



VINGROUP JOINT STOCK COMPANY

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No.: /2021/TTr-HDQT-VINGROUP

Hanoi, 12 May, 2021

**REPORT OF THE BOARD OF DIRECTORS
AT THE 2021 ANNUAL MEETING OF SHAREHOLDERS**

Respectfully submitted to: THE GENERAL MEETING OF SHAREHOLDERS

1. Business performance of Vingroup Joint Stock Company (“Vingroup” or “the Group”) in 2020

Due to the impact of the Covid-19 pandemic, 2020 was a challenging year for the global economy, including Vietnam. Under such circumstance, Vingroup has implemented flexible governance activities, minimizing the negative impact from the pandemic.

With regards to the business results, the Board of Directors (“BOD”) believes that the Group and Management have devoted substantial resources to organize and launch new business operations in order to achieve decent outcomes while maintaining good corporate governance during a period of challenge in the national and global economies.

In 2020, Vingroup reached net revenue of VND 110.5 trillion and profit after tax of VND 4.5 trillion, maintaining its leadership position among the **Top Ten Private Enterprises in Vietnam**. Vingroup was the only non-state-owned Vietnamese listed enterprise to rank among the World’s Largest Public Companies by Forbes Global 2000.

Vingroup’s gains came mostly from its Industrials and Technology sectors, followed by great efforts in the Services sector. These three sectors represent the pillars of the Group’s long term development strategy.

In the **Technology** and **Industrials** sector, VinFast captured the largest market share in its respective market segments with 31.5 thousand cars and 45.4 thousand electric motorcycles sold domestically. Vsmart delivered an impressive performance in selling two million mobile phones and was listed the top best-selling smartphone brand in Vietnam.

Vingroup’s technology companies and research institutes also promoted the adoption of the most advanced technologies, of which autonomous vehicles and smart ecosystems are expecting to create competitive advantages for the Group.

In the **Services** segment, Property continues to be the key growth driver for Vingroup. Vinhomes achieved net revenue of VND 71.5 trillion and profit after tax of VND 28.2 trillion. Vinpearl remained resilient despite a particularly challenging year for global tourism, while Healthcare and Education continued to achieve operational stability.

In addition to its impressive business performance based on determined actions and flexible management and business strategies, Vingroup also excelled in its pioneering social responsibility achievements and became one of the most prominent businesses in Asia in the fight against Covid-19 by participating in manufacturing and donating ventilators, funding vaccine research, providing support packages to tenants whose business performance was hurt by the pandemic, sponsoring humanitarian flights, and providing vacation packages to front-line medical doctors.

In **Corporate Governance**, Vingroup has converted the challenges of 2020 into motivation to strengthen its organizational structure to establish a solid platform for sustainable development. By taking drastic actions to standardize its business processes and labor productivity, Vingroup reorganized its corporate structure and adopted a results-oriented governance model to increase adaptability in the workplace.

The Group continues to promote greater autonomy and decentralization, as well as the restructuring of the centralized governance model, to create a system that provides more autonomy for each business segment. Under the model, subsidiaries are independent profit-and-loss centers, or “**P&Ls**”, while their parent company, Vingroup Joint Stock Company, plays the role of strategizing, evaluating and managing subsidiaries.

2. Activities of the Board of Directors

2.1. General activities

In 2020, the BOD has delegated and authorized the Chairperson of the BOD and the Legal Representative to manage tasks that have administrative, incidental and recurring nature.

Vingroup’s BOD includes nine (9) members, of which one (1) Chairperson of the BOD HDQT and three (3) independent BOD members.

Under the circumstance of the Covid-19 pandemic, the Board of Directors promptly organized meetings or obtained the solicitation of written opinion in order to approve important policies and amendment to the Group’s operation and prospects.

In 2020, the Board issued 31 resolutions approving important policies and amendment to the Group’s operation and prospects. The resolutions can be summarized as follows:

Contents	Number of resolutions
Reorganizing the corporate management and operational structure, establishing the P&Ls, making executive appointments at the Group and P&L levels	23
Fund raising, issuance of corporate bonds, pledging of assets	8
Total	31

The list of resolutions / decisions issued by the Board of Directors in 2020 is listed and announced in the Report on Corporate Governance in 2020.

2.2. The Board of Directors’ supervisory activities

In accordance with provisions in the Group’s charter, corporate governance regulations and prevailing laws, the BOD has completed the following supervisory activities:

- Supervised the Group’s project development and investment as well as business activities of the Group’s subsidiaries;
- Administered capital-raising programs to finance the development of projects;
- Led, directed, and successfully organized the 2020 Annual General Meeting of Shareholders on 28 May 2020 and the solicitations of shareholders’ written opinion;
- Supervised the preparation of the quarterly and semi-annual financial statements, and the annual report;
- Supervised the implementation of resolutions of the General Meeting of Shareholders and the BOD, oversaw and reviewed Management operations;
- Presided over information disclosure to stakeholders to ensure timely and transparent reporting;
- Maintained oversight on Management’s activities in order to improve operational performance and meet business targets.

3. Remuneration, operational cost and other benefits of the Board of Directors

Report of remuneration for the BOD in 2020 has been written in details on the 2021 remuneration proposal from the BOD to the General Meeting of Shareholders.

In addition, the Group also applied other benefits to members of the Board of Directors such as regular health check-up, health insurance, discounts when using the Group services,...

4. Related party transactions

Approval procedures of transactions between related parties and the Group are strictly complied with the provisions of the Law on Enterprises, Law on Securities and the Group's internal governance regulations. Transactions between the Group and related parties approved by the Board of Directors are reported and announced on the Corporate Governance Report 2020.

5. Independent BOD members' activities and assessment to the Board's activities

5.1. Activities of independent BOD members

The Board of Directors includes 03 independent members: (1) Mr. Le Khac Hiep (2) Mr. Ling Chung Yee Roy and (3) Mr. Marc Villiers Townsend. All three members are experts who have many years of experience in key operational areas of the Group and have valuable contribution to the decisions of the Board of Directors. In 2020, all three independent members of the Board have fully participated in deciding/issuing in related matters under the authority of the Board of Directors, including and especially transactions between Vingroup and related parties. This ensures the Group's transparency, control of conflict of interests and protects the Group and its shareholders interest.

5.2. Assessment of independent BOD members on the Board's activities.

In 2020, due to Covid-19 pandemic, the Board of Directors has issued flexible decisions to adapt with the changes in manufacturing and business operations. Well-timed instruction from the Board on business plan adjustment strategy has ensured the Group and its subsidiaries achieved their targets, which was approved at the 2020 Annual Meeting of Shareholders, ensuring business continuance as well as employees and customers safety under such challenging circumstance. The Board of Directors approved, issued timely decisions on changes in corporate governance and business operations in accordance with its authority. Concurrently, the Board of Directors also instructed, supervised the Management in carrying out proposed business plan.

6. Vingroup's 2021 Plan of Action

Under the challenging circumstance of the pandemic, the Group has always been complying with State's policies and guidance to stop the spread of Covid-19, placing customer and employee's safety above all, at the same time launch new business initiatives to adapt with this circumstance.

The "5 Transformational Principles" continue to be implemented at the Group, including "Empowerment – Standardization – Simplification – Automation – Optimization", ensuring the Group's stewardship in order to minimize operational cost and maximize long term value for the Group.

In core business operations, Vingroup will continue its effort to maintain the leading position in market share, create new consumption directions and experiences for consumers. In particular, the Group will continue promoting technology adoption in corporate governance, operations to increase competitive factors when emerging to the global market.

The Board of Directors believe that with the united of the Management and all personnel, Vingroup will achieve its target this year.

Thank you.

To:

- As above;
- Vingroup archives.

**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN**

(signed)

PHAM NHAT VUONG

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