



DEVELOPMENT ORIENTATION IN THE PERIOD 2018-2023

THE YEAR OF 2018 BEGINS A PERIOD OF NEW MANAGEMENT TERM, THEREFORE, THE BOARD OF DIRECTORS SET OUT THE DIRECTIONS AND DEVELOPMENT STRATEGIES OF THE GROUP IN THE FOLLOWING YEARS, AS FOLLOWS:

1

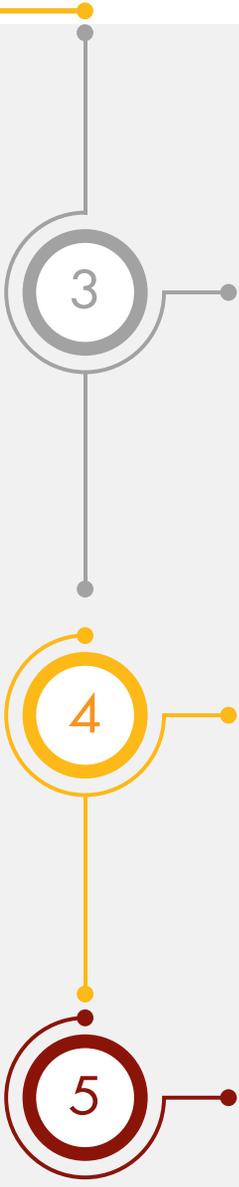
FOR ADMINISTRATION – RESTRUCTURE OPERATIONS:

- Continuously improving the internal management system, ensuring that the growth of the Group must be closed to the management mechanism, promoting transparency and honesty in all operations of the Group.
- Researching, developing, planning and applying modern management models, enhancing the governance quality of the Group, focusing on the restructuring of the distribution system which is following the model of provincial center branch in order to ensure the streamlined, effective, in parallel with the promotion of competitive advantages of the distribution system.
- Completing the ERP system, applying technology in business management to streamline the processes as well as increase the efficiency of work.

2

FOR BUSINESS OPERATIONS

- Concentrating on the development of domestic market through expanding and quickly developing the distribution-retail network. By 2020, the entire Hoa Sen Group's distribution network will reach 1,000 to 1,200 branches/retail stores.
- Increasing consumption and domestic market share, improving competitiveness, developing and applying flexible and effective business policies. At the same time, researching and developing new sales methods to meet consumer's demands, affordability and consumer's trend such as online sales through the Group's website, installment sales, etc.
- Developing export activities by increasing consumption in traditional markets, in combination with the expansion of export activities in new potential markets, at the same time to diversify export products of the Group to meet the demands of customers.
- Increasing sales volume of plastic products, diversifying products, combining with rational, flexible and effective business policies. Targeted to 2020, consumption of plastic products will reach 5,000 tons/month.
- Researching, surveying and developing in new sectors such as real estate, hotels, modern technology industries to create a premise for future development.



3

FOR PROJECT - MANUFACTURING INVESTMENT ACTIVITIES

- Concentrating on completing and quickly putting production projects into stable operation in order to increase production capacity, optimize geographical advantages and transport costs.
- Improving the production system, technology, quality of products, increasing the proportion of finished products, minimizing raw material consumption and operating costs of machinery, optimizing production cost, ensuring stable and safe production.
- Maintaining the feasibility study and investment promotion of domestic and foreign projects such as projects in Ninh Thuan province, investment expansion activities in Australia, Singapore, Indonesia, etc. ensuring that the implementation of future projects will bring efficiency and growth for the Group.

4

FOR HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT ACTIVITIES

- Focusing on promoting the effectiveness of human resource management based on the system of operating procedures and behavior standards in order to build and develop a young and professional staff in accordance with Hoa Sen culture.
- Strengthening and perfecting the management team of the Group, focusing on the key managers, successors and administrators.
- Improving the effectiveness of training activities to enhance knowledge and professional skills of the Group's employees.

5

FOR COMMUNICATION ACTIVITIES

Implementing a diversified and innovative PR - marketing strategy, in combination with events, charity activities, sponsorship, oriented to community and friendly with environment in order to promote the brand image of the Group.