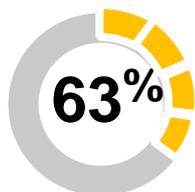
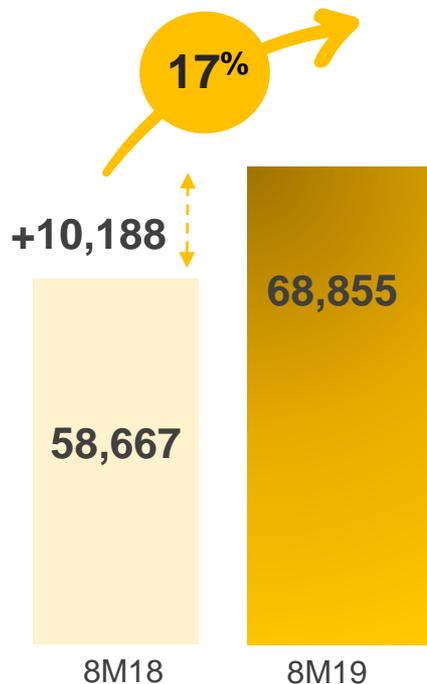




YTD AUG 2019 PERFORMANCE REPORT

NET REVENUE

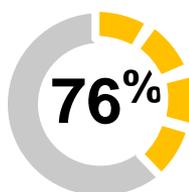
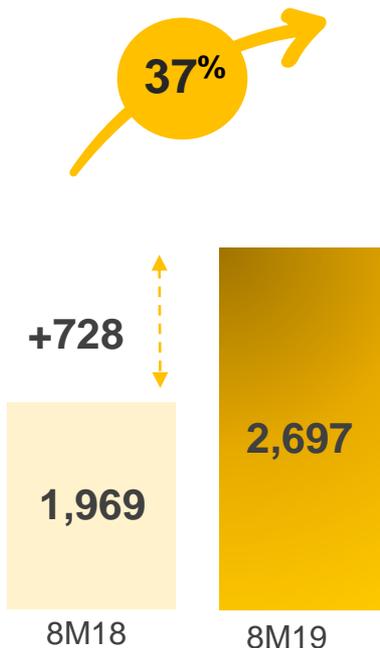
(VND billion)



Net revenue target
(VND108,468 billion)
was completed

NET PROFIT AFTER TAX

(VND billion)



NPAT target
(VND 3,571 billion)
was completed

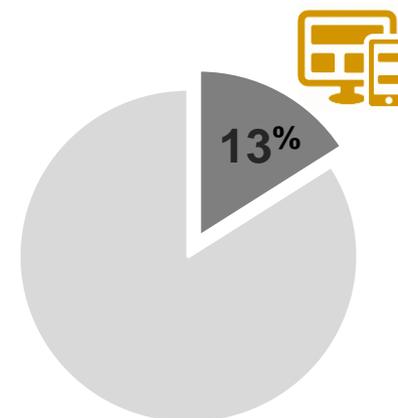


9,165 VND billion
ONLINE REVENUE
YTD AUG 2019



+21%

Vs. ONLINE REVENUE
YTD AUG 2018



TOTAL: VND 68,855 billion



YTD AUG 2019 PERFORMANCE REPORT

STORE COUNT BY CHAINS

2,621



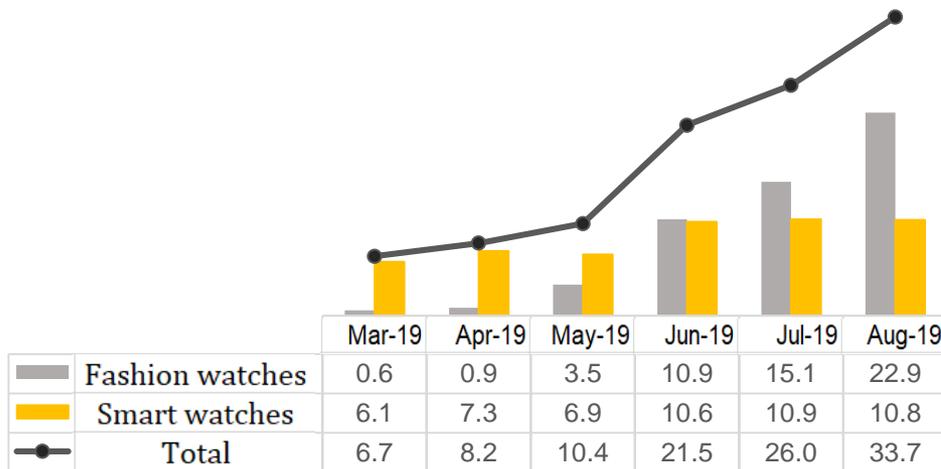
(*) thegioidadong stores continued to be converted to mini-DMX stores

REVENUE BY CHAINS

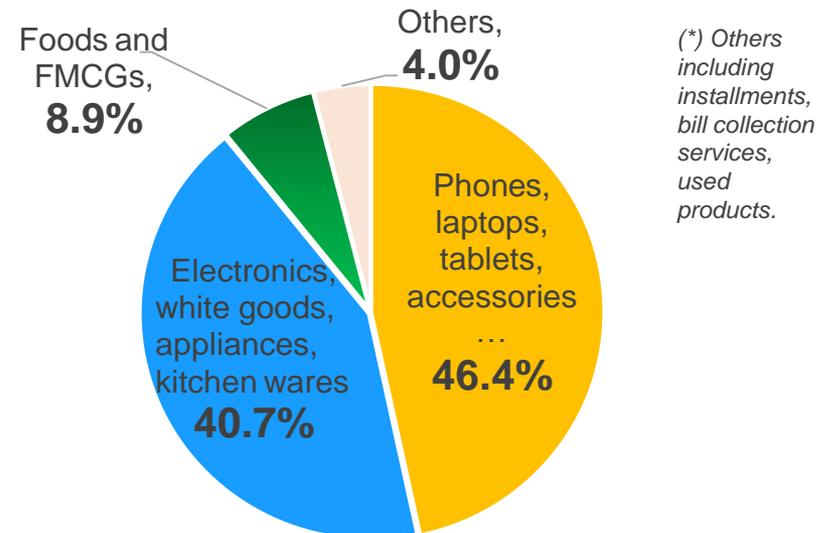


(*) Revenue by chains did not include Bigphone's revenue

SALES VOLUME OF WATCHES MAR TO AUG 2019 (thousand products)



REVENUE BREAKDOWN BY CATEGORIES





YTD AUGUST 2019 PERFORMANCE REPORT

- For 8M-2019, MWG recorded **consolidated net revenue of VND 68,855 billion (+17% yoy)** and **net profit of VND 2,697 billion (+37% yoy)**. Year-to-date, MWG fulfilled **63% of revenue and 76% of profit target for FY 2019**.
- As usual for the business cycle, mobile phones and electronics consumption tends to slow down during the 3rd quarter and then will grow again in the holiday season at year end. In particular, August is the lowest month of the year in terms of revenue and profit due to the rainy season weather as well as much-decreased shopping demand of consumers in the seventh lunar month. After the mega sale promotion campaign in the series of events to celebrate MWG's 15th anniversary, **net profit margin in August 2019 returned to 3.6% (compared to 3.1% in July 2019 and 3.05% of August 2018)**. In terms of value, **MWG's monthly profit in August 2019 still recorded a 34% growth compared to the same period last year. Thus, net profit margin for accumulated 8M-2019 stood at 3.9%**.
- Online segment contributed 13% of MWG's total revenue and grew 21% compared to the same period last year. After 3 months since the company implemented the strategy to control the price difference of products offered online vs. offline to optimize the omni-channel retail model, focusing on serving customers who seek convenience and service quality, online revenue from this customer group seems to pick up again in August.
- At the end of August, MWG operated in **total 2,621 stores, an increase of 91 stores compared to the end of July**. DMX chain added 21 new stores including conversion from TGDD stores; BHX chain added 66 new stores, bringing the total number of BHX stores to 725; the new "Super Cheap Phones" (DTSR) chain opened 10 test stores in Go Vap District, Ho Chi Minh City.



- **In order to effectively serve particular customers who seek low price, MWG started testing the "Super Cheap Phones" (DTSR) chain** from August 8, 2019. These stores have an area floor of 15-20 m², with operating costs optimized to offer customers genuine products at attractive retail prices from VND 8 million or less (on average, about 10% lower than the prices of similar products in TGDD stores). In return, these customers will not get "5-star" after-sales services as people do at TGDD stores. Specifically, DTSR stores do not support returns and if there is any technical error with the sold products, customers will have to go to the brands' warranty centers for solutions.
- At the end of August 31, 2019, MWG had **85 stores selling watches (compared to 42 stores at the end of July)**. The company started its fashion watch retailing business in March 2019 with initial sales of only a few hundred pieces. **Accumulated after 6 months, over 100 thousand watches of different kinds were sold at TGDD and DMX stores, contributing over VND250 billion in revenue for MWG.** The company plans to increase the total number of stores selling watches to about 200 by the end of this year.
- By categories, major product groups including phones, electronics, white goods and small appliances all recorded positive growth. In particular, **white goods and household appliances maintained a growth rate of over 35% in revenue** compared to the same period in 2018.
- For 8M-2019, nearly **18 million products of household and kitchen appliances were sold at DMX stores, contributing more than VND 5,100 billion to MWG's revenue.** On average, this group contributes VND650 billion per month, equivalent to approx. 7% of the company's revenue. Although the value of each product is not high, this group is bringing good profit margins for MWG.
- **With 725 stores as of August 31, 2019, BHX chain recorded total revenue of VND6,120 billion in the first 8 months of the year,** an increase of 158% compared to the same period last year. Average revenue per store approximated VND 1.5 billion per month (calculated for stores opened before August 1, 2019).
- In August, BHX expanded to the Central region with the **first store located in Binh Thuan.** The chain operated **322 stores in 15 southern provinces outside of HCMC** (making up 44% of total BHX store-count). By format, BHX had **125 large stores of 300m²,** equivalent to 17% of total number of stores.



YTD AUGUST 2019 PERFORMANCE REPORT

- After testing new solutions to effectively control the waste and shrinkage ratio, BHX has recorded positive results as this **ratio is lowered from 3% (average of the first 7 months of the year) to 2.5% (August 2019)**.
- In August 2019, BHX chain **served nearly 11.5 million customers and sold nearly 11,000 tons of fresh produce. Fresh, chilled and frozen products accounted for ~50% of BHX's total revenue.**
- BHX completed the trial to replace 100% volume of 2 items purchased from domestic suppliers with imports from South Korea, namely wet tissues and seaweeds. Thanks to the advantage of direct import with large volumes, BHX is offering these products at 20%-30% cheaper than retail price of similar products in the market. After conversion, consumption of these two products is expected to triple in September. The company will continue to look for quality sources to bring customers good products at attractive prices.
- BHX maintained its rapid roll-out with 87 new locations secured in August, including new sites in Ninh Thuan, Khanh Hoa, Bac Lieu, Soc Trang and Kien Giang.
- Aiming to **increase 20-30% revenue at potential stores**, BHX has taken these initiatives:
 - **Upgraded another 14 standard-stores**, those having revenue ranging from VND 1.7 – 2.5 billion/month with the possibility of area expansion, into large-size 300m2 shops. At the end of August 2019, BHX has upgraded a total of 37 stores.
 - **Completed trial of BHX selling small appliances and kitchen wares for 6 stores (Double Shop format) to expand the number of stores in the last months of the year.** For this format, small appliances and kitchen wares accounted for 8% -10% of the store's total revenue.
- In parallel with upgrading and expanding store network, BHX is building a technology and logistics platform to deploy Bach Hoa Xanh online vigorously next year, with the goal of bringing the most convenient and quality experience to customers.