

REPORT OF THE BOARD OF MANAGEMENT

A. OPERATION SITUATION IN 2018

I. RESULTS OF IMPLEMENTATION OF A NUMBER OF TARGETS 2018: (Consolidated)

- Total assets reached VND 10,841 billion, up 13% compared to 2017.
- Owner's equity reached VND 4,483 billion, up 28% compared to 2017.
- Charter capital reached VND 3,392 billion, up 39% compared to 2017.
- Total revenue and other income reached VND 3,161 billion, up 59% compared to 2017 and reaching 129% of the plan.
- Profit before tax reached VND 322 billion, up 17% compared to 2017 and reaching 104% of the plan.

II. ASSESSMENT OF IMPLEMENTATION OF MATERIAL TASKS:

1. Sales work:

In 2018, a total of 1,366 project products, 83,000 m² of service commercial floor were sold.

2. Financial work:

- In 2018, TTC Land completed the issuance of shares to existing shareholders and individual shareholders at a total percentage of 30%, issuance of shares to pay dividends at 7%, bringing total charter capital to about VND 3,392 billion.
- Timely prepare capital sources to promote investment in new projects such as Multi-function trading center Hai Phong Plaza, Charmington Iris, TTC Plaza Duc Trong (Lam Dong), Da Nang Complex, Cau Tre, Tan Van Island (Dong Nai), Hung Dien and Tan Kien (Binh Chanh District), Sky Villas, ...
- Complete disbursement of five bond packages with a total value of VND 1,290 billion. Besides, it is deploying a number of new bond packages with credit institutions and investment funds in order to diversify and be more active in the company's capital.

3. Inspection and supervisory work:

In 2018, the Internal Audit Committee implemented 61 inspections and 50 re-inspections related to TTC Land Company and its subordinate units. Including:

- 20 inspections on compliance;

- 09 inspections on financial statements;
- 32 inspections on construction investment and field inspection;
- 50 re-inspections on types of activities of the unit.

4. Human resource management and training:

- About personnel: By December 31st, 2018, the whole system's personnel was 722 persons, up 141 persons compared to the beginning of the year, mainly focused on the sales department and project management, building management department.
- About training: always maintain the quarterly internal training of the units, training for sales staff of TTC Land Services Company, participate in training programs such as the training program for senior and middle managers.

5. Investment promotion, project management and development:

- Projects completely constructed and being handed over to customers are Carillon 5, Jamona Heights, TTC Plaza Binh Thanh.
- Projects under construction are Carillon 7, which has just constructed to the 19th floor, Charmington Iris, which has just constructed the foundation.
- Projects which are in the process of completing legal procedures to conduct construction are Sky Villas, Duc Trong, Hai Phong Plaza, Da Nang, Hoa Dong, Tan Van.
- In addition, the Company is actively promoting new projects to create land banks to put into business in the coming years such as Loi Binh Nhon Long An Residential Area, 22ha Hoc Mon Residential Area, Binh Tay Old Apartment Building, 90 ha Phu Quoc.

6. Regulatory documents:

- During the year, the company issued 85 regulatory documents applied within the company, including 48 processes, 18 rules, 11 regulations and 08 other documents. The issuance of regulatory documents contributes to creating a legal framework for sustainable operations of the company.

7. Standardization of information technology

- IT system is always upgraded and applied better in order to meet the development needs of the company, during the year, the company has gradually put technology into management and administration, through assignment and management applications on EOffice, project management through BIM 3D model at Jamona Heights project, TTC LAND-M building service management software has been implemented for 7 projects. In addition, there are other applications such as CRM, BI business, BI finance, BI personnel.

B. PLAN FOR 2019:

I. SOME TARGETS FOR 2019:

- Total assets : VND 11,398 billion

- Owner's equity : VND 4,776 billion
- Charter capital : VND 3,664 billion
- Net revenue (Consolidated) : VND 2,969 billion
- Profit before tax (Consolidated) : VND 340 billion
- Expected dividend payment rate : not lower than 7%

II. IMPLEMENTATION SOLUTIONS:

1) Sales solutions: In 2019, the company aims to sell more than 3,500 civil real estate products and lease over 3,200 m² of commercial floors, which should focus on the following solutions:

- (i) Enhance the expansion and selection of scale and reputable sales agents, associated floors to accelerate the sales progress according to the new business model.
- (ii) Develop flexible sales programs in accordance with the legality of each project.
- (iii) Use smart sales tactics and strategies, reduce sales costs.
- (iv) Promote the development of new ideas, specific to products to enhance the value of goods.
- (v) Marketing business activities need to integrate information from customers to information on products, contract progress with customers, to provide timely information for the BOM to orient and provide solutions to ensure sales progress.
- (vi) Research and seek to provide appropriate payment methods, at the same time provide financial support solutions to customers through funding packages from the Bank.

2) Financial solutions:

- (i) Optimally research and deploy the real estate M&A plan.
- (ii) Review, restructure the finance of each company and for each project.
- (iii) Expand capital mobilization channels such as bond issuance and project securitization.
- (iv) Strengthen to expand credit lines at banks; Promote relationships with banks with large credit room such as Vietcombank, Vietinbank, BIDV,...
- (v) Provide for short-term credit lines through personal and internal capital mobilization from officers and employees. Actively mobilize capital through early sales method from customers.
- (vi) Ensure financial resources plan for subsidiaries and projects under implementation and new development projects. Negotiate with contractors to advance construction capital, make use of credit room of contractors, pay construction costs by means of cooperation to receive products.
- (vii) Enhance IR activity to ensure that it meets the requirements for listing companies, provide transparent and timely information to shareholders and investors. At the same time, work with securities companies to have plans to take care of SCR share market price.

- (viii) Mobilize medium and long-term capital through investment funds, securities companies advising on investment in bonds, shares of TTC Land and its subsidiaries, ...

3) Solutions on project development and land bank:

- (i) It is necessary to focus on perfecting the legality of the projects being implemented to put them into business and construction to prepare for the 2020 plan and the following years including projects: Charmington Iris, Hoa Dong, Da Nang, Hai Phong, Charmington Plaza, Tan Son Nhat, Tan Van, Tan Hung, Kim Thap, Carillon 6, 22ha Hoc Mon, Loi Binh Nhon, projects in Kien Giang, Long An,...
- (ii) Focus on exploiting appropriate land banks to develop Smart-Office type, take advantage of market opportunities in the face of increasingly severe public land control.
- (iii) Create land banks for the next years, need to develop at least 3 new projects in 2019.

4) Solutions on construction progress and construction quality:

- (i) Implement and apply the general contractor model for all projects to control construction, handover time and costs incurred.
- (ii) Strengthen inspection and supervision at construction sites, ensure product quality and occupational safety. Focus on training staff at projects to improve project management effectiveness.

5) Solutions on after sales, building management

- (i) Continue to improve the information technology system in order to professionalize in the management and support of residential customers in the requirements of reflection, complaint, support for revenue and expenditure, notice of fees, ... quickly and accurately.
- (ii) Continue to complete the module of managing the operation and maintenance of the technical system in the building.
- (iii) Implement and apply App Mobile extensively in projects, to enhance the professionalism in the management and operation, as well as provide additional services, bringing utilities to residential customers.
- (iv) Develop management and operation standards and conduct training to improve professionalism for building management and operation activities.

6) Human resource solutions:

- (i) Build management tools: Competency Dictionary, KPIs for each position.
- (ii) Train and build succession team.
- (iii) Personnel fluctuation rate is from 10% - 20%.
- (iv) Organize mobile director programs.

7) Solutions on system management:

- (i) For business activities: operate civil real estate CRM system.
- (ii) For finance and accounting activities: deploy ERP system in finance and accounting and budget plan management.
- (iii) For reporting system: deploy and operate BI business, BI finance, BI EO, BI personnel systems. Complete conversion of financial statements according to IFRS international standards.
- (iv) For project management: deploy and apply BIM 3D, 4D, 7D and project progress management software.

8) Solutions on TTC Land brand development:

- (i) With the Corporation model, in addition to completing the general identification of logo image on tools and publications, in 2019, the brand management department needs to build and identify uniform brand identity for the Industrial Park sector and Logistic activities. Special attention is paid to name and welcome gate image in industrial parks that need to be implemented uniformly to create a promotional effect.
- (ii) For marketing activities: it is necessary to create a difference in communication messages, product images and implementation ways for each project in order to create a communication effect through which to promote investor brands, promote product brands and attract customers to be interested in products.
- (iii) Internally, in 2019 the company will continue to focus on deploying 3 remaining core values: Integrity - Efficiency - Commitment to properly implement TTC Land Culture orientation with 6 core values set by the Leadership.

On behalf of the Company's leadership, I wish valued customers and valued shareholders health, happiness and success. I also wish the Meeting a great success.

Sincerely,

**ON BEHALF OF THE BOM
CHIEF EXECUTIVE OFFICER**

(Signed)

BUI TIEN THANG