



**REPORT OF THE SUPERVISORY BOARD
ON THE ACTIVITIES OF THE BOARD OF DIRECTORS AND MANAGEMENT IN 2017**

Respectfully submitted to: THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

In 2017, the Supervisory Board has coordinated closely with the Board of Directors (the “**BoD**”) and Management to supervise the issuance and implementation of the resolutions of the General Meeting of Shareholders (the “**GMS**”) and the BoD, review and coordinate with the internal audit division of the Company and member companies to ensure proper compliance with legal provisions and internal code of management of the Company.

Within the scope of responsibilities, functions and authority as prescribed under the Charter of the Company and in accordance with the Law on Enterprises and other regulations applicable to listed companies, the Supervisory Board supervised and ensured compliance with the relevant laws and Company’s Charter in relation to financial management and accounting practices, investment and development activities, and management and operation of shopping malls. The Supervisory Board also conducted periodic inspection of the financial statements of the Company and its subsidiaries.

On behalf of the Supervisory Board, I would like to report to the Annual General Meeting of Shareholders (the “**AGM**”) as follows:

1. Vincom Retail’s financial condition:

The Supervisory Board agrees with the contents of the 2017 consolidated and separate financial statements as prepared by Management and audited by Ernst & Young Vietnam Ltd. These financial statements truthfully and reasonably reflect Company’s financial position as at 31 December 2017 as well as its business performance and cash flows for the fiscal period from 01 January 2017 to 31 December 2017.

Key financial indicators from Company's 2017 consolidated financial statements are as follows:

a. Consolidated business performance:

- Net revenue : VND 5.5 trillion
- Total profit before tax : VND 2.2 trillion
- Net profit after tax (including: VND 2.0 trillion
dividends from affiliates)

b. Consolidated assets:

- Current assets : VND 13.4 trillion
- Non-current assets : VND 24.8 trillion
- Total assets : VND 38.1 trillion

c. Owners’ equity: VND 26.1 trillion

Summary:

In 2017, Vincom Retail recorded net revenue of approximately VND 5.5 trillion, a decrease of 13.6% compared to 2016. Net profit after tax was VND 2.0 trillion, a decrease of 16.9% compared to 2016. The Company's core business of leasing of retail malls grew at 17% over 2016. However, revenue from sale of inventory properties declined due to the decreased number of completed projects handed over in 2017 compared to that in 2016.

2. Assessment of legal compliance and implementation of the resolutions of the General Meeting of Shareholders and the Board of Directors

In 2017, as Vincom Retail maintained rapid development and expansion of businesses, the Company complied with all applicable laws. Within the scope of our responsibilities and authority, the Supervisory Board hereby concludes that Company conducted its business in a sustainable manner and in compliance with the relevant laws and regulations. The Supervisory Board also concludes that the implementation of the resolutions by the GMS and the BoD has been thoroughly and properly carried out, without any material violations that could potentially damage the Company's reputation or pose a threat to its business operations.

3. Supervision and inspection of the implementation of internal regulations on corporate governance and related parties transactions

In 2017, the rapid development and expansion in all of the Company's businesses led to a significant increase in the Company's workload and number of transactions. The Supervisory Board concludes that Management has put in a lot of effort to conduct the Company's business, maintained good corporate governance, and successfully minimized risks and ensured compliance. By strictly following the implementation of corporate governance regulations, the BoD has proactively supervised and managed the Company's business strategy and operating decisions.

In 2017, the members of the Supervisory Board have satisfactorily discharged their supervision duties, and provided timely recommendations to Management and the BoD in order to overcome shortcomings and prevent potential risks. The Supervisory Board also focuses on supervising the compliance with operation regulations, and enhancing the quality and independence of the supervising activities, especially with major transactions and related parties transactions.

In 2018, the future workload and other market challenges will continue to present the BoD, Management and all of the Company's employees with great responsibilities, which calls for concerted efforts from every member of the Company, as well as the support and trust of our Shareholders. The Supervisory Board will do our best in performing our responsibilities and expect to receive the continued support from Shareholders, the BoD and the close collaborate with Management and relevant divisions within Vincom Retail.

On this occasion, on behalf of the Supervisory Board, I would like to send our best wishes to the Shareholders, the BoD and Management, and wish for another successful AGM.

Thank you.

**ON BEHALF OF
THE SUPERVISORY BOARD**

To:

- As stated above;

- Company archives.

**DO THI QUYNH TRANG
HEAD OF THE SUPERVISORY BOARD**

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