

Ho Chi Minh City, April 23rd, 2019

REPORT OF THE BOARD OF DIRECTORS FOR 2018

I. Report on operation for 2018

1. Main activities of the Board of Directors (BOD) in 2018

In 2018, all activities of the Company complied with the regulations of law, the state and the Company's Charter. Through regular quarterly meetings and extraordinary meetings, the BOD promptly issued guidelines, orientations and adjustments to key work in each period to suit the actual operation situation of the company as well as market fluctuations.

- Plan strategies and implementation plans to ensure good completion of the Resolutions approved by the General Meeting of Shareholders (GMS) on April 24th, 2018:
 - Completed the plan assigned by the GMS when the revenue reached VND 3,161 billion and the consolidated profit before tax reached VND 322 billion;
 - Issued shares to increase charter capital by 7% from undistributed after-tax profit. Number of shares issued was 22,188,881 shares, bringing the total number of outstanding shares after capital increase to 339,222,675 shares;
 - Established an Internal Audit Committee under the BOD and 20% of the BOD members were independent to perform the function of monitoring and control over the management of the company;
 - Delayed the plan of issuing and offering shares to existing shareholders to increase charter capital at the rate of 67%. On October 2nd, 2018, the BOD issued a Resolution on changing the time of issuing shares because the world economy was appearing some unstable issues, especially the trade war between the two largest economies in the world (US - China) likely to last long that might affect Vietnam Securities Market in general and plan to offer shares to existing shareholders in particular. TTC Land's BOD considers that the current time is not appropriate to implement the plan of issuing shares, the BOD will consult shareholders to approve the plan to issue existing shareholders at the nearest appropriate time.

- Orient the development investment and support the Board of Management (BOM) to approach financial institutions and potential land banks; At the same time, make decisions on investment plans to increase land banks for the Company. Monitor the activities of the BOM on business and management activities in compliance with the law. Plan the organizational and personnel structure to assign to the BOM to implement the proposed plans and monitor the results.
- Process associated with risk management:

The BOD always determines clearly that Corporate Governance must always be associated with Risk Management, in order to control, prevent and minimize damages and losses when risks occur that adversely affect Development objectives and business performance results of the Company. Periodically, the BOD and the BOM discuss to identify risks that are considered to have a great impact on business activities from the stage of project development investment to product delivery to customers. The BOD directs the BOM and the Internal Audit Committee to regularly review and issue the "Risk Management Handbook", the 3-layer defense system to effectively apply into the Company's practical operations, minimize risks that may occur.

- Process associated with information disclosure:

The corporate governance principles are built on the direction of effective management and control for the sake of prioritizing the interests of shareholders and stakeholders to the forefront. The policies of the BOD in the development stages are to ensure the legal rights of Shareholders; Equitably treat between shareholders and stakeholders helping build trust for shareholders and investors, and at the same time continue to attract domestic and foreign shareholders and investors. The BOD pays special attention to transparency in reports and information disclosure about the Company's operations and business. In the 2018 fiscal year, TTC Land's information disclosure activities were always transparent and timely, proactively disclosing information above the minimum standard level of law and aiming at higher international standards including:

- Risk management scorecard on ASEAN risk management scorecard
- Implementation of the 2018 Annual Report according to IIRC standard
- Sustainable Development Report according to GRI standard

2. Evaluation of the performance of the company and the BOM for 2018

TTC Land's success in the past 2018 could not fail to mention the great contribution of the BOM of the company. In addition, under the timely guidance and support of the BOD, the BOM

successfully completed the tasks assigned by the GMS and the BOD, regularly provided optimal solutions to improve the performance of the Company. This is clearly shown in the performance results in 2018, as follows:

2.1 Financial targets in 2018:

- **Total assets VND 10,841 billion**, up 13% over the same period.
- Charter capital VND 3,392 billion, up 39% over the same period.
- Owner's equity VND 4,483 billion, up 28% over the same period.
- ROE 6.9%, down 0.1% over the same period while ROE of the whole industry was 8.4%, up 2.7% over the same period.

2.2 Business results in 2018:

- Other revenue and income VND 3,161 billion, up 59% over the same period and reaching 129% of the plan.
- Profit before tax 322 billion, up 17% over the same period and reaching 104% of the plan.

2.3 Key objectives achieved in 2018

In 2018, the following key projects were successfully handed over:

- Carillon 5 197 apartments out of 66 apartments compared to the plan
- Jamona City low-rise 37 lands out of 60 lands compared to the plan
- Jamona City high-rise 952 apartments out of 596 apartments compared to the plan
- Charmington La Point 467 apartments out of 508 apartments compared to the plan
- Jamona Home Resort 104 apartments out of 47 apartments compared to the plan

The BOD praises and highly appreciates the efforts of the BOM with the business results achieved. However, in 2019, the BOM should strengthen the search for financial resources from domestic and foreign investment funds and make the most of internal resources to enhance TTC Land brand in the real estate market.

3. Corporate governance training

Regarding corporate governance training, on May 19th, 2018, the BOD, BOM, Senior Managers and related personnel in charge of information disclosure participated in the training course "Corporate governance of listing companies towards sustainable development" under the guidance of experts from Ho Chi Minh City University of Technology aimed at building an

effective BOD, BOM, handling transactions with related parties and conflicts of interest, transparency and information disclosure according to ASEAN Scorecard.

The Company also sent key personnel to attend professionally held corporate governance workshops to promptly update the best and most advanced practices and new regulations. On May 23rd, 2018, the Company's personnel participated in the corporate governance workshop with the topic "Investor relations under international practice" held by Hanoi Stock Exchange (HNX) and Ho Chi Minh City Stock Exchange (HOSE) in collaboration with CPA Australia.

II. ORIENTATIONS - ACTION PLANS FOR 2019

1. Development orientations:

It is forecasted in 2019 that Vietnam's economy will grow relatively well, especially in the real estate sector. Demand for houses and land and medium and low apartments tends to increase. This is not only an opportunity but also a great challenge for TTC Land to capture this market. From such assessments, the BOD is committed to aiming at objectives to ensure the maximum investment efficiency of all shareholders of the Company. Ensure the timely implementation of projects, build brand with prestige and quality of products - services of TTC Land, capture and meet the changing needs of the market. Contribute to the common development of social community by the company's obligation to the State, participating in community support, contributing to social security.

- **About project development**

- Regularly search for strategic partners (suppliers, consultants, construction contractors) to optimize construction and project management costs.
- Strategies to develop land banks and provide land banks to develop at least 2 Jamona projects, 1 Carillon project, 1 Charmington project. At the same time, "swap" projects in the development process as well as implement projects to bring the most optimal profits to invest in more potential projects.
- Invest in resources, market research and development tools to assess the right time of the market, the right customers who want to invest in products.
- Orient the best legal solutions on project legality to meet the business needs on schedule and fully meet the necessary conditions but still aim to achieve the objectives quickly - safely - effectively.

- Always ensure compliance with the regulations of the law and at the same time focus on researching, updating changes in the State's guidelines and policies not only for real estate and related fields such as finance, securities, banking, etc., from which thoroughly analyze the level of influence on internal conditions of the company in order to create the right orientations and timely advice leading to the most flexible and appropriate decisions.
- **About project implementation**
 - Apply general contractor model to construction work to improve project implementation efficiency.
 - Standardize typical designs, types of product materials according to each decentralization, corresponding utility services of product lines to quickly develop the project as soon as the land bank is available.
 - Improve project management quality, apply solutions to promote construction progress, control quality at each stage of implementation.
 - Regularly organize verification and evaluation in quality control and progress as planned. Strictly control construction costs compared to investment plans by each project, each stage, not to lose control of investment effectiveness of the project.
- **About business work**
 - Maintain and constantly create more better quality products and services to serve the increasing demand of the market.
 - Be proactive in the search for and development of new customers; sign with strategic partners on trading commercial floors and offices for lease; expand customer data to 20,000 customers; expand TTC Land Service floor distribution channel, big affiliate floors in Ho Chi Minh City.
 - Focus on speeding up sales with more than 3,530 products according to the assigned plan in 2019. Continue liquidating outstanding assets and nonperforming assets to recover capital to reinvest in new projects.
 - Build a team of sales staff for projects in the provinces and cities such as Dong Nai, Da Nang, Hai Phong, Lam Dong ... and appropriate price policies, marketing strategies, dedicated customer care system to provide the best after sales services.

- Apply technological solutions for managing information asset resources, control security, orient interactive solutions to exploit the technology's optimization in business activities.
- **About after sales work**
 - TTC Land Management is the after-sales stage to create peace of mind for customers when using TTC Land products.
 - Maintain the project context, focus on doing good work such as fire prevention and leak proof, creating satisfaction for customers, from which customers will be effective sales and marketing teams for TTC Land products.
- **About credit finance**
 - Strengthen appropriate solutions to maintain and create liquidity for the Company, stabilize and maintain strong financial resources.
 - Seek funding for new investment projects with larger and selective scale.
 - Promote the capital mobilization channel from issuing bonds to diversify capital sources; promptly prepare capital sources for new projects.
 - Strictly control company costs, due debts at banks for ongoing projects.
- **About personnel**
 - Regularly review and evaluate the effectiveness of the existing organizational chart to optimize the company's operations.
 - Stabilize and develop human resources to maximize the capacity of existing and newly recruited personnel, so special attention should be paid to training and emulation and commendation.
 - Continue to strengthen the system, improve the mechanism and improve the management and administration.
- **About inspection and supervisory work**
 - Continuously review and consolidate the organizational apparatus, processes, regulations, guidelines and manuals to suit the development orientation of the Company from time to time.
 - Examine closely the progress of projects and well manage the company's assets.

- Develop mechanisms and policies to support newly established companies and newly opened branches' effective operation.

With the above-mentioned objectives, solutions and orientations, the BOD believes that TTC Land is fully capable of fulfilling its plan for 2019, and towards the fulfillment of the 2016-2020 5-year strategy.

III. Transactions, remuneration and benefits of the BOD and the BOM

1. Remuneration payment situation in 2018

Based on the Company's Charter and the Regulation on organization and operation of the current BOD, the BOD members do not receive salaries and bonuses but are paid remuneration. Total remuneration received by all members of the BOD in 2018 was VND 8.16 billion, in line with the actual operation time of each member in the year and in compliance with the content approved by the GMS at Proposal 15/2018/TT-HDQT on the remuneration for the BOD in 2018 of VND 680 million/month (including the 13th month). In 2018, the Company restructured its apparatus with a new governance model in accordance with the best practices today, officially no longer having the Supervisory Board and established the Internal Audit Committee under the BOD since April 24th, 2018, so the remuneration for the Supervisory Board was reduced by about VND 283 million, in terms of Administration and Development, the BOD and other managers received salaries and bonuses in the year depending on their contributions and achievements with a total of VND 5.3 billion. As recorded from the 2018 financial statements audited by KMPG Vietnam, the total salaries and bonuses of the BOD, the BOM and other managers recorded was VND 17.3 billion.

2. Governance activities associated with Internal Audit

With the auditing service fee in 2018 of VND 853 million, 1.2 times higher than 2017 of VND 696 million, the BOD is increasingly showing its interest in financial management and always sets the criteria to ensure the truthfulness of the financial statements to the top in order to reflect the Company's financial situation, business results, cash flows and other information in the most transparent way.

3. From decision to practice

During the development stage, the BOD members under their responsibilities and powers successfully completed the key tasks of the year in the spirit of the resolutions and decisions of the

BOD, ensuring to complete the targets, business performance results, increase capital, attract investment funds and seek land banks for potential projects.

**ON BEHALF OF THE BOD
CHAIRMAN OF THE BOD**

(Signed)

PHAM DIEN TRUNG