

*Hanoi, 15 May 2020***REPORT OF MANAGEMENT****ON 2019 BUSINESS PERFORMANCE AND 2020 BUSINESS PLAN****Respectfully submitted to: THE GENERAL MEETING OF SHAREHOLDERS**

In 2019, the world economy maintained its slowdown. According to World Bank's statistics, the global economy was estimated to grow at 2.4%, a sharp decline compared to 3.0% in 2018. It's also the lowest rate since the economic crisis of 2008.

Vietnam had an impressive year, in contrast to the global economy. According to Vietnam's General Statistics Office (GSO), Vietnam's growth rate of 7.02% exceeded the 6.6% to 6.8% target set by the National Assembly, thanks to growth in most sectors of the economy. Of the 7.02% GDP growth, the service sector accounted for 45% and increased 7.3% compared to 2018. The wholesale, retail, finance, banking and insurance segments also grew strongly. The wholesale and retail sectors increased 8.82% compared to 2018 and had the second highest growth rate in service sector. This was the largest factor in the boost to the overall economy (0.96 percentage points).

Retail continued to be a promising sector. Based on GSO's statistics, retail revenue in Vietnam has always increased since 1990. The GSO reported that 2019 retail sales in Vietnam were approximately VND 3.8 quadrillion, or USD 161 billion, an increase of 12.7% compared to 2018. That was the largest increase in the last five years. Vietnamese retailers have taken advantage of this favorable business environment to increase coverage throughout Vietnam. Many international fashion brands have entered the market in Vietnam to capitalize on the emerging middle class. H&M, Zara and other attractive brands of Inditex (Massimo Dutti, Stradivarius, Pull&Bear) entered Vietnam between 2016 and 2017. After the success of these brands, 2018 continued to witness the expansion of famous brands into Vietnam's market, such as H&M expanding its number of stores to five in Vincom malls, Zara having its second store in Hanoi, Superdry, CCOO; and in 2019, the continued presence of Uniqlo, Decathlon, Cotton:On, Jaju, OVS, MLB, and Haidilao in modern retail malls in major cities, contributing to the diversification of choice for consumers. Retail property in general and shopping malls in particular directly benefit from these trends.

Against this backdrop, Vincom Retail Joint Stock Company (the “**Company**” or “**Vincom Retail**”) has achieved encouraging business results in 2019 as follows:

I. 2019 operational results of Vincom Retail:

As of 31 December 2019, Vincom Retail has 79 operational malls in 43 out of Vietnam's 63 cities and provinces nationwide. Vincom Plazas combined with Vincom Shophouses have become event-driven retail destinations, bringing diverse and modern shopping, entertainment and culinary experience to customers. In 2019, Vincom network welcomed more than **225**

million visitors, an increase of **40%** compared to 2018. Vincom Retail has been a trusted partner of more than 1,000 well-known domestic and international retail brands and organized more than **4,600 events** throughout the country, becoming the destination for local communities.

In 2019, Vincom Retail started a 160-day journey of changing and winning the hearts of customers with the belief of “What comes from the heart will go to the heart”. The Service from the Heart campaign has become the standard of Vincom’s customer service. More than 2,500 Vincom employees and 11,300 staff members of all stores in the Vincom retail malls took part in extensive training programs to become ambassadors of the Service from the Heart culture. This mentality is the foundation of Vincom Retail’s strategy for the year 2020, to make each Vincom mall a source of pride in its local community.

Thanks to its massive footprint in the Vietnamese market, Vincom was honored among the **Top 10 Vietnam Most Valuable Brands** voted by Forbes. In particular, Vincom Center Landmark 81 became the sole retail mall in Vietnam to win dual awards from the **International Property Awards 2019: Best Retail Development – Asia Pacific** and **Best International Retail Development**.

II. 2019 business results of Vincom Retail (as stated in 2019 audited consolidated financial statements)

1. Revenue:

Total Revenue reached VND 9.259 trillion in 2019, of which Revenue from Leasing Activities and Rendering of Related Services was VND 7.017 trillion, Revenue from Sale of Inventory Properties was VND 2.027 trillion and Other Revenue was VND 215 billion. Revenue from Leasing Activities and Rendering of Related Services increased by VND 1.551 trillion, equivalent to a 27% increase over 2018 performance, mainly due to the opening of 13 new retail malls during the year and the further ramping up of operations of malls opened in 2018. As a result, Leasing Net Operating Income increased 29% to VND 4.955 trillion in 2019. Revenue from Sale of Inventory Properties was mainly attributable to recognition of some shophouse projects in Ca Mau, Cao Lanh, Cam Pha, Mong Cai, Di An, Hoa Binh, Sa Dec, etc

2. Profit after tax:

Profit After Tax was VND 2.852 trillion, an increase of 18% over 2018.

3. Tax obligations:

Statutory Obligations increased from VND 276 billion in 2018 to VND 295 billion in 2019. During 2019, the Company incurred a total of VND 2.194 trillion of tax payables, and the Company paid a total of VND 2.175 trillion to the State budget.

III. 2020 Business plan

In 2020, Vincom Retail aims to continue to consolidate its leading position in the retail property market, in terms of quantity, market share and quality.

In terms of products, Vincom Retail continues to maintain a diverse portfolio through the synchronous development of all four different mall formats: Vincom Center, Vincom Mega Mall, Vincom Plaza and Vincom+, constantly improving products to suit the preferences of

customers and the market. In addition to the above models, Vincom Retail is leasing and operating a new format of retail tourism in 2020 with an outstanding product: Grand World Phu Quoc. These will be ideal entertainment, shopping and experience destinations, converging the quintessence of many countries in the world. Visitors will enjoy a multicultural and colorful haven from Dong Duong Indochine and Shanghai China, or modern and ancient western European culture from Mallorca, all integrated in the Grand World project.

In terms of marketing strategy, Vincom Retail continues to organize large-scale and diverse activities. Marketing campaigns are planned according to different consumer targets: Major campaigns for four important festival seasons in the year, namely Lunar New Year, International Children’s Day, Mid-Autumn Festival, and Christmas; Other major shopping promotion campaigns; Programs praising women. Activities on major holidays are organized in the other months. The idea of “Vietnamese Heart – Pride of Vietnam” will be the message throughout all marketing campaigns in 2020.

To support tenants due to the effects of the Covid-19, Vincom Retail proactively proposed preventive and protective measures, supporting tenants across its network nationwide. At the same time, Vincom Retail connects retailers in shopping malls with online and e-commerce and delivery platforms such as VinID, Grab, Now applications to strengthen sales channels and to best serve customers. By doing this, Vincom Retail is supporting and accompanying retail tenants to organize promotional consumption activities, contributing to the recovery of the dynamic lifestyle before. In order to provide a comfortable and safe shopping environment for customers, Vincom strengthens preventive measures such as thermal screening of customers to the mall; sanitize contact surfaces of public areas every two hours; security guards wearing respiratory masks and gloves, ready to serve customers at doors and elevators. These are proactive measures that Vincom has pioneered from the beginning of the Covid-19 outbreak, ensuring a secure shopping environment for consumers.

With the objective of strong, stable and sustainable developments, the Management would like to submit to the General Meeting of Shareholders (the “GMS”) for approval of the 2020 business plan (in accordance with the Vietnam Accounting Standards) as follows:

- Net revenue: approximately 9.9 trillion VND
- Profit after tax: approximately 2.5 trillion VND

Kindly submitted to the GMS for consideration and approval.

Thank you./.

To:

- As above;
- Company archives.

**VINCOM RETAIL JOINT STOCK
COMPANY
CHIEF EXECUTIVE OFFICER**

(signed)

TRAN MAI HOA

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