

No.: 01/2018/TGD-BC

Hanoi, 20th April 2018

REPORT OF THE COMPANY'S GENERAL DIRECTOR

**Re: Results of operating activities 2017 and business plan 2018 of Ninh Van Bay
Travel Real Estate Joint Stock Company**

**To: - Annual General Meeting of Shareholders 2018 of Ninh Van Bay
Travel Real Estate Joint Stock Company
- The Board of Directors;
- Supervisory Board**

On behalf of the Board of Management, the General Director of the Company would like to report to the Annual General Meeting of Shareholders 2018 on the results of operating activities 2017 and business plan 2018, details are as follows:

I. THE RESULTS OF OPERATING ACTIVITIES 2017

In 2017, the company continued to undergo a difficult period of shortage of funds, repayment for bank loans, bonds as well as competition among competitors. The search for partners for projects in progress of the company has encountered many difficulties from the risk factors of the real estate market as well as the uncertainty of the economy in general. In addition, the lack of stability in cash flow, the risk from the loans, maturity-near bond debts are the key difficulties making the business plan of the company. However, the resort services are the strength of the company in the prestigious resorts in the domestic and regional tourism market such as Six Senses Ninh Van Bay, Emeralda Ninh Binh well and stable operates and contributes to maintain the Company's stable operation.

The Company's Results of operating activities 2017 are as follows:

1.1. Results of operating activities 2017

** The parent company's results of operating activities*

Unit: Billion VND

No.	Items	Results of operating activities 2017	Compared to the 2017 plan		Compared to the 2016 results		Remarks
			Plan	Ratio (%)	Results of 2016	Ratio (%)	
1	Net revenue						
2	Financial income	25,68	36,00	71,33	34,08	75,6	
3	Pre-tax profit	(348,60)	3,00	(11,62)	(5,29)	(6.584)	
4	Profit after tax	(348,60)	3,00	(11,62)	(5,29)	(6.584)	

*** Consolidated results of operating activities:**

Unit: *Billion VND*

No.	Items	Results of operating activities 2017	Compared to the 2017 plan		Compared to the 2016 results		Remarks
			Plan	Ratio (%)	Results of 2016	Ratio (%)	
1	Consolidated revenue	232,58	219	106,20	190,83	121,88	
2	Consolidated gross profit	117,09	120	97,58	91,39	128,12	
3	Consolidated pre-tax profit	(439,87)	17	(2.587)	15,63	(2.814)	
4	Consolidated profit after tax	(455,95)	16,5	(2.763)	15,58	(2.926)	

Capital structure:

- Total assets as of 31/12/2017 : 534.786.532.681 VND
- Owner's equity as of 31/12/2017 : 387.565.231.407 VND
- Book value as of 31/12/2017 : 5,909 VND / share

In 2017, the company's result of operating activities was loss as mentioned above and the company's total assets dropped from VND 969.5 billion to VND 405.01 billion (in parent company's audited financial statements 2017) and dropped from VND 1,319.2 billion to VND 534.78 billion (in the consolidated audited financial statement 2017). The cause of this decrease in total assets was due to the increase in administrative expenses and financial expenses from the transfer of contributed capital and loans in Hai Dung Co., Ltd. (Subsidiary), transfer of shares in Danh Viet Trading and Service Joint Stock Company (Associated company) and transfer of receivables from Tan Phu Travel Joint Stock Company (Associated company).

1.2. Key investments and transactions 2017

In 2017, the Company did not pay any major investments, but mainly focused on the transfer of equity, investment capital in subsidiaries, associated company to mobilize fund for repayment of the Bonds and supplement the capital to maintain minimum necessary activities in the unfinished projects.

As of 31/12/2017, the Company has completed the repayment of principal, interest and other expenses incurred to Bondholders with a total par value of 230 billion VND issued by the Company on 11/11/2014.

Funds to pay for the above Bonds were from private individuals, organizations, dividends shared at Hong Hai Travel Joint Stock Company and proceeds from transfer of the Company's assets in order to meet the urgent demand for repayment to Bondholders.

1.3. Corporate governance activities

1.3.1. Management activities

The company's management activities 2017 was carried out smoothly from the parent company to its subsidiaries and created the cooperation among member companies as: Developing and implementing the business plans, investment plans, supports to member companies in implementing each business model; controlling and providing timely planning policies for reports and management activities of subsidiaries.

1.3.2. Human resource training work

The Company and its Subsidiaries are taking the policy in accordance with established procedures to ensure that the new employee is qualified, skilled, experienced for the position vacant and have a sense of responsibility, have a long-term commitment. In the long term, the Company prioritizes the recruitment of domestic employees, and adopts appropriate policies to attract locally-qualified employees with appropriate qualifications.

The training of human resources, especially those in the resorts, has always been focused to ensuring that all employees are trained for professional competence and good performance. The training and education of the necessary skills and expertise were carried out at the workplace or outside training courses. Concurrently, the agreement on the obligations and benefits of the resort and employees during their study, ability to meet the work requirements and service duration after training.

1.3.3. Strategic partnership relations

In addition to maintaining a collaborative relationship with existing partners, The company and its Subsidiaries have made great efforts in exploring and expanding with new partners to enhance their development cooperation.

1.3.4. Investor relations

As a company with stocks are listed on the Ho Chi Minh City Stock Exchange. Company regularly, timely disclose periodic information, and abnormal information in accordance with the law to ensure increased transparency, to assist investors in accessing information about the Company's activities.

II. BUSINESS PLAN 2018

2.1. Consolidated profit plan throughout the company

Expected total consolidated revenue 2018 throughout the group will be VND 245 billion, expected consolidated pre-tax profit will be VND 35 billion. Details are as follows:

Parent company's results of operating activities:

Unit: Billion VND

No.	Item	Results of operating activities 2017	Plan 2018
1	Net revenue		
2	Financial income	25,68	20,00
3	Pre-tax profit	(348,60)	15,00
4	Profit after tax	(348,60)	15,00

Consolidated results of operating activities:

Unit: Billion VND

No.	Item	Results of operating activities 2017	Plan 2018
1	Consolidated revenue	232,58	245,00
2	Consolidated gross profit	117,09	50,00
3	Consolidated pre-tax profit	(439,87)	35,00
4	Consolidated profit after tax	(455,95)	25,00

2.2. The key solutions to be taken

To achieve its objectives, the Board of Directors and Board of Management of Ninh Van Bay will focus on taking the following solutions:

- For Six Senses Ninh Van Bay project, Emeraldalda Ninh Binh project: Maintaining quality of service and expanding the promotion policies to attract tourists to the project. Keeping the expansion of the market share of tourists to the mid-level and creating more promotional policies to attract and expand domestic market share.
- Continuing the consolidation and professional implementation of corporate governance practices under the Parent-Subsidiary model, demonstrating the controlling role of the parent company as well as developing the Ninh Van Bay brand as the leading resort brand and leading resort real estate in Vietnam and towards the regions; developing investor relations system, developing human resource policy and corporate culture.

The above is a report on results of operating activities 2017 and business plan 2018 of Ninh Van Bay Travel Real Estate Joint Stock Company, we respectfully submit to the General Meeting of Shareholders for approval.

Recipients:

- As above;
- Secretary of the Board of directors;
- Save: the office.

GENERAL DIRECTOR

(Signed)

Hoang Anh Dzung