



**REPORT OF THE BOARD OF DIRECTORS
AT THE 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Respectfully submitted to: THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

1. Business performance of Vincom Retail Joint Stock Company (the “Company” or “Vincom Retail”) in 2017

In 2017, Vincom Retail reported total revenue of approximately VND 5.5 trillion, total assets of approximately VND 38.1 trillion, and an operating profit margin of 40%. Vincom Retail now owns and operates the largest retail mall network in Vietnam with approximately 1.2 million square meters of retail gross floor area (GFA).

Vincom Retail operates four different formats of retail malls: Vincom Center, Vincom Mega Mall, Vincom Plaza, and Vincom+. Vincom Center malls and Vincom Mega Malls are designed as the “destination for all needs” offering diversity of brands and products. Vincom Plaza and Vincom+ target customers of mid-range income who live within three to five kilometers of the malls, focusing on daily necessities. In 2017, Vincom Retail opened ten new Vincom Plaza malls and five new Vincom+ malls, bringing the total number of Vincom Retail malls to 46 across 24 cities and provinces nationwide.

In 2017, Vincom Retail attracted the world’s famous fashion brands such as Zara and H&M to its malls for the Vietnamese consumers. Vincom Retail’s fast-growing network and its constantly improved quality have attracted more than 115 million visitors during 2017, an increase of 42% over 2016. Thanks to the support and trust by its customers, Vincom Retail has been voted one of the three best brands and among the fifty most valuable brands in Vietnam by Brand Finance Magazine.

On 06 November 2017, Vincom Retail JSC listed more than 1.9 billion shares on the Ho Chi Minh City Stock Exchange (ticker: VRE). With average trading transaction volume reaching billions of dong, and attracting great amount of interest from domestic and foreign investors, Vincom Retail became one of the Top ten listed companies with the largest market capitalization immediately after listing.

Such accomplishments could not have been achieved without the concerted efforts by Vincom Retail’s employees who are constantly striving to meet customer demands for diverse experiences, for a safe and convenient shopping destination with the latest trends, to ultimately create a modern lifestyle for the Vietnamese consumer, and to enhance corporate governance and interaction with the shareholders and investors, aiming towards international standards.

For further information, please refer to the enclosed Report of Management.

2. Activities of the Board of Directors (the “BoD”)

2.1 General activities:

In 2017, the BoD issued 29 resolutions approving important policies on the Company’s operations and prospects. The resolutions can be summarized as follows:

- Approval of changes in executive and management personnel;
- Approval of changes in business operations to increase efficiency to comply with provisions of the law;

- Approval of transactions with related parties;
- Approval of issues relating to the filings for listing of VRE shares on the Ho Chi Minh City Stock Exchange and the registration of securities at VSD.

2.2 The BoD’s supervisory activities:

In compliance with provisions in the Company’s Charter, internal regulations and prevailing law, the BoD has completed the following governance and supervisory activities:

- Led, directed, and successfully organized the 2017 Annual General Meeting of Shareholders on 20 April 2017.
- Closely supervised the preparation of the 2017 annual, quarterly and bi-annual financial reports to ensure compliance with applicable regulations.
- Supervised the implementation of resolutions passed by the General Meeting of Shareholders and the BoD.
- Supervised information disclosure to ensure transparency and timeliness in accordance with regulations since becoming a large-sized public company.
- Supervised Management’s activities in order to improve operational performance and meet business targets.

3. 2018 plan:

Leveraging the growth momentum in 2017, Vincom Retail aims to maintain the leadership position in the retail sector in 2018.

In terms of scale, Vincom Retail will continue to develop retail malls in the prime locations of major thoroughout Vietnam targeting a total of 200 malls by 2021. Vincom Retail’s growing presence will help bring about the change in consumer behavior, facilitating the transition from the traditional retail format to the modern retail format.

During 2018, Vincom Retail will continue to expand its network of mixed-use retail malls, building on the strength of the Vingroup ecosystem to offer superior values to consumers with a focus on the mass and middle-income segments. Vincom Retail will carry out asset enhancement activities including repositioning certain malls. At the same time, the Company will approach successful international and regional retail and F&B brands and introduce them to our network, while continuing to partner with Vietnamese brands to support their development together with our growth.

In terms of quality, Vincom Retail’s mission is to bring about a new style to the Vietnamese consumers by capturing the latest international trends, creating a new shopping environment offering diverse facilities, quality services and products. We will continue to introduce to our customers unique shopping, entertainment and dining experience, anchored around the fulfilment of a better quality of life.

In terms of corporate governance, Vincom Retail will focus on improving its personnel and governance. Vincom Retail will further progress our transformation initiatives based on Vingroup’s Five Transformational Principles: “Elevate – Standardize – Simplify – Automate – Share”. With “Elevate”, Vincom Retail aims to develop a lean but highly capable work force, built on a team of experienced, passionate, creative, and responsible leaders. The Company’s work environment is progressive, highly disciplined, where everyone is able to find challenging work and opportunities to grow and succeed, so that each employee in the Vincom Retail team can become the ambassador of the Vincom brand.

In terms of resource management and corporate culture, the Company will provide training to improve efficiency, professionalism, and discipline while promoting Vingroup’s culture among our staff. At the same time, the Company will build its leadership pool from within, create an efficient work environment, reflective of the Company’s desire to be one of Vietnam’s Best Employers.

Respectfully submitted to the AGM.

Thank you.

To:

- As stated above;

- Company archives.

**ON BEHALF OF
THE BOARD OF DIRECTORS**

**MAI THU THUY
CHAIRWOMAN**

Note: Further amendments and supplements to this document may be proposed for approval at the AGM.