

**REPORT OF THE BOARD OF DIRECTORS
NAM LONG INVESTMENT CORPORATION****A. THE OPERATION OF THE BOARD IN 2016****1. Business performance in 2016:**

2016 Vietnam Real Estate Market has been in an observation of strong recovery and growth. Macro Economy has been stable, FDI in Real Estate industry has achieved USD1.3 billion with higher quality and proportion of conductive capital, inflation is in control, reserve of foreign currencies has reached the peak than ever, equivalent to USD41 billion achievement.....These factors are fundamental steps for Real Estate to continue its development. Although the completion of VND30,000 billion package had some small impacts, Decree number 06, the unbalanced condition between demand and supply might happen, but it is not effecting much to entrepreneurs who have sustainable development plans and strategies.

In that scenario, Nam Long has reached incredibly achievements as below:

- Strong growth of business result: Sales Plan in value accounted for 63%, Revenues accounted for 101%, EBIT accounted for 67% compared to 2015.
- Affirmation of three "Affordable" products in different segmentations: EHome – affordable apartment for people in the range of average income, Flora – affordable condominium for people in the range of above average income, Valora – affordable villas for wealthy people. The achievement of development is measured in persuasive sales figures, increase of brand awareness, and development plans of Land Fund in appropriation with different products.
- Continuation of successful cooperation with International Real Estate Corporations, namely, Keppel Land – one of the top Real Estate Corporation in Asia in the form of investment, two big Japanese Corporates including Hankyu Realty và Nishi Nippon Railroad in the form of project cooperation.
- Winning recognition awards from International Organizations in relation with project cooperation as well as honour recognitions of social activities.

Followings are key audited numbers of audited 2016 performance:

Unit: VND bil

No	Items	Actual 2016	Planning 2016	Percentage completion
1	Net revenue	2,534	3,187	80%
2	Profit before tax	484	473	102%
3	Profit after tax	388	399	97%
4	Net profit after minority interest	345	360	96%
5	Earnings per share (VND)	2,367		

2. Board's operation in 2016:

The Board always conformed to the legal regulations, Company Charter and Corporate Governance Regulations; closely supervised company operations to issue appropriate decisions, as well as controlled the execution of the Board of Management in order to protect company common interests.

During 2016, the Board had organized 05 meetings on 26 Feb 2016, 02 Apr 2016, 23 Apr 2016, 05 Aug 2016, and 16 Dec 2016, and issued 40 resolutions/decisions (enclosed in the attached Annex).

Followings are key tasks implemented by the Board in 2016 to enhance corporate governance and management abilities as well as increase values for the whole group:

- a. Operating the Board's organization and operations in a professional manner, to meet international standards and practices.
- b. Directed BOD sub-committees to exercise their roles in verifying investment plans, find solutions for key personnels, and compliance management to ensure governance and management capabilities of the BOM. Key execution tasks are as follows:

i) Investment Committee

- Verified business plan, project investment cooperation plan, investment/divestment into/from at subsidiaries level proposed by CEO.

ii) Audit Committee

- Directed Internal Audit Department to audit and prepare evaluation report about audit processes at NLIC and subsidiaries.
- Organized periodical meeting with Board of Management on audit results to give necessary recommendation to assure the implementation of CEO on the legal regulations, company charter, Corporate Governance Regulations, prevailing Charter of Authorizations (COAs) and other company regulations as well as the improvement on prevailing operation process and risk management.
- Verified financial statements, monthly/quarterly/yearly management report, review monthly/quarterly business performance via monthly/quarterly/yearly management report.
- Continuously kept track of the implementation of internal audit detection and recommendation mentioned on operation process and compliance report.
- Periodly organized meeting with independent auditor on audited financial statements 2015 and review report for the first six month of 2016.
- Cooperated with Inspection Committee to evaluate audit quality of independent auditor of 2015.
- Cooperated with Inspection Committee in selecting independent auditor for 2016.

iii) Human Resources and External Relations (HRER)

- Proposed new Board for term 2016-2021 for election at Annual General Shareholders Meeting on 23 Apr 2016.

- Proposed candidates for the Board and propose sub-committees members and to be approved by the Board of Director on 25 Apr 2016.
- Designed and assigned KPIs 2016 for CEO.
- Verified the execution of ESG Policy 2015.
- Verified HR OB 2015, review headcount planning, HR OB 2016, and NLIC and Group Management organization structure.
- Designed Board of Directors' operation budget policy applied for 2017 going forward.
- Developed succession plan for BOM of NLIC.
- Verified headcount planning and OB 2017 of NLIC.

iv) Shareholder Relation

- To be a contact point between Board and shareholders.
- Proceeded to get the General Shareholders' Meeting's approval by voting on issuing convertible bonds; cooperate in proceeding the procedure of issuing convertible bonds after approved by General Shareholders' Meeting.
- Organized Annual General Shareholders' Meeting on 23 Apr 2016, recorded the meeting minute, related resolutions, and disclosed information as regulated.
- Conducted public information disclosure periodically and extraordinarily as regulated.

v) Activities of Independent Directors

- Board Independent Directors consulted BOM in real estate development; project management and development; process systems; sales & marketing; HR...

3. Operation Expenses of the Board and Inspection Committee in 2016:

AGM on 23/04/2016 approve operation budget for the Board, Inspection Committee and Sub-committees at VND **7.705bil**.

For year-end 2016, total actual operation expense and remuneration for the Board and Inspection Committee were VND **6.856bil** (Six billion eight hundred fifty six million Vietnam dong).

B. ACTION PLAN OF THE BOARD IN 2017

The year of 2017 has marked 'Rising Speed' for Nam long to affirm its values and internal force. The joint of many investors in 'affordable' living segmentation is a challenge but the right strategy of Nam Long.

Nam Long continues focusing on strengthening the organization, assigning tasks to subsidiaries in the real estate added-value chain. Human resources system, group finance and tax advantages will be strengthening, balancing and focusing on for most benefits and operation efficiency. These targets contribute solid foundation for Nam Long to gradually implement business plans reported to General Shareholders Meeting.

The Board of Nam Long proposes the action plan in 2017 with following critical contents:

i) Finance, Investment, Project

- Directing strategies and plans BP 2017 and 3-year BP 2017-2019 to achieve the 2020 vision and mission.
- Nam Long will look for more Co-investors to develop big-sized urban areas such as Mizuki Park, Hoang Nam, Waterpoint... The combination of wide-development in urban areas and deep-development in product segmentation, namely EHome, Flora, Valora will position Nam Long in the new level.
- Consistent with sustainable development strategies with “Affordable” products, Nam Long will continue to search and develop new appropriate Land Funds depending on each product, namely EHome, Flora, Valora for short, medium and long term development.
- Continue to exploit and develop new business: “Management, Business and Commercial Real Estate Exploitation” in current Land Funds as well as future Land Funds for big-sized urban areas. Accordingly, the value of Nam Long’s projects will be increased, as a consequence, it will bring stable revenues and profits for the Corporate’s sustainable growth in the near future.
- Enlarging the ‘affordable’ housing market in other potential areas (Ha Noi, Can Tho...).

ii) Group Finance and Human Resources

- Implementing the Group’s internal audit under the internal audit plan has been approved.
- Being professional in Corporate Management and Investment, assurance of distribution system and Subsidiaries’ capability, increase of real estate value chain under commitment of three-year Business Plan.
- Determination of three core values: Professionalism, Integrity and Ownership to develop the Corporate’s human resources and culture, build a good working environment for talents to develop and contribute to the Corporate; along with the continuity of human resources training and management capability upgrading, building and developing successors in order to prepare for Nam Long’s development in the upcoming years.

iii) Corporate Governance

- Intensifying the operations of sub-committees: Investment, HRER, Audit Committee and Shareholder Relation in order to improve the Board’s governance efficiency.
- Intensifying the supervision, control and the mechanism of periodical reporting between the Board and the Management.
- Implementing the risk management process in the whole Group.

iv) Investment Relation

- Implementing IR in effective and professional ways, making NLG stock’s valuable and bring benefit to both: majority and minority shareholders.

v) Independent Board Member

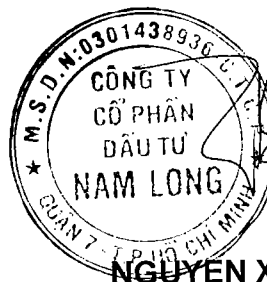
- Continually implementing consulting plans, consulting for the Management to strengthen management and operation capability.

In 2017, Board of Director new term shall continue to closely follow up all changes in Government's policies as well as the economic and market fluctuations in order to keep the company growth and to ensure the benefits committed with shareholders.

To overcome challenges and achieve common targets, the Board of Nam Long requests the support and long-term commitment from Shareholders, partners and all of Nam Long staffs.

Yours sincerely,

ON BEHALF OF THE BOARD
CHAIRMAN



NGUYEN XUAN QUANG

ANNEX: LIST OF BOARD'S RESOLUTIONS/DECISIONS IN 2016

No	Number of Resolution/Decision	Date	Content
1	01/2016/NQ/HĐQT/NLG	08 Jan 2016	Approve to sell stake to Japanese Investors and contribute more capital into ASPL PLB - Nam Long Ltd. Company
2	02/2016/NQ/HĐQT/NLG	29 Feb 2016	Approve to update NLIC and NLG Organization Charts
3	03/2016/NQ/HĐQT/NLG	29 Feb 2016	Approving the submission of of Collecting written opinions of Shareholders
4	04/2016/NQ/HĐQT/NLG	07 Mar 2016	Approve business plan 2016, including plan on HR OB plan Approve convertible bond issuance and approve the execution of AGM voting procedures Approve the convening of Annual General Shareholders Meeting 2016 on 23 April 2016 Approve recommendations from HRER on new Board and Inspection Committee plan for new term 2016 – 2021
5	05/2016/NQ/HĐQT/NLG	10 Mar 2016	Approval of 2015 2 nd Dividend payment
6	06/2016/NQ/HĐQT/NLG	18 Mar 2016	Approve the implementation contract for CASA project
7	07/2016/NQ/HĐQT/NLG	30 Mar 2016	Approve the issuance plan of convertible bonds, list of anticipate strategic shareholders
8	08/2016/NQ/HĐQT/NLG	31 Mar 2016	Approve to select Nam Khang Construction Investment Development One Member Limited Liability Company to be the contractor for the total construction packages of Block A and the total internal Infrastructure works of Blocks A, A9, A10 and A11 of Ehome 3 Project
9	09/2016/NQ/HĐQT/NLG	07 Apr 2016	Agree on the 2015 audited performance and profit distribution proposal for 2015 and agree to submit AGM 2016 for approval Agree to submit AGM 2016 for approval on Business Plan 2016 Agree on profit distribution plan for 2016, in which dividend payout plan for 2016 is at 5% by cash and at 10% by shares and agree to submit AGM 2016 for approval Agree with proposal on company charter modification and agree to submit AGM 2016 for approval Agree on recommendation from HRER on nomination of Board for new term Agree on recommendation from HRER on nomination of Inspection Committee for new term Agree ESG pool for 2015 at 903.921 shares and agree to submit AGM for approval and issuance for 2016. Approve new ESG pool for 2016 as presented according to the update 3-years BP Agree on Audit Committee's proposal on the external auditor appointment for 2016 in accordance with approved process and agree for Inspection Committee to submit AGM 2016 for approval Approve to increase the credit line of the Loan at OCB to VND300 bil
10	10/2016/NQ/HĐQT/NLG	08 Apr 2016	Approving the issuance of the convertible bonds to Ibeworth Pte. Ltd.
11	11/2016/NQ/HĐQT/NLG	25 Apr 2016	Approve to appoint Chairman, Permanent Vice Chairman, and BOD Sub-committee members
12	12/2016/NQ/HĐQT/NLG	04 May 2016	Approve credit line at Vietcombank - Ky Dong Branch

13	13/2016/NQ/HĐQT/NLG	17 May 2016	Approve for Nam Long Investment Corporation purchases new issuing shares of Nam Phan Investment JSC
14	14/2016/NQ/HĐQT/NLG	17 May 2016	Approve for Nam Long Investment Corporation increases the ownership in Nam Long Development Company
15	15/2016/NQ/HĐQT/NLG	17 May 2016	Approve for taking-over extended land related to Hoang Nam project
16	16/2016/NQ/HĐQT/NLG	17 May 2016	Approve the changes of NLIC's representative at Nam Long – Hong Phat JSC
17	17/2016/NQ/HĐQT/NLG	17 May 2016	Approve for Nam Long Investment Corporation finances for Nam Long VCD JSC to deploy Water Point project
18	18/2016/NQ/HĐQT/NLG	06 Jun 2016	Approve for Nam Long Investment Corporation financing Nam Long - Hong Phat
19	19/2016/NQ/HĐQT/NLG	06 Jun 2016	Approve the dissolution of Gamuda – Nam Long Joint Venture
20	20/2016/NQ/HĐQT/NLG	08 Jun 2016	Approve the execution of ESG share issuance
21	21/2016/NQ/HĐQT/NLG	15 Jun 2016	Approve the implementation of issuing shares based on employee stock option program
22	22/2016/NQ/HĐQT/NLG	04 Jul 2016	Approve credit line at VPBankh – HCM Branch
23	23/2016/NQ/HĐQT/NLG	08 Jul 2016	Approve the capital for issuing shares based on employee stock option program
24	24/2016/NQ/HĐQT/NLG	18 Jul 2016	Approve for Nam Long Apartment Development Company to be the project management consultant for Block A of Ehome 3 Project
25	25/2016/NQ/HĐQT/NLG	15 Aug 2016	Approve to advance 1 st dividend of 2016 by cash Approve the appointment of Mr Ziang Tony Ngo into Audit Committee, and Mr Ngian Siew Siong into HRER Committee Approve the co-investment with Japanese Investors to develop Phu Huu Project Approve for Nguyen Son Real Estate Company to borrow money from banks, convert BCC capital to charter capital
26	26/2016/NQ/HĐQT/NLG	15 Aug 2016	Approve to authorize and consign Nam Long DC to manage and operate some specified commercial properties of the Group
27	27/2016/NQ/HĐQT/NLG	24 Aug 2016	Approve to convert Nam Long DC from a Joint Stock Company to a One member Limited Liability Company
28	28/2016/NQ/HĐQT/NLG	24 Aug 2016	Approve the selection of Nam Khang Construction Investment Development One Member Limited Liability Company as the constructor for the total construction packages of Fuji Residence and Infrastructure works for phase 2 Flora Anh Dao projects
29	29/2016/NQ/HĐQT/NLG	07 Sep 2016	Approve to increase capital in Thao Nguyen Company (Ehome 7 Project)
30	30/2016/NQ/HĐQT/NLG	12 Sep 2016	Approve the divestment plan in Nguyen Phuc Real Estate Investment and Trading Co., (Ehome 6 – FLORA ANH DAO project)
31	31/2016/NQ/HĐQT/NLG	17 Oct 2016	Approve the credit line at HDBank – HCM Branch
32	32/2016/NQ/HĐQT/NLG	17 Oct 2016	Approve to sign contract on consulting on marketing and sales strategy with Ziang Tony Ngo
33	33/2016/NQ/HĐQT/NLG	27 Oct 2016	Approve for Nam Long Investment Corporation to sign the office leasing with Tan Hiep Investment Co., Ltd.
34	34/2016/NQ/HĐQT/NLG	08 Nov 2016	Agree the bank guarantee with Ocean Commercial Bank for Ehome 8
35	35/2016/NQ/HĐQT/NLG	11 Nov 2016	Approve the amendment of Corporate Governance Regulations
36	36/2016/NQ/HĐQT/NLG	23 Nov 2016	2016 1 st Dividend advancement
37	37/2016/NQ/HĐQT/NLG	28 Nov 2016	Approve to increase the ownership in Nam Long – Hong Phat Joint Stock Company
38	38/2016/NQ/HĐQT/NLG	30 Nov 2016	Approve to sell Tan Thuan Dong Supermarket Project, District 7, HCMC
39	39/2016/NQ/HĐQT/NLG	14 Dec 2016	Approve to select Nam Long ADC to be project after-sales management consultant for Block A Ehome 3 Project

40	40/2016/NQ/HĐQT/NLG	28 Dec 2016	<p>Approve Board of Directors and Inspection Committee's operation budget policy framework applied for 2017 going forward (to be submitted to AGM 2017 for approval)</p> <p>Approve meeting schedule and agenda of AGM and BOD 2017</p> <p>Approve for Nguyen Son Real Estate Company to increase charter capital to apply for Building Investment Approval of B1 Area of Nguyen Son Project</p> <p>Approve for Nguyen Son Real Estate Company to implement the bank loan</p>
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