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Hanoi, 01 April 2017

**REPORT OF THE BOARD OF DIRECTORS
ON CORPORATE GOVERNANCE AND 2016 BUSINESS REVIEW**

Respectfully submitted to: THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

1. Business performance of Vingroup Joint Stock Company (“Vingroup” or the “Group”) in 2016

2016 witnessed a comprehensive development in scope in all of Vingroup’s business segments in line with the Group’s vision of *“creating a better life for the Vietnamese people.”*

The Board of Directors (the **“Board”**) believes that the Group and Management made great efforts in exceeding the budget approved by the AGM. Specifically, 2016 net revenue was VND 57.6 trillion and profit after tax was VND 3.5 trillion, representing 128% and 117%, respectively, of the 2016 budget. Contracted property sale recorded VND 83 trillion with 15,000 apartments, villas and shophouses pre-sold.

Vingroup’s core businesses had a year of spectacular breakthroughs in both size and growth rate, fortifying its leading position in the market.

In the property sector, Vinhomes consistently offered a wide variety of products in the categories of apartments, villas, shophouses, and condotels across the country. The launch of VinCity, our affordable homes brand, targeting the mass market with reasonable pricing yet maintaining quality – integration – facilities, marked our entry into housing for middle-income customers and signaled our desire to relieve the housing shortage and traffic congestion in Vietnam’s urban areas.

Vincom Retail opened ten new shopping malls, boosting the network to a total of 32 malls across 15 provinces and cities throughout Vietnam and increasing our total gross floor area to one million square meters.

In the hospitality and entertainment sector, Vinpearl opened two new hotels, bringing our total to nine hotels with 6,000 rooms throughout nationwide. Our new product, Vinpearl City Hotel, is a hotel development model located in the central business districts of major cities. Our first hotel in this category is Vinpearl Can Tho Hotel.

In the three years since its launch, our consumer retail business segment has grown rapidly and now totals 1,000 stores, recording more than 56 million purchases. With the benefit of our differentiation strategy, the Group’s network of supermarkets and convenience stores has become the nation’s most trusted retailer for clean and safe foods with clearly traceable origins.

Our social infrastructure services segment grew in scope and size during 2016. We made investments in human resources and technology in order to build Vinmec, Vinschool, and VinEco into networks with world-class operational capabilities. In 2016, Vingroup announced that Vinmec and Vinschool have been converted to social enterprises, and committed to reinvest 100% of the profits generated to expand and improve both networks towards sustainable development and professional management.

In addition to our commercial successes, 2016 witnessed a comprehensive development in the standing and influence of Vingroup and our brands in the market.

In 2016, Vinhomes was selected among the most valuable brands in Vietnam and the real estate brand with the highest value by Brand Finance. VinCommerce, Vincom Retail, Vinpearl, and Hanoi South, a brand

belonging to Hanoi South JSC, a subsidiary of Vingroup, were also listed among the 50 most valuable brands in Vietnam.

In Vietnam, the Group was named one of the Top 10 most sustainable companies and remains the largest private taxpayer.

Internationally, Vingroup was honored by Euromoney with three prestigious real estate awards: Best Mixed-use Developer, Best Retail Developer, and Best Leisure/Hotel Developer of 2016. For the first time in our history, Vingroup was awarded the Best Residential High-Rise Development globally for Landmark 81 by International Property Awards, one of the most highly-respected real estate prizes globally.

Such accomplishments could not have been achieved without the concerted efforts by Management and Vingroup's employees. In 2016, the Board implemented several measures to create a lean and more effective organizational structure. Management expanded Vingroup's network and introduced a set of policies to control quality and efficiencies targeting business outcome in the entire system. Vingroup is constantly striving to change and renovate itself towards a superior management structure in line with international practices and one which enables Vingroup to effectively monitor the business performance of the Group's subsidiaries (the "P&L").

For further information, please refer to the enclosed Report of Management and Report on Project Development.

2. Activities of the Board of Directors

2.1 General activities

In 2016, the Board issued resolutions approving important policies that impact the Group's operations and prospects. The resolutions can be summarized as follows:

- Reorganizing the corporate management and operational structure, making executive appointments at the Group and P&L levels;
- Fund raising, issuance of corporate bonds, pledging of assets;
- Investment approval and changes to construction schedules of development projects;
- Increasing charter capital as by paying share dividends, converting the international convertible bonds into equity and issuance of shares from retained earnings

2.2 The Supervisory Board's supervisory activities

In compliance with provisions in the Group charter, internal regulations and prevailing law, the Supervisory Board has completed the following governance and supervisory activities:

- Supervised the Group's project development and capital-raising exercises to finance project development;
- Successfully organized the Annual General Meeting of Shareholders on 22 April 2016;
- Closely supervised the preparation of the financial reports to ensure compliance with applicable regulations;
- Supervised the implementation of resolutions passed by the General Meeting of Shareholders and the Board; Supervised Management's activities in order to improve operational performance and meet business targets;
- Supervised disclosure of information to stakeholders.

3. 2017 plan

2017 will be a year of "**Commitment to Quality**" as Vingroup aims to continue expanding its scope and footprint to quickly bring to market our ecosystem of products and services to more consumers. The Group will continue to fine-tune the corporate governance model, standardizing procedures, streamlining the corporate structure to improve productivity with the ultimate goal of being able to automate majority of the business processes while applying technology to create breakthroughs. Vingroup aims to maintain its

position as one of the leading private enterprises both in Vietnam and in the regional and international markets.

Business plan: In the property sector, Vingroup will develop the affordable home brand VinCity. In tandem with the expansion of the real estate business, Vingroup will continue to expand the footprint of its Vincom shopping malls, its consumer retail network of VinMart, VinMart+ and VinPro across the country. Further investments will be made into Vinmec, Vinschool and VinEco in order to improve the quality of life for Vietnamese customers.

Quality control: Vingroup will continue to fine-tune its procedures and monitor and control the service quality of its network including Vinhomes, VinCity, Vincom shopping malls, Vinpearl hotels and resorts, Vinpearl Land amusement parks, the consumer retail network of VinMart, VinMart+, VinDS, Adayroi, Vinmec, Vinschool and VinEco.

Corporate Governance: 2017 will be a year of **revolution in governance**. We are launching a new campaign: “**Elevate – Standardize – Simplify – Automate.**” This revolution aims at strengthening the role of business leaders and managers at all levels and decentralization of authority so that leaders can assume greater responsibility and accountability. We also need to focus on standardization of our products and services throughout the network, as well as simplifying our professional systems and processes, allowing for automation and application of technology to raise productivity, efficiency and enhance customer satisfaction.

Resource management and corporate culture-building: The Group will promote training to improve efficiency, professionalism, disciplinary while promoting Vingroup’s culture among our staff. At the same time, Vingroup will build its leadership pool from within, create an efficient work environment, reflective of the Group’s desire to be one of Vietnam’s Best Employers.

**ON BEHALF OF
THE BOARD OF DIRECTORS**

To:

- As stated above
- Vingroup archives

(signed)

**PHAM NHAT VUONG
CHAIRMAN**

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