



PERFORMANCE REPORT AND ASSESSMENT FOR 2019

THE SUPERVISORY BOARD OF IMEXPHARM CORPORATION REPORT AT THE GENERAL MEETING OF SHAREHOLDERS

Reporting period: The financial year ended December 31, 2019

Cao Lanh City, April 17, 2020

Valued Shareholders,

In accordance with

- Articles on rights and obligations of the Supervisory Board provided in the Enterprise Law No. 68/2014/QH13 dated November 26, 2014;
- Articles on rights and obligations of the Supervisory Board provided in the Charter of Imexpharm Corporation (“Company”) dated April 26, 2016; and
- The Charter of the Supervisory Board of Imexpharm Corporation dated October 26, 2018;

We, the Supervisory Board of Imexpharm Corporation, supervised operations of the Company in the financial year ended December 31, 2019. Specific contents of the Report include:

KEY ACTIVITIES OF THE SUPERVISORY BOARD IN 2019

Activity	Date
Supervising the implementation of 2018 AGM Resolution	
Supervising financial statements of the year ended December 31, 2019	
Meeting with the Board of Directors - 1st Quarter 2019	March 7, 2019
Meeting with the Board of Directors - 2nd Quarter 2019	July 31, 2019
Meeting with the Board of Directors - 3rd Quarter 2019	October 25, 2019
Meeting with the Board of Directors - 4th Quarter 2019	February 13, 2020
Participation in internal control sessions of the Company	2019
Discussing with Internal Audit of the Company	2019

Through strategic supervision activities, operations control and auditing financial statements, the Supervisory Board hereby submits this report to the General Meeting of Shareholders with detailed contents as follows:

RESULTS OF IMPLEMENTATION OF THE RESOLUTION OF THE GENERAL MEETING OF SHAREHOLDERS 2018

The Board of Directors and Executive Board of the Company fully implemented the Resolution of the General Meeting of Shareholders 2018 and complied with legal regulations and the Company Charter in the management activities.

In term of distributing profits of the financial year 2018, cash dividends at 20% of share par value were paid to shareholders on July 11, 2019 and full distributions have been duly made to the investment and development fund and the bonus and welfare Fund.

As for business results in 2019, the Company achieved 98.0% of the planned total revenue and 101.1% of the planned profit before tax (profit

before tax and distribution for Fund for Science & Technology Development).

	Planned	Achieved	Completed
Total revenue (VND billion)	1,450.0	1,420.7	98.0%
Profit before tax and distribution for Fund for Science & Technology development (VND billion)	220.0	222.4	101.1%

In regard to the selection of auditor, the Board of Directors and Supervisory Board selected PwC Vietnam Ltd. Co. to audit Interim financial statements and financial statements for 2019.

BALANCE SHEET

We supervised financial situations of the Company and reviewed the auditor's report. We agree with the independent auditor's notes on figures of assets as of December 31, 2019. We took into consideration the in-term changes of assets, liabilities and capital with the following remarkable points:

	Audited value	Ratio	Change	Comments
Unit: VND million	12/31/2019	%	%	
CURRENT ASSETS	779.755	42.2%	-6.6%	
Cash and cash equivalents	75.036	4.1%	-60.6%	- If term deposits at banks were recorded in the value of investment held to maturity, the cash and cash equivalents of

				the Company at the end of 2019 were VND76.5 billion, lower than VND190.7 billion at the end of 2018 since the Company continued to disburse investment in two high-tech factory projects of Vinh Loc and Binh Duong.
Short-term financial investments	5.188	0.3%	21.2%	<ul style="list-style-type: none"> - During the year, the Company divested from DHG and did not make any new financial investments. - The balance of provision for devaluation of financial investments at the end of 2019 was 3.1 billion VND, higher than to the provision of VND2.4 billion at the end of 2018, due to additional provisions made for short term investments. In our opinion, such distribution of provision for devaluation was sufficient and in accordance with existing regulations.
Short-term receivables	329.717	17.8%	13.7%	
+ Trade receivables	254.244	13.8%	37.1%	<ul style="list-style-type: none"> - The proportion of trade receivables for therapeutic product lines and the market product lines was 52.2% and 47.8% respectively (2018: 24.3% -75.7%). - Proportion of overdue receivables (overdue from 1 month to over 3 years) accounted for 23.4% of total trade receivables, higher than 17.5% and 24.7% in 2018 and 2017 respectively. - Out of overdue receivables, the proportion of debt for therapeutic product lines was 35.4%, equivalent to VND21.1

				<p>billion (2018: VND9.8 billion) and the rest was overdue receivables for the market product lines, accounting for 64.3%, equivalent to VND38.4 billion (2018: VND22.7 billion) These fluctuations were mainly attributed to the Company's increased investment in therapeutic product lines in the fourth quarter and in promoting market channel sales programs at the end of the year.</p> <p>- Normally revenues from the therapeutic product line has the payment term of over 3 months with low risk of bad debt. Currently, the ratio of overdue receivables over 3 months of the therapeutic product line is 31.2%, down from 2018 (38.2%). Similarly, for the market product line, the ratio of overdue debts over 3 months accounted for 33.5% of the total, down from 2018 (42.5%). However, debts overdue for over 3 months in both ETC and OTC channels increased (ETC: VND6.6 billion, compared to VND3.7 billion in 2018; OTC: VND12.9 billion, compared to VND9.7 billion in 2018). Therefore, the Company needs to monitor closely such ratios and ask to settle these debts to minimize the risk of bad debts.</p>
+ Advanced payments to suppliers	56.240	3.0%	-29.9%	- Including: VND26,576 billion purchase of assets, the rest is to cover the costs of registering for European visa,

				bioequivalence testing and purchasing materials and conducting Pre-Audit for IMP4 factory.
+ Provision for short-term receivables which are difficult to collect	(14.432)	-0.8%	15.5%	<p>- Within the year, the Company made additional provision of VND1.9 billion for overdue receivables. In addition, in 2019, the Company has recovered VND1.3 billion out of VND12.5 billion doubtful receivables whose provisions have been made at the end of 2018, completed legal procedures to seek judicial agencies' intervention in collecting VND11.0 billion (of which VND3.7 billion was entrusted to a judgment enforcement agency, VND2.1 billion was entrusted to the Court and VND5.3 billion was entrusted to the police); and performed write-off of VND0.4 billion.</p> <p>- As for arising bad debts in 2019, the Company applied its financial management regulations to settle such bad debts, while took legal actions in some cases to recover the debts.</p>
Inventories	350.457	19.0%	8.2%	- Inventory increased mainly due to (i) the Company' stored materials for production (accounting for 63.7% of the total inventories) went up by 38.5% compared to 2018 based on predictions that material prices could fluctuate, and (ii) finished products (accounting for

				<p>29.4% of the total inventories) increased by 22.2% compared to 2018 as the Company reserved goods before expiry of registration and produced goods by order. Therefore, the average days of inventories increased from 135 days in 2018 to 140 days 2019.</p> <p>- We would like to recommend that the company should stringently manage inventory at branches, sales departments should take measures to boost revenue of products in stock to mitigate the risk of slow inventory flow, which could adversely affect product quality and force opening provision for devaluation of stocks.</p>
Other short-term assets	19.358	1.0%	-26.5%	
NON-CURRENT ASSETS	1,067,419	57.8%	13.6%	
Fixed assets	967.262	52.4%	12.1%	
Tangible fixed assets	405.882	22.0%	67.3%	<p>- During the year, the Company invested VND202.7 billion to acquire additional tangible fixed asset including buildings and architectural objects (VND55.2 billion) and machinery and equipment (VND129.8 billion); office equipment and supplies (VND13.9 billion); means of transport and transmission (VND3.8 billion).</p>
Intangible fixed assets	71.082	3.8%	-2.3%	<p>- During the year, the Company recorded an increase of VND341 million in the Backup software for the server system.</p>

Long-term construction in progress	490.298	26.5%	-10.5%	- Construction in progress includes machinery for high-tech factories - VND403.9 billion, Binh Duong high-tech pharmaceutical factory - VND68.5 billion, with the rest being items such as machinery (VND5.0 billion), other construction in progress (VND11.3 billion), purchase of Binh Duong sales branch (VND11.2), and internal roads in the Company's head office.
Long-term financial investments	51.678	2.8%	25.8%	- During the year, IMP exercised the right to purchase additional shares issued by Agimexpharm Pharmaceutical Joint Stock Company, with an investment value of VND10.6 billion, thereby maintaining the ownership ratio of 32.99% at this associate.
Other long-term assets	46.060	2.5%	44.6%	
TOTAL ASSETS	1,847,174	100.0%	4.1%	
LIABILITIES	288.285	15.6%	6.9%	
Current liabilities	262.454	14.2%	11.0%	
Short-term borrowings and liabilities	37.579	2.0%		- These include short-term loans from Sacombank, Dong Thap Branch of VND20 billion, Shinhan Bank - North Saigon Branch VND3.2 billion, Vietinbank Sa Dec Branch VND14.376 billion
Short-term trade payable	90.859	4.9%	-16.7%	- Trade payables decreased to VND90.9

				billion, including asset purchase of VND8.6 billion, purchase of raw materials and promotional goods.
Deferred short-term revenue	21.422	1.2%	141.2%	- This is the advance payment to buy drugs from partners to participate in biddings for therapeutic product line.
Short-term payables	48.305	2.6%	-21.9%	- Short-term payables decreased mainly due to lower royalties, market research and development costs, etc.
Non-current liabilities	25.831	1.4%	-22.1%	
Long-term borrowings and liabilities	-	-	-	
Fund for Science & Technology Development	25.281	1.4%	-22.5%	<p>- In 2019, the Company made an additional contribution of VND20 billion from pre-tax profit for the Science and Technology Development Fund and used VND27.3 billion for items such as: Purchase of new tangible fixed assets (VND0.26 billion), bioequivalence testing (VND7.5 billion), upgrading at IMP3 (VND11 billion), investment in IMP4 factory (VND4.2 billion), innovation initiatives (VND0.32 billion), etc.</p> <p>- It is expected that in 2020 the Company will continue to use the Science and Technology Development Fund for new factory investment projects, and no additional distribution will be made to the Science and Technology Development Fund from pre-tax profits generated in</p>

				2020.
OWNERS' EQUITY	1,558,889	84.4%	3.6%	
Owner's equity	1,558,889	84.4%	3.6%	
Paid-in capital	494.212	26.8%	0.0%	- Owner's equity in the year increased after the dividend payment in 2017 in shares at the ratio of 100: 15.
Share premium	601.241	32.5%	0.0%	
Investment and development fund	303.580	16.4%	7.7%	
Retained earnings	157.795	8.5%	26.1%	
TOTAL LIABILITIES AND OWNERS' EQUITY	1,847,174	100.0%	4.1%	- The debt to equity ratio was 15.6% - 84.4% in the capital structure (2018: This proportion was 15.2% - 84.8% respectively) .
KEY INDICATORS				- Ratios including the current ratio and quick ratio decreased compared to 2018 as a result of the Company's use of cash for capital construction and increase in short-term loans to finance working capital needs.
Quick ratio (x)	1.6			- 2018: 2.3
Current ratio (x)	3.0			- 2018: 3.5
Average days of trade receivables	60			- 2018: 63 days
Average days of inventories	140			- 2018: 135 days
Financial investments/Total assets (%)	0.4 %			- 2018: 0.4%
Provision for	39.2 %			- 2018: 32.3%.

devaluation/Total value of investments				- The balance of provision for devaluation of securities investments in 2019 was VND3.1 billion, higher than VND2.4 billion in 2018, due to additional provisions made for investments in MKP.
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BUSINESS REPORT

We agree upon audited figures of business results in 2019 and hereby make several notes as follows:

	Audited value	Change	Comments
Unit: VND million	2019	%	
Net revenue	1,402,454	18.4%	<ul style="list-style-type: none"> - Net revenue in 2019 increased sharply compared to 2018, mainly because of the strong growth across nearly all product lines, namely (i) joint venture and Imexpharm branded products increased dramatically by 22.3%, accounting for 89.8% of the total revenue (2018: 86.9%) and (ii) franchise categories increase by 42.5%, accounting for 6.8% of the total revenue (2018: 5.7%). - In continuing the recovery momentum in 2016-2018, the revenue from therapeutic product lines of Imexpharm's joint venture and brand products increased by 115.8% in 2019 (2018: + +8.8%), higher than the growth rate of the market product lines which only increased by 0.8% (2018: +1.2%). As a result, the contribution to turnover between therapeutic product lines and the market product lines was 66.2% -33.8%, respectively compared to 80.7% -19.3% in 2018. The revenue from the intensive therapeutic product lines was positive thanks to the contribution of injection products Cephalosporins and Penicillin, specialty medical products with bioequivalence testing advantage and the development of private health care. In addition,

			<p>in 2019, sales of therapeutic product lines via partners continue to increase sharply, accounting for more than a quarter of the total therapeutic line revenues.</p> <ul style="list-style-type: none"> - According to the Executive Board, in the year, the Company continued to focus on quality management of revenue and debt from the market product lines, including shortened terms of payment from 105 days in 2016 to 75 days (applicable as of January 01 2017), further down to 45 days as of July 1, 2018, and only 30 days as of July 01, 2018. - Revenues from franchise bounced back because some products with expired registration licenses have regained authorization for production and marketability in 2019.
Cost of goods sold	874.535	22.3%	
Gross profit	527.920	12.4%	<ul style="list-style-type: none"> - The gross profit margin of the Company decreased to 37.6% compared to 39.6% in 2018 due to the fact that higher share of Imexpharm's joint venture and brand products in the total revenues only contributed lower share in the gross margin (50.1% as compared to 54.6% in 2018) given changes in distribution channel structure where therapeutic lines' revenues went up but gross profit went down, leading to lower gross profit margin. The upside is this sales channel involves very low selling cost, and hence contributes higher to operating profits.
Income from financial activities	10.079	-46.6%	<ul style="list-style-type: none"> - During the year, the Company received VND4.1 billion of dividends from investments (2018: VND269 million). However, due to the disbursement of capital construction investments,

			interest income from the deposits in 2019 decreased to VND2.6 billion (2018: VND5.6 billion) and profit from divesting from financial investment was also lower than 2018, leading to lower financial revenues in 2019.
Expenses of financial activities	18.694	6.2%	- Financial expenses increased due to (i) interest expenses increased from VND1.3 billion in 2018 to VND3.7 billion, and (ii) payment discount increased from VND10.9 billion in 2018 to VND13.8 billion.
<i>Interest expenses</i>	3.728	192.2%	
Sales expenses	225.125	6.1%	- The increase in selling expenses was mainly attributable to an increase of 11.3% in staff costs (due to higher staffing size for IMP2 and IMP4 factories) while other expenses did not change significantly compared to 2018. - The company has made targeted investment in programs to sell and promote key brands such as: Claminat Day, Bactamox Club, Imexfamily, etc.
General and administration expenses	99.753	13.1%	- Significant increases in overhead costs include (i) staff cost increased by 9.5% due to increased management staff, (ii) outsourced service costs increased by 36.8% due to increased costs of hiring experts and consultants, in-kind costs, bank fees, fire insurance, rental and car insurance, etc., and (iii) contribution to Science and Technology Development Fund (10% on pre-tax profit) increased from VND19 billion in 2018 to VND20 billion.
Profit from business	194.427	14.0%	

operations			
Other incomes/expenses	8.002	152.7%	- Other profits mainly came from the liquidation of investment properties, which earned VND7.7 billion.
Profit before tax and distribution for Fund for Science & Technology Development	222.429	15.4%	- The company has completed its profit target before tax and before contribution to Science & Technology Development Fund in 2019 of VND220 billion.
Profit before tax and after distribution for Fund for Science & Technology Development	202.429	16.5%	- Thanks to divestment of financial investments and other profits, the Company's pre-tax and post-tax profit margins improved, comparable to that of 2018.
Current Corporate income tax	40.042	14.1%	
Profit after tax	162.387	17.1%	
KEY INDICATORS			
Gross profit/Revenue	37.6%		- 2018: 39.6%
Profit from operations/Revenue	13.9%		- 2018: 14.4%
Profit before tax/Revenue	14.7%		- 2018: 14.7%
Profit after tax/Revenue	11.6%		- 2018: 11.7%
Profit after tax/Total assets (ROA)	9.0%		- 2018: 7.8%
Profit after tax/Total capital (ROE)	10.6%		- 2018: 9.6%
Sales expenses/Revenue	16.1%		- 2018: 17.9%
Costs of management/Reven	7.1%		- 2018: 7.4%

CASH FLOW STATEMENT

We agree upon audited figures of the Cash flow statement in 2019 and hereby make some notes as follows:

	Audited value	Audited value	Comments
Unit: VND million	2019	2018	
Cash flow from operating activities			
(Increase)/Decrease in receivables	(70,696)	81,375	
(Increase)/Decrease in inventories	(25,446)	(43,798)	
Increase/(Decrease) in payables	6,749	(13,724)	
Net cash flows generated by operating activities	68,632	132,094	- Stockpiling of raw materials negatively affected inventory turnover. However, despite the Company's more stringent debt management and shorter accounts receivable turnover, selling activities in Quarter IV in both market and therapeutic channels led to increased accounts receivable turnover at the end of the year. Therefore, net cash flows operating activities decreased compared to 2018, but remained positive at VND68.6 billion.
Cash flows from investing activities			
Acquisition and construction of fixed assets and other non-current assets	(133,036)	(272,440)	
Net cash flows from investing activities	(122,664)	(48,101)	- The company continues to disburse investments in new factory projects and upgrading of existing plants.
Cash flows from financing activities			
Proceeds from share issue and owners' contributed capital	-	-	
Dividends and profit paid to	(98,803)	-	

owners			
Net cash flows from financing activities	(61,363)	-	
Net cash flows in the period	(115,396)	83,993	
Cash and cash equivalents at the beginning of the year	190,437	106,457	
Cash and cash equivalents at the end of the year	75,036	190,437	<p>- If term deposits are also included, the company's cash balance at the end of 2019 is VND76.5 billion, down from VND190.7 billion in 2018.</p> <p>- This cash reserve accounts for 4.9% of the total assets (2018: 10.7%).</p>

ENVIRONMENT PROTECTION AND CAPITAL CONSTRUCTION PROJECTS IN 2019

- Environment control:

In 2019, the company submitted a hazardous waste management report to Dong Thap Environmental Protection Department under the Department of Natural Resources and Environment. Paid environmental protection fees for industrial wastewater and other environmental protection fees.

The environmental treatment costs in 2019 are VND890 million. The company signed a hazardous waste treatment contract with Tien Phat Environment Service and Trading Co., Ltd. For the waste collection and transport, the company signed a contract with Dong Thap Urban Water Supply and Urban Environment Joint Stock Company.

On November 27, 2019, Dong Thap Department of Natural Resources and Environment performed inspection over the observance of legal provisions on water resources. The inspection team highly appreciated the Company's implementation of discharge control and quality analysis of waste water discharged into the environment.

At IMP 2, IMP4 and IMP3 factories, the Company signed a hazardous waste treatment contract with Sen Vang Environment Co., Ltd. for this purpose.

- Vinh Loc high-tech Antibiotics Plant (IMP 2):

IMP 2 factory came into operation and generated revenue for the overall business results in 2019. By the end of December 2019, the Company had disbursed VND193.6 billion for the project (99.0% of the total investment value), the outstanding amount to be disbursed is VND2.0 billion.

- The hi-tech plant in Binh Duong (IMP 4):

The factory has been granted with GMP-WHO certification by the Ministry of Health for 4 production lines on September 27, 2019, preparing for EU-GMP approval at the end of the first quarter 2020. The factory is expected to be granted with EU-GMP certification and announced by the Ministry of Health in the second quarter of 2020, then from the third quarter of 2020 the factory will start producing products for bidding in the therapeutic lines.

By the end of December 2019, the Company had disbursed VND462.1 billion for the project (89.7% of the total investment value), the outstanding amount to be disbursed is VND53.3 billion.

- **Pharmaceutical Manufacturing Plant & Testing Center Project:**

The plant was commenced on October 14, 2019 and is expected to be completed in the third quarter of 2020. The factory is allowed to change the approval criteria to GMP so that the outputs can be put for bidding in the therapeutic lines, besides the main goal of the project of expanding the list of drugs supplied in the OTC market. Total estimated investment capital is VND120 billion, of which the amount to be disbursed for investment is VND53.2 billion, the remaining is the value of existing machinery and equipment (some of which are fully depreciated).

By the end of December 1919, the Company had disbursed VND16.0 billion, the remaining VND37.2 billion is expected to be disbursed in 2020. The Company plans to borrow VND50 billion from the bank to finance this project.

OVERALL ASSESSMENT OF COORDINATION BETWEEN THE SUPERVISORY BOARD, THE BOARD OF DIRECTORS, AND THE EXECUTIVE BOARD; AND INDEPENDENT AUDIT PERFORMANCE IN THE FINANCIAL YEAR 2019

During the term of 2019, the Supervisory Board has monitored the activities of the Board of Directors and the General Director in managing and operating the company through the following specific tasks:

- Attending quarterly and annual meetings of the Board of Directors with updated financial, accounting, production - quality control, procurement - import/export, sales - marketing, and legal reports. The Supervisory Board has discussed with members of the Board of Directors and the Executive Board to identify problems in the operation process and suggested specific recommendations.
- Evaluate quarterly, semi-annual and annual financial statements of the Company to ensure transparency and integrity of the data provided to shareholders and investors.
- Inspecting the implementation of the Annual General Meeting's Resolution on business plan, investments, distribution of profits, dividends, appropriation and use of funds in the Company.

- Working with the Internal Audit Committee on periodic audit and control results recorded at the business units and monitoring the implementation of remedial measures.
- Contribute ideas in the process of drafting and adopting the Regulations on Financial Management - Accounting Decentralization at sales branches.
- Attending the Sales Meeting to deploy the business plan in 2020 and propose recommendations for sales improvement.

The Board of Directors and General Director created good conditions for the Supervisory Board to fulfill its rights and powers as set forth in the Charter of the Supervisory Board. The Supervisory Board could access significant information and documents as well as worked with relevant members of the Board of Directors, General Director and high-ranking officers in order to complete quarterly and yearly supervisory reports. The recommendations of the control reports are published at BOD meetings and are followed up in practice.

In regard to independent auditor, the Supervisory Board proposed the Board of Directors and Executive Board to select PwC Vietnam Co., Ltd. to audit the Company's 2019 financial statements. The Supervisory Board assessed the independent audit plan and performance is aligned with the signed independent audit contract in terms of the scope of service, material audit points, audit methods, etc. whereby quality assurance, independence, avoidance of conflict of interest, and ethical compliance of independent audit are strictly observed.

REPORT ON REMUNERATION OF THE SUPERVISORY BOARD (BEFORE TAX) IN 2019:

Full Name	Position	Remuneration
Nguyen Duc Tuan	Head of SB	300,000,000
Le Thi Kim Chung	Member	200,000,000
Do Thi Thanh Thuy	Member	200,000,000

RECOMMENDATIONS Recommendations for the Executive Board

- Implement product and market strategies in a coordinated and strict manner via sales branches and domestic and foreign partners for efficient operation of EU-GMP Cephalosporins and Penicillin plant (IMP 3) and high-tech Antibiotics Plant (IMP 2), especially the ETC market segment, leveraging the brand for OTC market as well.
- Promote the branding and promotion of key products in 2020 while reviewing and streamlining the product portfolio, eliminating non-performing products and further promoting R&D activities to launch new products for therapeutic and market product lines.
- Closely manage trade receivables, ensure revenue quality, and reduce risk of bad debts while making provision for doubtful receivables.

- Strictly manage inventory to ensure sufficient raw material reserve for production in the context of Covid 2019 which affects the supply of medicine materials from China while mitigating overstock risks for optimal working capital and avoid slow-moving, expired goods. In particular, it is important to pay attention to the quality control of goods in stock at the branches, so as to prevent the damage or deterioration of the medicine delivered to consumers.
- Stringently manage the investment progress in the hi-tech Plant in Binh Duong (IMP 4) and the Pharmaceutical Manufacturing Plant & Testing Center in order to commission the two plants as scheduled and up to expectations.
- Effectively strengthen fire and explosion prevention throughout the company, especially regular inspection of fire safety systems at production plants, organize regular drills to get prepared for emergencies.
- Review human resources, organizational structure, salary structure, especially personnel in manufacturing, R & D, sales, etc., to develop existing resources while attracting external talents and plan the development of successive human resource.
- Instruct branches/sales units to comply strictly with recommendations of the Internal Audit Committee and to feedback on due remedies, and give warnings to branches/sales units violating repeatedly compliance regulations to find out effective solutions for their issues. In addition, in the course of controlling the operations of the branches, it is necessary to continue reviewing and fine-tuning the Regulations on Financial Management - Accounting Decentralization in line with actual annual business performance to further improve the quality of business risk management activities.
- The Board of Directors and Executive Board should continue to restructure the equity portfolio where appropriate time, retaining joint venture investments to promote production linkages and market development, thereby channeling capital for production and business activities.

These are some observations of the Supervisory Board that we would like to report to valued shareholders and investors. We look forward to receiving sincere feedback from you to perform better.

I wish the Meeting all success. Sincerely.

(Signed)

Nguyen Duc Tuan

(Signed)

Le Thi Kim Chung

(Signed)

Do Thi Thanh Thuy