



Hanoi, 15 May 2020

REPORT OF THE BOARD OF DIRECTORS

AT THE 2020 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Respectfully submitted to: **THE GENERAL MEETING OF SHAREHOLDERS**

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

In 2019, Vincom Retail maintained its position as **Vietnam’s leading retail property developer**, with the opening of 13 new malls and ownership of 1.6 million square meters of retail GFA. Vincom Retail also recorded impressive growth: **VND 9.3 trillion** in net revenue and profit-after-tax of **VND 2.9 trillion**, an **18%** increase over 2018. As of 31 December 2019, Vincom Retail has 79 operational malls in 43 out of Vietnam’s 63 cities and provinces nationwide.

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

2.1 General activities:

In 2019, the BOD issued 07 resolutions approving important policies on the Company’s operations and prospects. The resolutions can be summarized as follows:

- Organized the Annual General Meeting of Shareholders
- Established more branches
- Conducted internal restructure
- Executed treasury share buyback

2.2 The BOD’s supervisory activities:

During 2019, the Board of Directors followed the Company’s Charter, Corporate Governance, internal management rules, and the law, as follows:

- Led, directed, and successfully organized the 2019 Annual General Meeting of Shareholders (“the AGM”) on 11 April 2019
- Implemented the financial reports of 2019, the semi-annual and quarterly financial reports
- Supervised the implementation of decisions made by the GMS and the Board, and supervised the business activities of the Management
- Supervised information disclosure to ensure transparency and timeliness appropriate to a large publicly-listed company, and

- Supervised the work of the Management to improve business performance and to accomplish planned goals.

3. 2020 business plan:

Vincom Retail aims to maintain its leadership position in Vietnam's retail sector in terms of scale, products, and service quality. All the while, the retail division will bring modern consumer trends and new shopping experiences to customers and continue to introduce unique products to the market, following global retail trends. Vincom Retail has identified a pipeline to significantly increase the total GFA and number of retail malls nationwide in the upcoming years compared to where it is currently.

Vincom Retail will be the operator who leases and operates a new product format - large-scale retail tourist destinations - at **Grand World Phu Quoc, the sleepless shopping city** with colorful festivals and 24/7 entertainment activities.

In sales and leasing plans, Vincom Retail continues to work closely with partners to identify for new tenants. In addition, Vincom Retail remains a trusted partner of Vietnamese brands in creating streamlined local retail formats that still offer variety for each mall. In 2020, the Vincom network will be the destination of major brands such as Uniqlo, H&M, Haidilao Hot Pot, Pizza 4P's, Golden Gate dining brands, and CGV Cinemas.

With service development, Vincom Retail continues to follow a customer-centric strategy, aiming to address all customer needs. With **Service from the Heart** as its foundation, Vincom Retail continues its effort to standardize systems, enhance facilities, and boost the service spirit of its employees. At the same time, Vincom will partner with tenants in all activities to attract more customers.

In governance, Vincom Retail plans to **develop its human capital** and **build a digital transformation roadmap**. Its human resource management in 2020 will focus on core development via internal training. This is expected to result in multi-purpose and multi-tasking personnel plans, thus optimizing resources and raising individual leadership capabilities.

Vincom Retail is also committed to keeping up with the world's digital transformation trends in retail. In 2020, Vincom will apply advanced technology to its Operating and Marketing activities. This will create breakthrough changes in its business environment with the motto of **"Customer-centric practice."** From 2019 to 2021, the digital transformation roadmap is deployed in three stages: Foundation and optimization; expansion; and transformation. For shoppers, Vincom Retail will introduce interactive websites/apps and refresh information channels, **simplifying and streamlining** the shopping experience for customers. For tenants, Vincom Retail will **standardize** and **automate** procedures to enhance two-way interaction and understand its partners through online portals.

In terms of funding sources, the Board of Directors has approved a Resolution on bond issuance with a maximum value of VND 4.3 trillion. The Board of Management will evaluate the most optimal volume of bonds to be issued depending on the conditions of the market and the Company.

For on-site operation, Vincom Retail plans to launch an asset management system and conduct research on energy-saving solutions. Upon completion, the new system will optimize operating costs and boost productivity. Total revenue will surge when the information sharing between

the business and operational divisions develop synergy. This will become the perfect foundation for Vincom Retail to make a significant leap in growth and expansion needs in the future.

Respectfully submitted to the GMS for your approval.

Thank you./.

To:

- *As stated above;*
- *Company archives.*

**ON BEHALF OF
THE BOARD OF DIRECTORS
CHAIRWOMAN**

(signed)

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