

ANNUAL REPORT

BÁO CÁO THƯỜNG NIÊN

2014



NAVIFICO



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LETTER of THE CHAIRMAN



Dear Shareholders,

The year 2014, which was marked many important changes and significant improvement in production and business activities of the company, has gone. Although the economy does not have much positive change and breakthrough in general, but the overall economic picture has brought more bright colors than 2013 that reflected by macroeconomic measurements health of the economy. Along with the positive changes, company's business activities also achieved certain success in profits plan. It is the results of cooperation between Navifico's employees in finding best raw materials, labor rationalization, improving productivity and efficiency, improving production line - machines, finding new clients, and quality improvement from input to export.

The results in 2014 also express positive feedback as PVA FC roofing products have been initially approved by customers in Asia and Africa. The purchase orders that represented export potential of this product line. Besides roofing, it can be seen that wood furniture business has improved by bringing higher profit margin than expected.

Typical success in 2014

Last year marked many positive changes in the business issues - integration - solving technical problems of company. Outstanding issues in previous years have been addressed thoroughly, quality of PVA fiber cement roofing was increased under the support foreign experts. These efforts which aimed to improve PVA fiber cement products, was obtained positive results that appreciated by top experts in IIBCC 2014 – The conference that was held in Da Nang and purchase orders to export hundreds of thousands sheets in the fourth quarter.

Identify the obstacles

The year 2014 also pose obstacles to the development of company:

Roofing products have not created a breakthrough in terms of quality and product diversity. Traditional asbestos FC sheets have tended to decline as consumers are worried about the effects of asbestos on their health.

Wood furniture activities still need more time to fully resolve the backlog and maintain stable production process. Besides, company has not been extended network, sought strategic partners, created surplus of high intellectual value.

The increasing in quality demand and rigor in product selection of consumer have put company in a position to constantly improve product quality, high-tech production team and skilled workers and management system. In addition, the markets are open with plenty of similar products that required company to constantly research - collaborate - develop its strengths.

Opportunities and challenges in the new trend

Dear shareholders, company is facing opportunities and challenges in very large integration trend. 2015 will mark the first impact of Asean Economic Community (AEC) on the domestic market where goods, services, investments and skilled labors in Asean will be rotated more freely. AEC will open up a wide market as well as create uniform conditions for the development



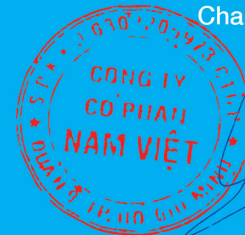
of all members in a high competitive environment. An expanded economic community will bring an opportunity to cooperate with other large economy in the world and a broader market for company. Besides, Free Trade Agreements Vietnam - EU (EFTA) and Agreement on Trans-Pacific Partnership (TPP) will also be great opportunities for companies to engage in the global supply chains. The economic community would be premise and great motivation for company to affirm its position on the world market.

It must be acknowledged that company can only integrate and embrace the best chance as long as they have best preparation of personnel, equipment, production space and future orientation. An open and large economy community with high circulation of goods will require high quality, design and price and that it is only achieved when companies can optimize production lines, possess high qualified personnel, apply high-tech production, and ensure stability of input as well as quality and diversity of output. In the open economy, consumers will have more choices. Therefore, only company can assert their brand name will be successful.

Company's Orientation

The year 2015 will be a pivotal year for the long-term action plans of company. Goals are becoming Vietnam's leading manufacturer of eco roofing products as well as "clean, green" wood furniture manufacturer as trend of the world. To meet these requirements, Navifico will put more efforts to enhance the knowledge and skills of employees as well as management system. Besides, company is also preparing for integration trend by promoting collaborative research for investment - development under support of leading experts as well as gathering resources for researching and planning factory relocation which aims to diversify designs and improve product quality.

Regards,
Chairman



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General Information 

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