

Supervisory results for the Board of Directors , the Board of Management and Managers

- ✓ The Board of Directors, Board of Management held meetings, promptly promulgated resolutions and decisions on the company's business activities, fully complied with the provisions of the law on management. The members of the Board of Directors and the Board of Management have well performed their assigned functions and tasks in accordance with the Charter and resolutions passed by the AGM;
- ✓ The internal control system operated effectively, report on ensuring transparency and honesty, made recommendations to help the Board of Directors and the Board of Management manage effectively, minimize risks, complied with the provisions of law and the company's Charter;
- ✓ The Board of Directors and the Board of Management have strictly provided full information in time, truthfully and objective on the basis of the examined documents or the company's approved formal reporting system;
- ✓ CEO has fully and seriously implemented the Board of Directors' resolutions, strictly abide by the State's policies and regulations in production management.
- ✓ CEO has had the capacity to manage and operate the company, however, there were objective impacts such as: changes in microeconomics' policies, interest rates, inflation, rising prices ... building challenges for CEO's management and operation.
- ✓ The financial statements of the Company complied with the Vietnamese accounting system and standards. Full and in time organizing, recording, keeping accounting books, financial reports in accordance with regulations. Information on financial situation was disclosed transparently and publicly to meet the relevant authorities and investors' requirements. The Inspection Committee agreed on the audited financial statements of PWC.
- ✓ The company has well implemented the law, the government's policies and regimes such as the enterprises law, the labor law, employees policies and regimes and duty to pay taxes to the government.

Evaluation of the coordination between the Inspection Committee, BOD and BOM during the year

- ✓ The Board of Directors and Board of Management provided sufficient information and documents related to the Company's operations and facilities to serve inspection and audit work under the Inspection Committee's request;
- ✓ Meeting invitation of the Board of Directors and enclosed documents were fully sent to the Inspection Committee in time and in accordance with regulations. The Inspection Committee attended all meetings of the Board of Directors, discussed and commented on issues presented and passed during the meeting;
- ✓ The Inspection Committee promptly informed the results of the Inspection Committee's activities and the necessary recommendations to the Board of Directors and the Board of Management in accordance with regulations. The reports of the Inspection Committee were approved by the Board of Directors before submitting to the AGM.

II. The Inspection Committee's recommendations and operating orientations in 2017

In the fiscal year 2016, the company has successfully implemented the AGM's approved resolutions and the financial situation was healthy. The Inspection Committee, the Board of Directors and the Board of Management of Searefico have performed their functions and duties in accordance with the Law on Enterprises and the company's Charter.

In order to develop and implement the AGM's resolution for the fiscal year 2017, the Inspection Committee sets out the direction for operating in 2017 as follows:

- ✓ Continuing to maintain good function of checking and monitoring quotas and economic plan contents which were approved by the AGM, ensuring efficiency, transparency and publicity for benefit of shareholders and the company;
- ✓ Approaching and participating in internal control activities to collect information for advising the Board of Directors and the Board of Management on reducing costs and administration expenses;
- ✓ Researching and advising the Board of Directors, the Board of Management on the appropriate and effective restructuring of financial investment.



On behalf of the Inspection Committee

Head of Inspection Committee

(Signed)

BUI VAN QUYET

