



VINGROUP



A PIONEERING MISSION

ANNUAL REPORT
2019

A Pioneering Mission

“

Vingroup strives to become a leading international business group with a focus on Industrials and Technology to build international brands that will not only enhance the reputation of Vingroup but also contribute to the future success of our home market. In order to achieve such aspirations, it is critical for the Group to be successful in the local market, which will demand extraordinary efforts, the ability to continuously overcome our own shortfalls, aggressive investment, and acceptance of initial setbacks, perseverance, creativity, and the courage to take the path untrodden.

”

Mr. Pham Nhat Vuong
Chairman of the Board of Directors

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2015 – 2019 Financial and Operational Highlights

Vision, Mission, Core Values

Vision

With the aspiration to be a pioneer and the capability to deploy sustainable investment and development strategies, Vingroup aims to become the leading regional Technology – Industrials – Services business group. The Group will continue to innovate in building an ecosystem of high-quality products and services aimed at improving the lives of customers and enhancing the international reputation of Vietnamese brands.

Mission

Customers

Vingroup provides products and services that meet international standards while preserving locality. Our products and services anticipate the latest trends and lead the market.

Shareholders and Business Partners

Vingroup upholds the spirit of cooperation and companionship with its shareholders and partners by centering on the creation of sustainable value.

Employees

Vingroup maintains a professional, dynamic, creative, and respectful work environment that gives all employees a fair opportunity to reach their full potential.

Society

Vingroup demonstrates its social responsibility and national pride by harmonizing its corporate goals with the values of the community.

Core Values

Embracing discipline and professionalism, Vingroup strives to uphold six core values: “CREDIBILITY, INTEGRITY, CREATIVITY, SPEED, QUALITY, and COMPASSION”.

Credibility

Vingroup vigorously protects its Credibility as one would protect his honor, continuously strengthening its deployment readiness and execution competences; and spares no effort in delivering its commitments.

Speed

Vingroup values Speed and Efficiency as the principles of its Decision-making – “Fast To Decide, Fast To Invest, Fast To Deploy, Fast To Sell, Fast To Change, and Fast To Adapt”.

Integrity

Integrity lays the foundation for Vingroup where we strictly respect and comply with the laws and ethical standards, putting the interests of our customers first.

Quality

Vingroup’s commitment to high quality in its operations is expressed as: “Best in People, Best in Products and Services, Best in Quality of Life, and delivering the Best in Society.”

Creativity

Vingroup sees Creativity as its vitalizing catalyst for growth, embracing the entrepreneurial spirit to build an enterprise of constant learning.

Compassion

Vingroup nurtures its relationships with Compassion, treasuring human capital as its most valuable asset and harmonizing all the stakeholders’ benefits on the basis of fairness, integrity and solidarity.

2019 Message

“ A Pioneering Mission ”

Vingroup is a pioneer in building world-class national brands in the Technology and Industrials fields, paving the way for new consumer trends and experiences. Vingroup is determined to bring its technology and industrial products to the world, embarking on its mission “**To create a better life for the Vietnamese people**” on a more comprehensive level.

“ Preserving the startup spirit ”

The entrepreneurial mindset has been the foundation of Vingroup throughout its long history. Vingroup has continuously listened to its customers, cultivated creativity, embraced change, and created opportunities through cooperation. These practices have guided the company’s growth and success.



Logo

Vingroup’s corporate logo portrays a bird flying toward the sun, symbolizing our determination to reach higher and higher levels of success. The V-shape of the bird’s wings represents Vietnam and our national pride. It is also a symbol of Victory and a focus on “5-star” quality, one of our core values. Red and yellow are the colors of Vietnam’s national flag, expressing our pride in the Vietnamese identity, spirit and intellect.

2019 at a Glance



(*) As of 29 February 2020



Vinhomes Ocean Park (Hanoi)

2019 Achievements



01 VinFast Complex officially inaugurated as a world-leading state-of-the-art automobile manufacturing plant

In June 2019, after a record-breaking construction period of only 21 months, VinFast officially inaugurated its automobile manufacturing plant with a designed capacity of 250 thousand cars per annum in the first phase. This is the first automobile manufacturing plant in Vietnam to have a fully complete production line comprised of six shops – body, welding, paint, engine, sub assembly and general assembly – all of which are fully integrated and automated by thousands of ABB robots and Siemens smart manufacturing equipment, in order to achieve optimal performance.

02 VinSmart manufacturing plant in Hoa Lac Hi-tech park inaugurated and smart TV production initiated

In November 2019, the first phase of the VinSmart manufacturing complex was officially put into operation in Hoa Lac Hi-Tech Park (Thach That, Hanoi) with a designed capacity of 26 million products per annum, including smartphones and other smart devices. Shortly thereafter, VinSmart introduced the first five Android-powered LCD TV models directly licensed by Google.



03 Two mega projects launched: Vinhomes Grand Park and Vinhomes Symphony



In July 2019, the Vinhomes Grand Park mega project was officially launched in District 9 of Ho Chi Minh City with a total area of 271 ha, becoming the first mega project in the city to be managed and operated with world-class smart technologies. Within just 17 days of its soft launch, 10,000 units were sold, breaking all sales records, and the development remains a “hot spot” in the market today.

In December 2019 in Hanoi, Vinhomes launched the Vinhomes Symphony apartment and office complex in Long Bien that includes five apartment buildings and one office tower. Located in the heart of the World’s Best Urban Area – Vinhomes Riverside – Vinhomes Symphony was well received by the market with an impressive take-up rate of 83%.

04 13 Vincom retail malls launched

In 2019, Vincom Retail continued to increase its coverage with the launch of 13 new malls, bringing the total number across the system to 79, reaching 1.6 million square meters of gross floor area and attracting more than 225 thousand guest visits in 43 provinces. With its nationwide coverage, diverse tenants and outstanding service quality, Vincom Retail has become the No.1 partner for both international brands and big domestic corporations aiming at seizing opportunities from the new wave of retail, consumption and modern entertainment in Vietnam. These include Zara, H&M, Uniqlo, Decathlon, ACFC Company and L’Oreal Cosmetics Group, Golden Gate and Red Sun restaurant chains, Pizza 4Ps, CGV Cinemas and Lotte Cinema, entertainment chains such as TimeZone and tiNiWorld.



05 Three city hotels opened and a new development strategy announced by Vinpearl

In 2019, Vinpearl opened three more city hotels, including Vinpearl Luxury Landmark 81 in Ho Chi Minh City, Vinpearl Hotel Imperia and Vinpearl Hotel Rivera in Hai Phong, with a total capacity of nearly 800 rooms, bringing the total number of Vinpearl operating facilities to 33 hotels and resorts and nearly 16,800 rooms.

Vinpearl also announced a new strategy for product diversification and market expansion. As part of the plan, Vinpearl will reposition its entertainment market products by rebranding “Vinpearl Land” to “VinWonders” and comprehensively upgrading its existing parks to be on par with the world’s leading entertainment

complexes, while also increasing its presence in major cities and tourist destinations. Additionally, Vinpearl plans to cooperate with major airlines to open new domestic and international routes to Vinpearl facilities and offer full holiday packages. Vinpearl also intends to launch offshore representative offices in order to access strategic international markets.



06 **The largest Vietnamese genome research project announced by Vinmec**

In July 2019, a project titled “Research on the Vietnamese Genome”, was conducted over a 27-month period by a group of scientists from the Vinmec Research Institute of Stem Cell and Gene Technology (VRISG) and was published in the prestigious international medical journal on human genetics, Human Mutation (IF 4.5).

The project served as the first mass-scale database of the Vietnamese genome, which plays a crucial role in developing methods for the early detection of genetic illnesses, neurodegeneration, cancer genes, boosting metabolism, and improving the effectiveness of drug treatment. The project’s success confirmed the specialized independent research capability of Vinmec, and Vietnamese scientists in general.



07 **VinUnivesity granted official approval for its establishment and opening**

On 17 December 2019, the Prime Minister officially approved the establishment of VinUniversity (“VinUni”) with a total investment of VND 16.5 trillion, of which VND 3.5 trillion is earmarked for infrastructure investment and VND 3 trillion is allocated for merit-based scholarships and other financial aid for students.

The school was officially inaugurated in early 2020 on a total area of 23 ha located within the Vinhomes Ocean Park mega project (Gia Lam, Hanoi). The facility encompasses nine blocks, including a main building, dormitories, and a sports complex, all built in accordance with Quacquarelli Symonds’s QS 5-star standards, the leading global education model. Modern facilities are an important prerequisite for VinUni as it begins to implement the most advanced educational methods, such as simulation training, evidence-based learning, and experiential learning in an effort to become one of the top 50 leading young universities in the world.

08 **Strategic cooperation with SK Group (Korea)**

On 16 May 2019, Vingroup and SK Group – one of the largest conglomerates in South Korea – officially entered into a strategic cooperation agreement with SK Group making an investment of VND 23.2 trillion (USD 1 billion) in Vingroup. The agreement is expected to bring tremendous value to both groups as it improves the quality of services and products for consumers. Following the transaction, SK Group became the largest foreign shareholder in Vingroup, holding 6% of the charter capital.

Altogether in 2019, Vingroup raised a total of USD 2.4 billion from international markets, affirming a confidence among international investors and financial institutions regarding the Group’s prospects.



09 **Divestment of Retail, Agriculture and Aviation investments in order to focus resources and management attention on existing businesses**

In 2019, Vingroup conducted an extensive strategic restructuring by exiting the Consumer retail (VinMart, VinMart+) and Agriculture (VinEco) segments, dissolving VinPro, folding Adayroi into VinID, and announcing its withdrawal from the Aviation industry (Vinpearl Air).

These decisions were made in order to focus the Group’s resources on the existing Industrials, Technology and Services segments – affirming Vingroup’s determination to put the Group’s brands on the global technology and industrials map.

2019 Awards and Accolades

01 GLOBAL
2000
The World’s Largest
Public Companies

In May 2019, Forbes released its list of the world’s 2,000 largest companies – the **Global 2000**. It featured four Vietnamese companies, including Vingroup, which was the only non-bank enterprise, ranked at number 1,747. In addition, Vingroup was listed in **Asia’s 200 Best Over A Billion** in 2019 by Forbes Asia and in the **Top 50 Listed Companies** in 2019 by Forbes Vietnam. These accomplishments are worthy recognition of Vingroup’s outstanding growth and strategic vision over the years.

02 ASIA
300
Nikkei Magazine

In 2019, Vingroup was once again selected by Nikkei Magazine of Japan as one of the top 300 most dynamic companies in its **Asia 300** list, together with other big brands from 11 countries in the region. The **Asia 300** list is comprised of the fastest growing and largest enterprises in terms of market capitalization across Asia.

03 TOP
10
Largest Enterprises
in Vietnam

Vingroup continued to be the only private sector representative in the **Top 10 Largest Enterprises in Vietnam (VNR500)**, as ranked by Vietnam Report, while maintaining its leadership position in the domestic private sector. Vingroup also ranked No.1 in the list of the **Top 10 Real Estate Developers in Vietnam** for the fourth year in a row, and jumped from 3rd to 1st position on the list of the **Top 500 Most Profitable Enterprises in Vietnam**.

05 Vinhomes, Vincom Retail
and Vinpearl recognised
as Top Valuable Brands
in Vietnam

Vinhomes, Vincom Retail and Vinpearl were honored in the list of **Vietnam’s Top 50 Most Valuable Brands** in 2019 by Brand Finance on 24 September 2019. With a value of USD 1.3 billion, the Vinhomes brand ranked 4th and was the only real estate brand in the Top 10. The other two brands, Vinpearl and Vincom Retail, ranked 25th and 31st, respectively.

04 Top Employers

Vingroup was honored as one of the **Top Employers in Vietnam** in 2019 based on employee compensation and benefits. This ranking selection was made by a panel of experts from the Ministry of Labor – War Invalids and Social Affairs, the Vietnam General Confederation of Labor, and the Vietnam Chamber of Commerce and Industry (VCCI). In addition, Vingroup was one of 13 enterprises to be awarded the Prime Minister’s Certificate of Merit for outstanding achievements in employee welfare from 2017 – 2019.

These awards represent society’s recognition of Vingroup’s sustainable development strategy.

06 ASEAN NCAP safety
certifications granted
to three VinFast’s
flagship car models

In October 2019, the Automobile Assessment Program for South East Asian Countries (ASEAN NCAP) granted the highest safety certification of 5-star to two of VinFast’s luxury cars, the Lux A and Lux SA, while its versatile city car, the Fadil, received a 4-star rating, affirming its position as “the safest car in the segment” within the Vietnamese market.

These awards are true testaments to VinFast’s commitment to provide customers with vehicles of the highest levels of safety and quality, in alignment with its motto: Vietnam – Style – Safety – Innovation – Pioneer.

07 Vinhomes mega projects
received international
real estate awards

In May 2019 at the Asia-Pacific Property Awards Ceremony (APPA), Vinhomes Ocean Park’s “Ocean in the City” was honored as the **Best Mixed-Use Development in Vietnam** in 2019. The project won this prestigious award for its comprehensive mix of amenities, including schools, hospitals, shopping malls, and shophouses, as well as a series of first-in-Vietnam accent features such as a gym park, a BBQ park, and multiple leisure parks and children’s playgrounds. Two design elements in particular – the 6.1 ha saltwater lake and the 24.5 ha central lake surrounded by white sand – completely won over the panel of judges with their bold and breakthrough designs.

“The first world-class smart city in Vietnam”, Vinhomes Smart City, surpassed its peers to win the **Best Township Development** at the Japanese International Property Awards (JIPA).

08 **Vincom Center
Landmark 81 honored
at the International
Property Awards 2019**

Just a year after launching in July 2018, Vincom Center Landmark 81 became a symbol of the dynamic and modern lifestyle in Ho Chi Minh City. It is the only retail mall in Vietnam honored with dual awards of **Best Retail Development – Asia Pacific** and **Best International Retail Development** by International Property Awards.

09 **Vinpearl won 10 prizes
at two World Travel
Awards**

In October 2019 at the World Travel Awards (WTA), Vinpearl won 10 awards in different categories.

Specifically, the integrated complex of Vinpearl Phu Quoc won five important awards, of which Vinpearl Resort & Spa won dual awards as both **Asia’s** and **Vietnam’s Leading Family and Beach Resort**. Vinpearl Luxury Landmark 81 won triple awards for being **Asia’s Leading Riverfront Hotel**, **Vietnam’s Leading City Hotel** and **Vietnam’s Leading Hotel Suite**. Vinpearl Condotel Riverfront Da Nang also won for being **Vietnam’s Leading Riverfront Hotel**.

In addition, at the WTA Awards Ceremony held in Oman in November 2019, Vinpearl Luxury Landmark 81 bested hundreds of other global hotels to win the **World’s Leading Riverfront Hotel**.

10 **Vinpearl Safari Earns
Recognition for
Conservation and
Animal Welfare**

At the 27th Annual Southeast Asian Zoos and Aquariums Association (SEAZA) Conference, Vinpearl Safari was recognized for its work in biodiversity conservation and animal welfare, and was the first zoological park in Vietnam to earn a certificate from SEAZA. Vinpearl Safari has also been recognized by the international community for its work in preserving the native habitat for wild and rare species as well as animal breeding.

11 **Vinmec won
two Asian Hospital
Management Awards**

Out of 500 projects from 129 hospitals across 17 countries, Vinmec has been selected and honored by the Asian Hospital Management Association as **Vietnam’s Most Improved Hospital** for its project “Vinmec Rising 2018: A new approach to enhance employees’ participation in creativity, innovation and quality improvement activities”. Vinmec also won the **Patient Safety Award** for its program “Minimizing medication errors at Vinmec Times City Hospital”. These awards are true testaments to Vinmec’s efforts to improve the quality of health services and promote operational management in accordance with the highest international standards.



Vinpearl Luxury Landmark 81 (Ho Chi Minh City)

Messages from the CEO



Nguyen Viet Quang
VICE CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

Dear Valued Shareholders,

On behalf of Vingroup’s Board of Directors and Board of Management, I would like to send you my warmest greetings and best wishes for health, happiness and success!

Ladies and Gentlemen,

In 2019, Vingroup made significant progress in its efforts to restructure and transform its core business into three main pillars: Industrials, Technology and Services. Its strategic divestment of the Consumer retail, Agriculture and Aviation segments are true testaments to Vingroup’s strong aspiration to concentrate all its resources on the development of the Industrials – Technology segments and its determination to build national brands in these key areas.

At the Group level, Vingroup maintained its place in the **Top 10 Largest Enterprises in Vietnam** and the No.1 position in the private sector, with a Net revenue and Profit after tax profit of VND 130 trillion and VND 7.7 trillion respectively, representing an increase of 7% and 24%, respectively, over 2018. Vingroup also maintained its No.1 position on the Vietnamese stock exchange with a market capitalization of VND 387 trillion, an increase of 27% compared to the same period last year. With a total market capitalization of VND 744 trillion (USD 32 billion), Vingroup’s three listed companies remained among the top corporations on the Vietnamese stock market.

Vingroup made significant achievements in the Industrials and Technology segments. For example, VinFast products have been well received by the market

with 17,200 cars and 50,000 e-scooters sold. Moreover, VinFast manufactured a total of 15,300 cars in just six months following the opening of its manufacturing plant. Meanwhile, Vsmart reached an impressive 7.5% market share in Vietnam in December – after only one year in the market, with 600 thousand phones sold in 2019. With relentless efforts in research and development, Vingroup’s research institutes and companies in Science and Technology have made notable scientific publications, technologies and solutions that have proven beneficial to the Group and also to the Vietnamese society. Altogether, these achievements are true testaments to Vingroup’s philosophy: dare to think, dare to do, and dare to go beyond all limits to achieve miracles.

In Services, Vinhomes has solidified and strengthened its leading position among property developers with distinctive investment strategies and execution approaches, outperforming market trends with a Profit after tax surpassing USD 1 billion for the first time. Vincom Retail continued to be the largest retail mall developer and operator in Vietnam, with a total of 79 malls in 43 cities and provinces. In the Hospitality and Entertainment segment, Vinpearl increased its market coverage by adding three new hotels and resorts, as it welcomed 8.2 million guests across 45 total locations. In Education and Healthcare, the establishment of VinUni, combined with the significant

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Our customer-centric culture will be aggressively sustained, whereby Vingroup respects and listens to its customers, and launches trend-setting products that are researched, designed, and developed in-house.

”

professional achievements and important research made by Vinmec, highlight the Group’s efforts in the not-for-profit segments and its goal to contribute to society.

In the digital domain, with more than 9.4 million members by the end of February 2020, VinID provides convenient access to all the products and services within the Vingroup ecosystem and has become one of Top 5 most frequently used lifestyle applications across all digital platforms.

In human resource management, Vingroup has recruited a wide variety of leading experts that includes both domestic and foreign scientists. By offering attractive compensation and benefits packages, combined with challenging opportunities for employees to reach their full potential, Vingroup is recognized as a workplace where employees enjoy the freedom to use their talent and creativity to contribute to the development of the Group, and the overall growth of Vietnam.

Ladies and Gentlemen,

In 2020, Vingroup will continue to promote key business areas to maintain its leading position in the market, by creating new experiences for customers. Our customer-centric culture will be aggressively sustained, whereby Vingroup respects and listens to its customers, and launches trend-setting

products that are researched, designed, and developed in-house.

In particular, Vingroup is focusing its resources on the Industrials – Technology segments, committed to winning over the domestic market as it paves the way for expansion into international markets.

In terms of corporate governance, the Group continues its implementation of the **“Five Transformation Principles” – Empowerment, Standardization, Simplification, Automation, Optimization** – of which “Sharing” has been replaced by “Optimization” to denote improvements in human capital, business efficiency and business management standardization. In addition, decentralization has been implemented to foster organization-wide growth. In 2020, Vingroup will accelerate **its Digital Transformation**, with the goal of building a unified digital platform that will provide all customers in the Vingroup ecosystem with value, convenience and a consistent level of service. Finally, Vingroup has initiated multiple programs that promote its core values with the motto of “Every Vingroup employee is a brand ambassador”, where Vingroup employees actively participate in sports, social and charity activities.

Vingroup is determined to embark on its comprehensive mission, **“To create a better life for the Vietnamese people,”** and to achieve its goal to become a world-class producer of industrial

and technology products for the international market.

In its **“pioneering mission”**, Vingroup expresses a confidence in doing things its own way – the **“Vingroup Way”** – with a dare-to-think, dare-to-do spirit, pushing all boundaries to achieve greater success. The **“Vingroup Way”** is the harmonization of Vingroup’s strategy, business conduct, values, and identity that has been shaped over the past 26 years. Vingroup proudly seeks to be a role model that inspires other Vietnamese companies to become world-class enterprises.

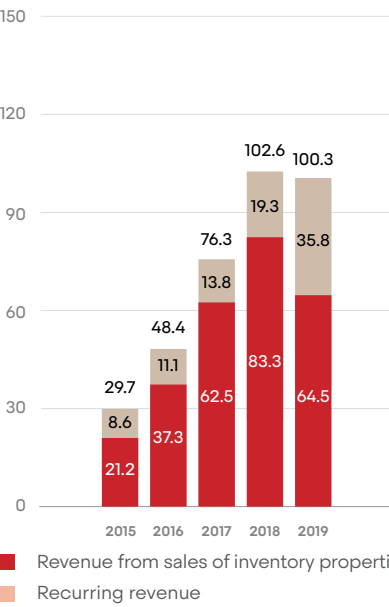
We believe that based on our focus and determination, Vingroup will continue to achieve outstanding success in 2020, helping to further lift Vietnam’s position in the international arena.

On behalf of the Board, I express my sincere gratitude for your continued support as Vingroup continues its journey toward a sustainable and prosperous future. I wish you the best of health, happiness and success.

Yours sincerely,

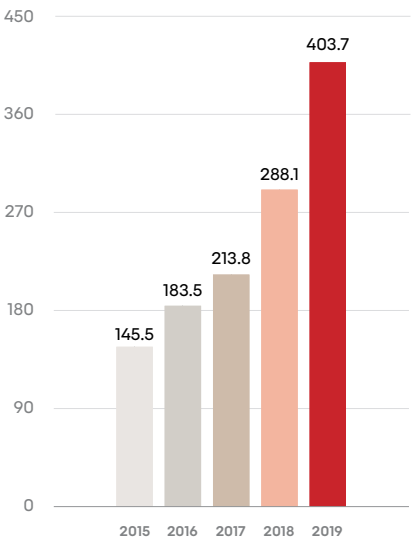
2015 – 2019 Financial and Operational Highlights

Net revenue^(*)
(trillion VND)

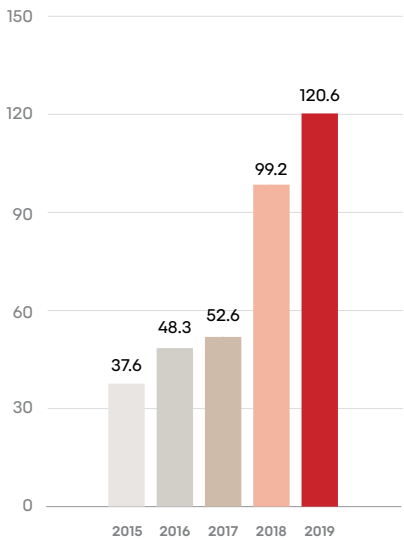


(*) Exclusive of retail sales. In 2019, Vingroup exited the Retail segment to focus its resources on the Industrials – Technology segments.

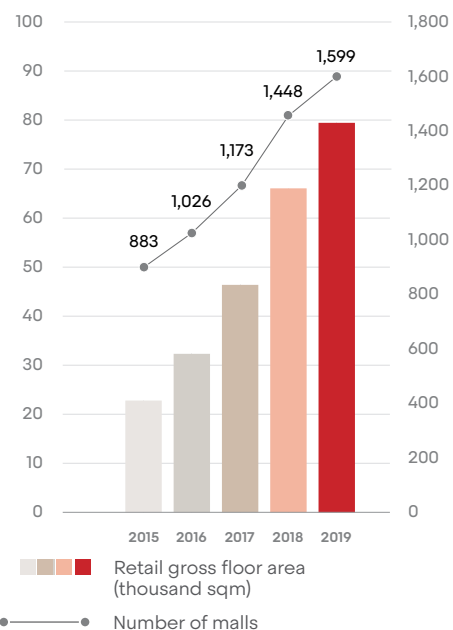
Total assets
(trillion VND)



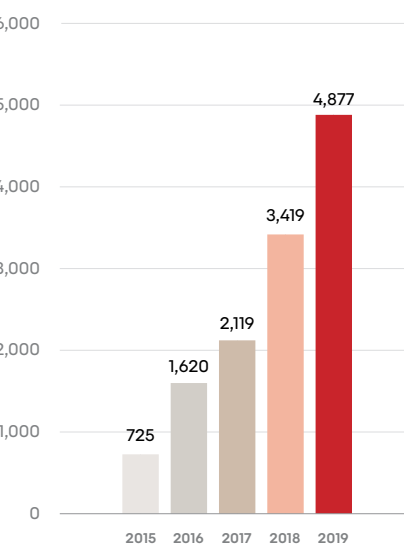
Owners' equity
(trillion VND)



Vincom Retail mall network



Vinpearl hotels & resorts network
(Thousand guest nights sold)



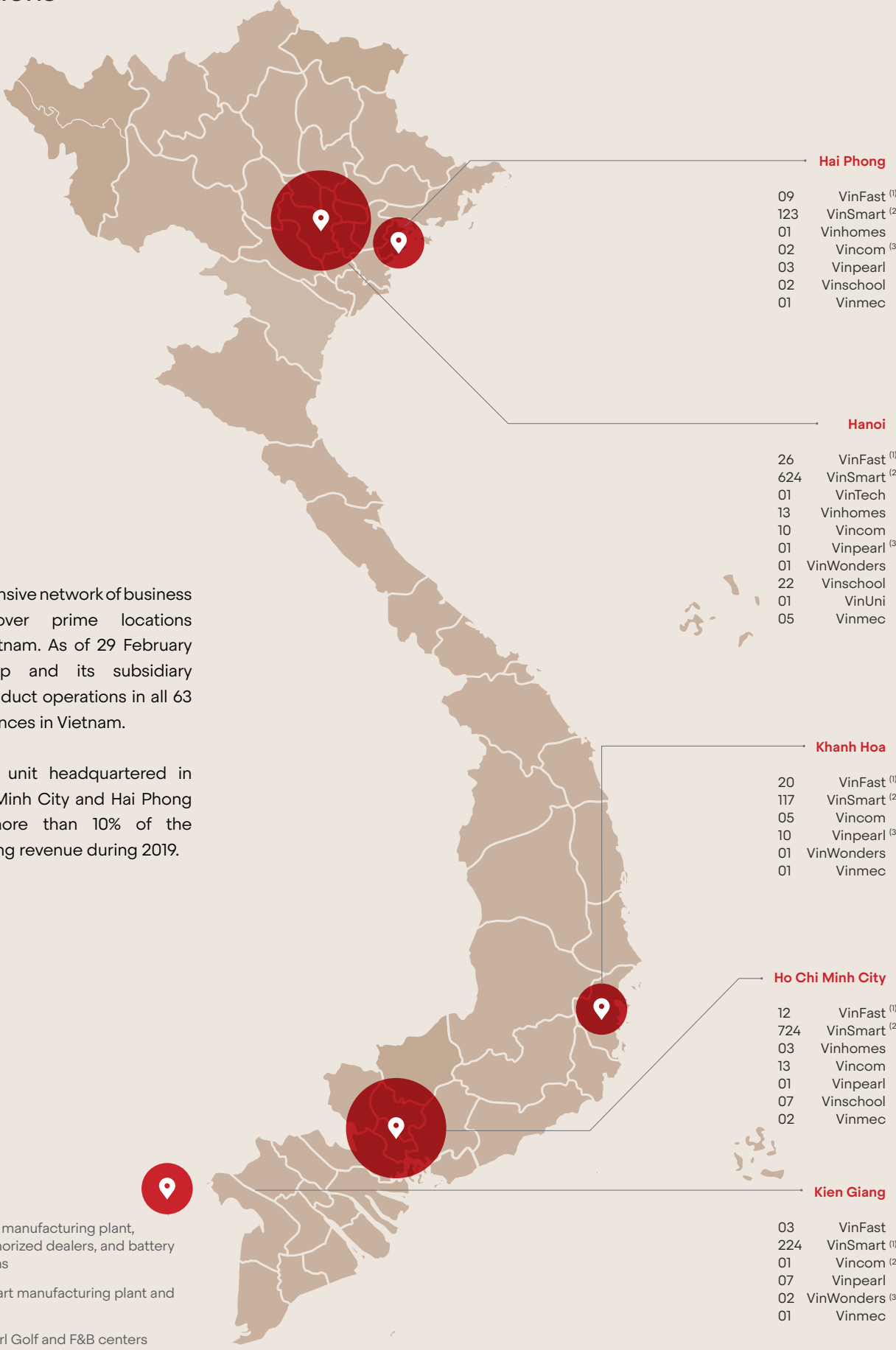
Key locations

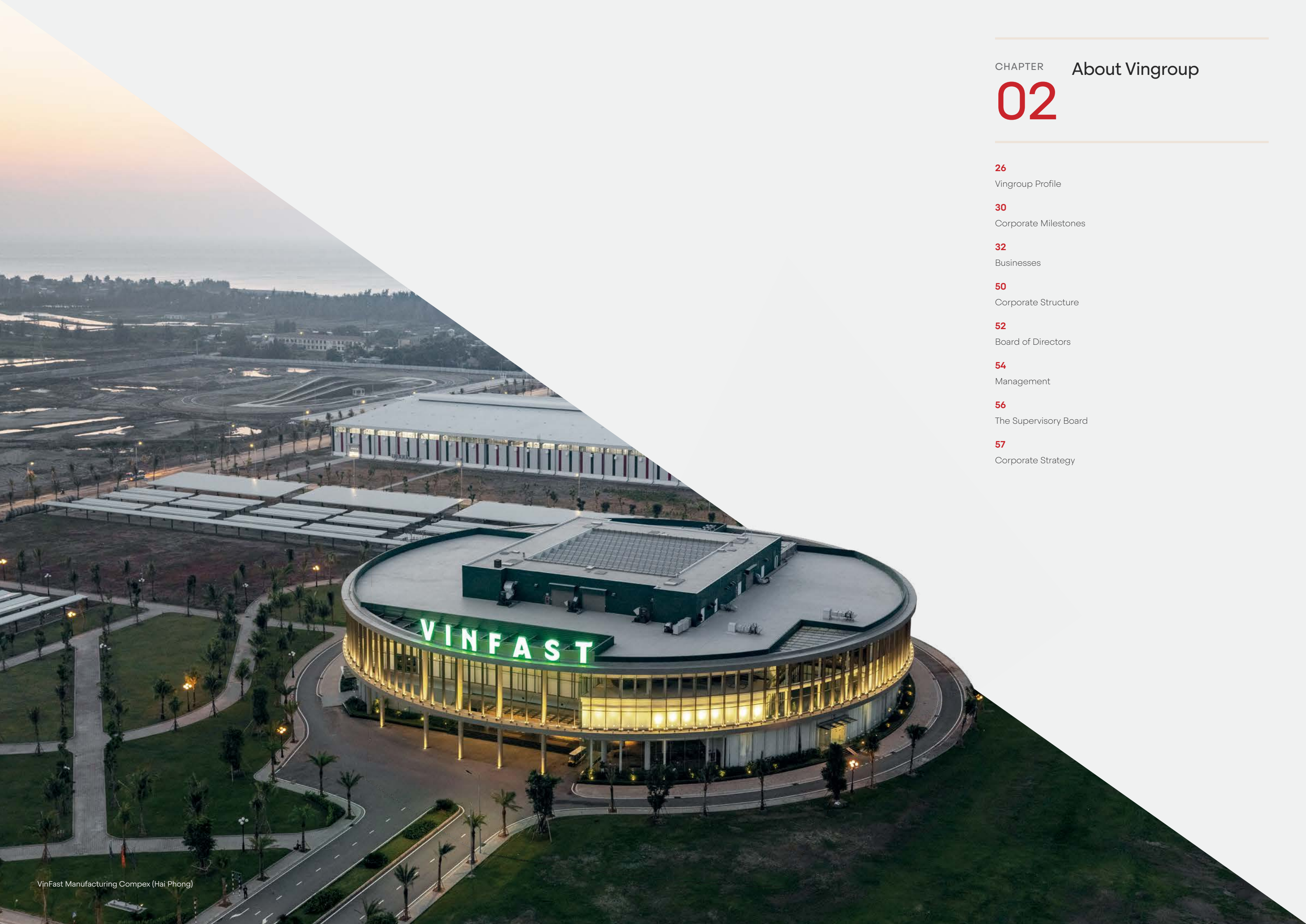
Network

Vingroup's extensive network of business operations cover prime locations throughout Vietnam. As of 29 February 2020, Vingroup and its subsidiary companies conduct operations in all 63 cities and provinces in Vietnam.

Each business unit headquartered in Hanoi, Ho Chi Minh City and Hai Phong contributed more than 10% of the Group's recurring revenue during 2019.

(1) Includes VinFast manufacturing plant, showrooms, authorized dealers, and battery exchange stations
(2) Includes VinSmart manufacturing plant and points of sale
(3) Includes Vinpearl Golf and F&B centers





VinFast Manufacturing Complex (Hai Phong)

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Corporate Strategy

About Vingroup

Vingroup Profile

Company Name	Vingroup Joint Stock Company
Ticker	VIC
Charter Capital	VND 34.309,140.220,000 (as of 31 December 2019)
Business Registration Number and Tax Code	0101245486
Headquarters	No. 7, Bang Lang 1, Vinhomes Riverside Ecological Urban Area, Viet Hung Ward, Long Bien District, Hanoi, Vietnam

Contact

Tel	(84-24) 3974 9999
Fax	(84-24) 3974 8888
Website	www.vingroup.net/en

Vingroup Joint Stock Company (“Vingroup” or “the Group”), is Vietnam’s largest non-state owned enterprise (*) and is the largest listed companies in Vietnam as measured by market capitalization.

(*) VNR500 2019 Ranking

With the initial focus on developing hotel and residential properties under the Vinpearl and Vincom brands, Vingroup has constantly developed and expanded other business segments. Today, Vingroup competes in six business segments:

01

Industrials

02

Technology

03

Property

04

Hospitality and Entertainment

05

Healthcare

06

Education



In each of the business segments in which it operates, Vingroup is a pioneer and market leader, creating Vietnamese products and services that meet the highest international standards.

Vinhomes Central Park (Ho Chi Minh City)

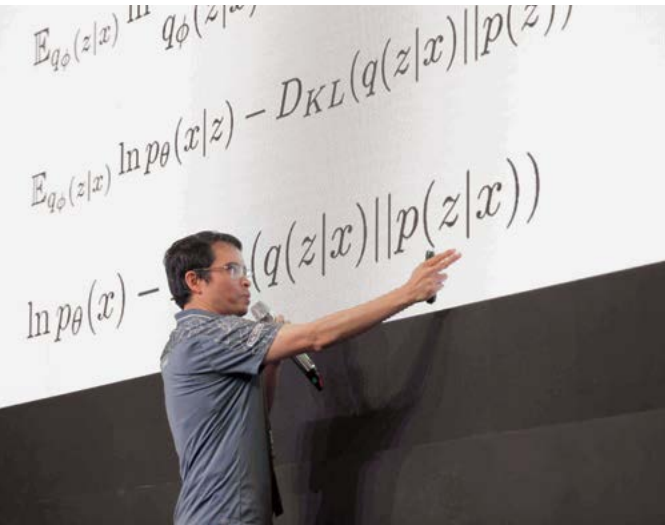
Vingroup Ecosystem



01

INDUSTRIALS

- VinFast**
International-Standard
Motorcycles and Automobiles
- VinSmart**
Vietnamese Branded
Smart Electronic Devices



02

TECHNOLOGY

- VinTech**
Scientific Research and
Technology Development
- VinID**
Digital Ecosystem



03

PROPERTY

- Vinhomes**
Premium Integrated Offerings of
Apartments, Villas and Shophouses
- Vinhomes Serviced Residences**
Premium Serviced Apartments
and Villas
- Vincom Retail**
Your All-in-One Shopping Paradise
- VinOffice**
Premium Offices for Lease

- Vinpearl**
Premium Resorts and Hotels
- VinWonders**
World-Class Theme Parks and
Entertainment Complexes
- Vinpearl Golf**
World-Class Golf Courses

04

HOSPITALITY
-
ENTERTAINMENT



- Vinmec**
International General Hospitals

05

HEALTHCARE



- Vinschool**
High-Quality K-12 School System
- VinUni (“VinUniversity”)**
Advanced Higher Education –
Where Future Leaders Meet

06

EDUCATION



Corporate Milestones

2001	<ul style="list-style-type: none">• Vinpearl JSC (formerly Hon Tre Tourism and Trading Limited Liability Company) was established on July 25.	2011	<ul style="list-style-type: none">• Vinpearl Luxury Nha Trang, a 5-star resort, and Vinpearl Golf Nha Trang opened simultaneously.	2014	<ul style="list-style-type: none">• Vinhomes Central Park, a modern, luxurious integrated project, broke ground in Ho Chi Minh City. The Landmark 81 Tower, with 81 floors and a height of 461 meters, set the record as the tallest building in Vietnam.	2018	<ul style="list-style-type: none">• Listed Vinhomes shares on HOSE
2002	<ul style="list-style-type: none">• Vincom JSC (formerly Vietnam General Commercial JSC) founded on May 3.		<ul style="list-style-type: none">• Vinpearl Da Nang Resort & Villas was opened.				<ul style="list-style-type: none">• Introduced the first two mega projects and launched Vinhomes Sapphire mid-end product line (formerly known as VinCity)
2003	<ul style="list-style-type: none">• 5-star resort Vinpearl Nha Trang Resort commenced operation.	2012	<ul style="list-style-type: none">• Vincom JSC merged with Vinpearl JSC and increased total charter capital to VND 5.5 trillion. The Group began operating under the new name Vingroup Joint Stock Company.		<ul style="list-style-type: none">• Vinpearl Phu Quoc Resort opened after ten months of construction, setting a new record for on-time completion.		<ul style="list-style-type: none">• Launched the first three car models and Klara smart electric scooters
2004	<ul style="list-style-type: none">• Vincom Center Ba Trieu launched. As the first modern retail mall in Hanoi, Vincom Center Ba Trieu introduced a new shopping experience to customers.		<ul style="list-style-type: none">• Vingroup introduced the Vinmec brand and opened the Vinmec International Hospital in Vinhomes Times City.	2015	<ul style="list-style-type: none">• Vingroup also commenced operations at Vietnam's first wildlife safari park with more than 3,000 animals representing 150 rare species.		<ul style="list-style-type: none">• Announced plans to become a technology focused company and established VinTech. Began to produce smart electronic devices with four models of Vsmart smartphones introduced to the market
2006	<ul style="list-style-type: none">• Vinpearl Land Nha Trang opened, turning formerly arid Hon Tre Island into a luxury tourist destination, and symbolizing the rapid growth of tourism in Nha Trang.	2013	<ul style="list-style-type: none">• Vingroup became a Foundation Member of the World Economic Forum.	2016	<ul style="list-style-type: none">• Vingroup introduced the Vingroup Loyalty Program – VinID.		<ul style="list-style-type: none">• Entered the higher education segment with the ground breaking of VinUni
2007	<ul style="list-style-type: none">• Vinpearl cable car, with a total length of 3,320 meters, connects Hon Tre Island with the mainland. Vinpearl Nha Trang Resort opened an additional tower, raising the total number of 5-star guest rooms to 485.• Vincom listed its shares on the Ho Chi Minh City Stock Exchange with ticker symbol VIC.		<ul style="list-style-type: none">• Vinschool was established and launched education offering ranging from kindergarten to high school.• A consortium led by Warburg Pincus invested USD 200 million in a strategic partnership with Vincom Retail. Warburg Pincus invested an additional USD 100 million in Vincom Retail in June 2015, raising the total investment to USD 300 million.		<ul style="list-style-type: none">• Vingroup raised its hotel room count to more than 6,000 rooms and introduced a high-end city hotel brand, Vinpearl City Hotel, with the opening of a Vinpearl City Hotel in Can Tho.	2019	<ul style="list-style-type: none">• Inaugurated the VinFast automobile manufacturing plant and delivered the first cars. Announced plans to export cars to international markets
2008	<ul style="list-style-type: none">• Vingroup became the first real estate company in Vietnam to be selected by Russell Investments for the Russell Global Index.		<ul style="list-style-type: none">• Vincom Mega Mall Royal City opened as Asia's largest underground retail complex.	2017	<ul style="list-style-type: none">• Listed Vincom Retail shares on HOSE		<ul style="list-style-type: none">• Inaugurated the VinSmart manufacturing plant with a design capacity of 26 million devices per annum in Phase 1. Launched five smart TV models under the Vsmart brand
2009	<ul style="list-style-type: none">• Vincom became the first Vietnamese company to issue USD 100 million of convertible bonds on the Singapore Exchange ("SGX").		<ul style="list-style-type: none">• Vingroup successfully issued USD 200 million of international senior unsecured bonds.		<ul style="list-style-type: none">• VinFast automobile and electric scooter brand was announced.		<ul style="list-style-type: none">• Introduced the first Vinhomes mega project in Ho Chi Minh City – Vinhomes Grand Park
2010	<ul style="list-style-type: none">• Vincom Center Dong Khoi opened in Ho Chi Minh City.• The Group commenced pre-sales of apartments in the Vinhomes Royal City project in Hanoi.				<ul style="list-style-type: none">• The Vincom Center for Contemporary Art ("VCCA") and VinTaTa Animation Studio were introduced.		<ul style="list-style-type: none">• Entered into a strategic partnership agreement with SK Group (Korea) and completed a private placement of new shares valued at USD 1 billion with SK Group
						2020*	<ul style="list-style-type: none">• Withdrew from the Consumer retail, Agriculture, and Aviation businesses to focus on the Technology and Industrials pillars
							<ul style="list-style-type: none">• Officially opened VinUniversity and enrolled the first students
							<ul style="list-style-type: none">• "Vinpearl Land" was rebranded as "VinWonders". Vinpearl also announced a strategy to enter international markets by opening representative offices overseas
							(*) By the end of February 2020



Businesses

Industrials



01

VINFAST

MANUFACTURING COMPLEX
PROJECT IN DINH VU, CAT HAI
ECONOMIC ZONE, HAI PHONG

335 hectares

DESIGN CAPACITY IN PHASE 1

250 thousand

CARS PER ANNUM

250 thousand

E-SCOOTERS PER ANNUM

International-Standard Automobiles
and Motorcycles

VinFast stands for “Vietnam – Style – Safety – Innovation – Pioneer” and aspires to produce Vietnamese cars that meet the highest global standards. With global scale and vision, VinFast aims to become the leading automobile manufacturer in Southeast Asia, affirming Vietnam’s ability to master modern technologies.

VinFast’s main products are automobile engines, internal combustion engines, electric engines, and environment-friendly electric buses and scooters. VinFast’s business of manufacturing cars and electric vehicles also aims to become a catalyst in developing a domestic automobile industry, and to create a knock-on effect on other industries.

VinFast is partnering with world-class car designers and manufacturers including BMW, General Motors, Bosch, Siemens, Pininfarina, Italdesign, Magna Steyr, AVL, ABB, Schuler, Durr, Grob, MAG, and Maruka. In June 2019, VinFast inaugurated VinFast automobile manufacturing plant in Dinh Vu Industrial Park (Hai Phong) after 21 months of construction, officially entered onto mass production and delivered the first Lux A, Lux SA and Fadil. VinFast products are oriented to export to international markets.

02

VINSMART

DESIGN CAPACITY

125 million

DEVICES PER ANNUM

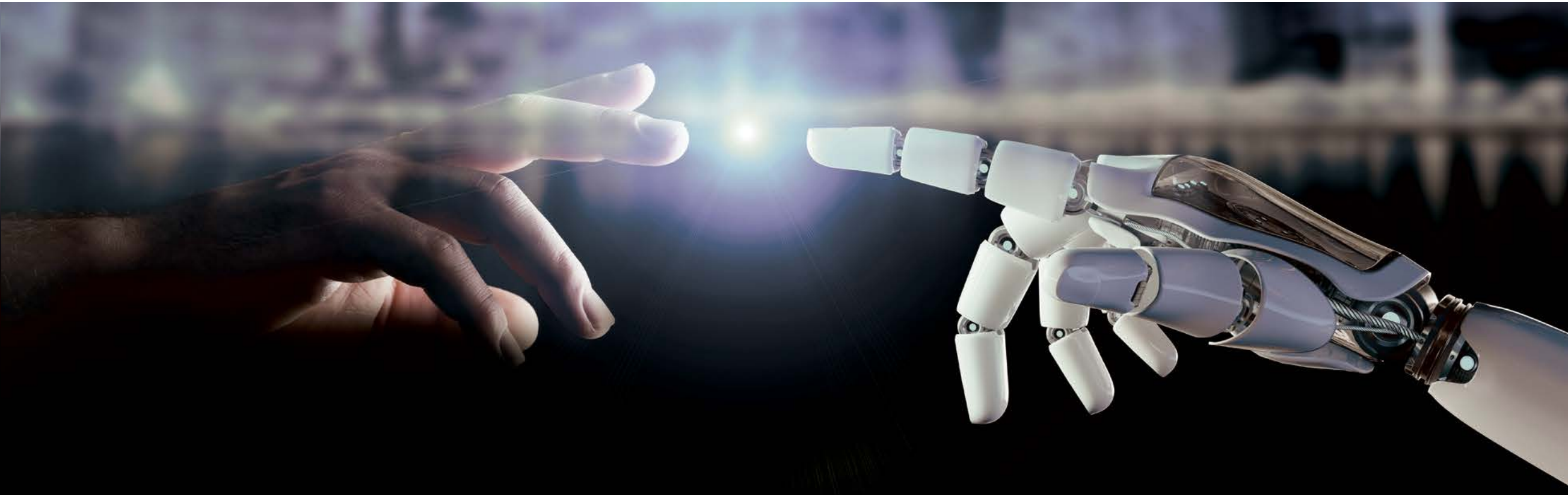
Smart Electronic Devices with a Vietnamese Brand

Connect intelligence

VinSmart was established in June 2018 with the mission of manufacturing smart electronic devices. In 2019, Phase 1 of the VinSmart manufacturing plant was inaugurated in Hoa Lac Hi-Tech Park (Thach That, Hanoi) with a design capacity of 26 million devices per annum.

Through February 2020, VinSmart has introduced 12 Vsmart smartphone models into the mass and mid-end market segments. The phones are equipped with state-of-the-art technology that allows them to gain competitive advantage over other popular brands in the market. VinSmart also announced a strategy to expand its product portfolio to other electronic devices, beginning with the production of smart TVs with five new models launched last December.

Technology



01

VINTECH

Scientific Research and Technology Development

VinTech was established to research and develop new technologies, with a focus on artificial intelligence (“AI”), automation, and next generation materials. VinTech established three new research institutes under the leadership of renowned professors and scientists, as well as subsidiary technology companies under the leadership of international industry experts.

VinTech’s subsidiaries and research institutes form a comprehensive technology ecosystem that includes: researching advanced technologies, developing, implementing and transferring emerging technologies as well as their practical applications. In addition, VinTech has established two funds to sponsor domestic and global cutting-edge research.

Technology Research Institutes

- Vingroup Big Data Institute (VinBDI)
- Vingroup Artificial Intelligence Research Institute (VinAI)
- Institute of Material Research for Energy, Environment, and Health (IMEEH)

Technology companies

- Vantix Technology Solutions and Services Company (Vantix)
- VinBrain Automation Management Solutions Consulting Company (VinBrain)
- VinCSS Cyber Security Services Company (VinCSS)
- HMS Software Company (HMS)
- VinSoftware Software Development & Integration Services Company (VinSoftware)

Research investment funds

- Vingroup Innovation Fund
- VinTech Fund

02

VINID

09 million
MEMBERS

VinFast and VinSmart also operate technology research and product development institutes which specialize in the areas of automotive and smart device technologies:

- Automotive Technology Institutes
- Motorcycle Technology Institute
- Battery Research Institute
- Mobile Device Research Institute
- Home Appliance Research Institute
- Telecommunications Equipment Research Institute
- Camera Research Institute
- Smart Home Center

Digital Ecosystem

VinID is a digital ecosystem designed to be a powerful collaborator and trusted companion for people in their daily lives. As of 29 February 2020, VinID had more than 9.4 million members. With the implementation of a Customer Relationship Management (CRM) center, combined with a large database and user behavior analytical capability, VinID now offers a wide range of services and features, including:

- Loyalty Program: redeem loyalty points in the Vingroup ecosystem, shop with a O2O Scan & Go feature, search for daily discounts (VinID Voucher), buy event tickets (VinID Ticket), and other features exclusively for Vinhomes residents
- Digital payment and financial solutions (Fintech): VinID E-wallet

Property



Vinhomes Green Bay (Hanoi)

01

VINHOMES

21

PROJECTS MANAGED

07

CITIES AND PROVINCES

Premium Integrated Offerings of Apartments, Villas and Shophouses

Where happiness lives

Vinhomes is the leading real estate developer in Vietnam. Vinhomes develops, leases and manages mixed-use residential property projects that target the mid- to high-end market segments with three distinct product lines: Vinhomes Sapphire, Vinhomes Ruby and Vinhomes Diamond. Vinhomes projects are in prime locations in Vietnam’s most populous cities and provinces. Vinhomes will consider the location and the scale of each project in determining which product line to offer, in order to better address the requirement and needs of each group of target customers. With an extensive scale, Vinhomes mega projects feature all three product lines.

At the end of 2019, Vinhomes managed 23 projects with over 50,500 apartments, villas and shophouses.



Vinhomes benefits from all of the supporting infrastructure needed to create a successful community. These amenities include playgrounds, sports facilities, swimming pools, lounges, Vinschool educational system, Vinmec healthcare facilities, Vincom Retail malls, supermarkets and convenience stores. Vinhomes delivers not only a property but also a modern and high living-standard environment in line with its slogan of “*where happiness lives*”.

At the end of January 2020, Vinhomes announced its strategy to expand into industrial real estate as a new sector for potential recurring revenue growth, given the supportive macroeconomic conditions and attractive industrial sector tailwinds.

Vinhomes properties include

Hanoi	Ho Chi Minh City	Bac Ninh
<ul style="list-style-type: none">• Vincom Ba Trieu• Vinhomes Riverside• Vinhomes Riverside – The Harmony• Vinhomes Times City & Vinhomes Times City – Park Hill• Vinhomes Royal City• Vinhomes Nguyen Chi Thanh• Vinhomes Gardenia• Vinhomes Thang Long• Vinhomes Green Bay• Vinhomes Metropolis• Vinhomes Skylake• Vinhomes Ocean Park• Vinhomes D’Capitale	<ul style="list-style-type: none">• Vincom Dong Khoi• Vinhomes Central Park• Vinhomes Golden River <p>Quang Ninh</p> <ul style="list-style-type: none">• Vinhomes Dragon Bay <p>Hai Phong</p> <ul style="list-style-type: none">• Vinhomes Imperia• Vinhomes Marina	<ul style="list-style-type: none">• Vinhomes Bac Ninh <p>Thanh Hoa</p> <ul style="list-style-type: none">• Vinhomes Star City <p>Ha Tinh</p> <ul style="list-style-type: none">• Vinhomes Ha Tinh• Vinhomes New Center



02

VINHOMES
SERVICED RESIDENCES

Premium Serviced Apartments and Villas

In addition to property development and management development and operation of properties, Vinhomes also manages 5-star serviced apartments and villas under the Vinhomes Serviced Residences brand. Vinhomes’ property leasing enables its customers to fully maximize the return on their investment by participating in the programs with enhanced profitability.

Vinhomes Serviced Residences

Hanoi

- Vinhomes Royal City
- Vinhomes Times City – Park Hill
- Vinhomes Metropolis
- Vinhomes Riverside

Ho Chi Minh City

- Vinhomes Central Park
- Vinhomes Golden River

03

VINOFFICE

Premium Offices for Lease

VinOffice provides office properties for lease. These properties are located in the heart of major financial and business centers and offer maximum natural light, energy efficiency, and modern, professional workspaces.

VinOffices

Hanoi

- VinOffice Times City
- VinOffice Symphony

Ho Chi Minh City

- VinOffice Dong Khoi





Vincom Center Metropolis (Hanoi)

03

VINCOM RETAIL

79

OPERATIONAL RETAIL MALLS

1.6 million sqm

RETAIL GROSS FLOOR AREA

Your All-in-One Shopping Paradise

Vincom Retail has four distinct formats: Vincom Center, Vincom Mega Mall, Vincom Plaza, and Vincom+. With a nationwide presence, Vincom malls provide a wide range of retail, dining, cultural and entertainment offerings, and are the first to offer the latest consumer trends, making them the most popular retail destinations for tenants and customers in Vietnam. Vincom Retail stands as the leading developer, owner, and operator of retail malls with its extensive network of retail malls in Vietnam.

Vincom Center

Symbol of high quality

Vincom Center malls are situated in high-density, high-traffic areas at the heart of major cities. These seven landmark properties contain aspirational brands and draw consumers from all over their respective metropolitan areas. There are five Vincom Center malls in Hanoi and two in Ho Chi Minh City.

Vincom Mega Mall

Symbol of the new consumer lifestyle

Vincom Mega Malls are lifestyle malls located in integrated, mixed-use developments in key cities. They are “fortress malls” and contain thousands of retail, entertainment, family-friendly facilities, food and beverage options, targeted at addressing the lifestyle needs of families across all income segments. There are now three Vincom Mega Malls nationwide, in which two in Hanoi and one in Ho Chi Minh City.

Vincom Plaza

Community destinations

Vincom Plazas are designed for families living in and around smaller cities and outside the central core of large cities like Hanoi and Ho Chi Minh City. Vincom Retail currently operates 54 Vincom Plaza malls in 40 cities and provinces throughout Vietnam.

Vincom+

Modern shopping experience to local communities

The Vincom+ network of community retail malls is in medium-density non-central locations in Hanoi and Ho Chi Minh City, as well as the central core of towns and provinces with population of more than 30,000 people. There are currently 15 Vincom+ retail malls in 11 provinces throughout Vietnam.

Hospitality and Entertainment



Vinpearl Resort & Golf Nam Hoi An (Quang Nam)

01

VINPEARL

16,800
ROOMS

33
HOTELS, RESORTS AND VILLAS

04
GOLF COURSES

Premium Resorts and Hotels

Vinpearl is the market-leading hospitality and tourism brand in Vietnam, operating 5-star and above 5-star resorts and beach villas throughout Vietnam.

After 16 years of development, which started with Vinpearl Nha Trang Resort, Vinpearl now owns a network of luxurious hotels and resorts across Vietnam with six key brands and a high-class golf course system.

Vinpearl Luxury

Luxury defined by Vietnam

Vinpearl Resorts

Capture authentic delights

Vinpearl Discovery

Explore. Experience. Enjoy

Vinpearl Condotels

Elegant living, convenient exploring

Vinpearl Hotels

World-class hospitality. Authentic Vietnam

VinOasis

The inspirational Oasis

Vinpearl Golf

Passion – Joy – Perfection

Vinpearl currently operates 33 hotels and resorts with a total of nearly 16,800 rooms, mainly located in popular tourist destinations such as Ha Long Bay, Thanh Hoa, Nghe An, Ha Tinh, Hue, Da Nang, Nha Trang, Cam Ranh, Can Tho and Phu Quoc.

In addition, Vinpearl operates own culinary and convention center brands in Nha Trang, Phu Quoc and Ha Noi, namely Vinpearl Convention Center, Almaz, and Ocean Hill. Visitors to Vinpearl Convention Center Nha Trang and Phu Quoc enjoy contemporary architecture and comprehensive facilities with large capacities. These are expected to be leading cultural and artistic centers that will attract both domestic and international customers. Almaz Ha Noi and Ocean Hill Nha Trang offer a wide range of cuisines and entertainment options, from street-food stands to fine dining restaurants, creating a vibrant culinary experience.

Vinpearl Luxury

- Vinpearl Luxury Da Nang
- Vinpearl Luxury Nha Trang
- Vinpearl Luxury Landmark 81

Vinpearl Resorts

- Vinpearl Resort & Spa Ha Long
- Vinpearl Resort & Spa Da Nang
- Vinpearl Resort & Spa Hoi An
- Vinpearl Resort & Golf Nam Hoi An
- Vinpearl Resort Nha Trang
- Vinpearl Resort & Spa Nha Trang Bay
- Vinpearl Resort & Spa Long Beach Nha Trang
- Vinpearl Resort & Spa Phu Quoc
- Vinpearl Resort & Golf Phu Quoc

Vinpearl Discovery

- Vinpearl Discovery Cua Hoi
- Vinpearl Discovery Ha Tinh
- Vinpearl Discovery 1 Nha Trang
- Vinpearl Discovery 2 Nha Trang
- Vinpearl Discovery 1 Phu Quoc
- Vinpearl Discovery 2 Phu Quoc
- Vinpearl Discovery 3 Phu Quoc

Vinpearl Condotels

- Vinpearl Condotel Riverfront Da Nang
- Vinpearl Condotel Empire Nha Trang
- Vinpearl Condotel Beachfront Nha Trang

Vinpearl Hotels

- Vinpearl Hotel Lang Son
- Vinpearl Condotel Phu Ly
- Vinpearl Hotel Imperia Hai Phong
- Vinpearl Hotel Rivera Hai Phong
- Vinpearl Hotel Thanh Hoa
- Vinpearl Hotel Ha Tinh
- Vinpearl Hotel Quang Binh
- Vinpearl Hotel Hue
- Vinpearl Hotel Tay Ninh
- Vinpearl Hotel Can Tho

VinOasis

- VinOasis Phu Quoc

Vinpearl Golf

- Vinpearl Golf Hai Phong
- Vinpearl Golf Nam Hoi An
- Vinpearl Golf Nha Trang
- Vinpearl Golf Phu Quoc

World-Class Theme Parks and Entertainment Complexes

A paradise of endless delights

“Vinpearl Land” was rebranded as “VinWonders” as part of a comprehensive upgrade and brand repositioning. Built in the tradition of theme parks on a grand scale, VinWonders is comparable to leading global and regional entertainment complexes. Each park has an area of more than 50 ha and is located in big cities and well-known tourist destinations such as Hanoi, Ho Chi Minh City, Nha Trang, Phu Quoc, and Ha Long.

Not only an “all-in-one” Vinpearl tourist attraction, each VinWonders location is designed to be a new international tourism destination in Vietnam.

VinWonders

Outdoor amusement parks

- VinWonders Nam Hoi An
- VinWonders Nha Trang
- VinWonders Phu Quoc

Indoor entertainment center

- VinWonders Times City

Vinpearl safari and conservation park

- Vinpearl Safari Phu Quoc
- River Safari Nam Hoi An



Vinpearl Safari Phu Quoc



VinWonders Nam Hoi An (Quang Nam)

Healthcare



01

VINMEC

07

INTERNATIONAL
GENERAL HOSPITALS

05

INTERNATIONAL CLINICS

1,650

BEDS

International General Hospitals

We care with compassion, professionalism, wisdom

Vinmec has grown rapidly in just seven years in both quality and its range of services, become a leading Vietnamese healthcare system that adheres to international standards and operates under a social enterprise model. By employing highly skilled medical experts and using the most modern medical equipment and techniques available, Vinmec is an established pioneer in applying advanced technology to meet people’s healthcare needs.



Vinmec healthcare facilities

- Vinmec Times City International Hospital, Hanoi
- Vinmec Ha Long International Hospital, Quang Ninh
- Vinmec Hai Phong International Hospital
- Vinmec Da Nang International Hospital
- Vinmec Nha Trang International Hospital
- Vinmec Phu Quoc International Hospital
- Vinmec Central Park International Hospital, Ho Chi Minh City
- Vinmec Royal City International Clinic, Hanoi
- Vinmec Gardenia International Clinic, Hanoi
- Vinmec Metropolis International Clinic, Hanoi
- Vinmec Times City International Clinic, Hanoi
- Vinmec Saigon International Clinic

Education



01

VINSCHOOL

31
KINDERGARTENS, ELEMENTARY,
SECONDARY AND HIGH SCHOOLS
27,400
STUDENTS

High-Quality K-12 School System

An incubator of talent

Vinschool is a comprehensive educational system of kindergartens, secondary schools, and high schools with the goal of becoming Vietnam’s leading international school system and “An incubator of talent”.

All schools in the Vinschool system are equipped with advanced educational facilities. Vinschool has made substantial investments in highly qualified teachers and progressive curricula. This dynamic environment prepares students to take full advantage of both domestic and international opportunities while remaining grounded in Vietnamese culture and values.

Vinschool facilities

Hanoi

- Five Vinschool Kindergartens at Vinhomes Times City
- Two Vinschool Kindergartens at Vinhomes Royal City
- Vinschool Kindergarten at Vinhomes Riverside
- Two Vinschool Kindergartens at Vinhomes The Harmony

- Vinschool Kindergarten at Vinhomes Nguyen Chi Thanh
- Vinschool Kindergarten at Vinhomes Gardenia
- Vinschool Kindergarten at Vinhomes Thang Long
- Vinschool Kindergarten at Vinhomes Green Bay
- Vinschool Kindergarten at Vinhomes Metropolis
- Vinschool Kindergarten at Vinhomes Sky Lake
- Vinschool Elementary School at Vinhomes Gardenia
- Vinschool Elementary School at Vinhomes Green Bay
- Vinschool Elementary, Secondary, and High School at Vinhomes Times City
- Vinschool Elementary, Secondary, and High Schools at Vinhomes The Harmony
- Vinschool Elementary, Secondary, and High School at Vinhomes Thang Long
- Vinschool Elementary, Secondary, and High School at Vinhomes Metropolis

Ho Chi Minh City

- Four Vinschool Kindergartens at Vinhomes Central Park
- Four Vinschool Kindergartens at Vinhomes Golden River
- Vinschool Elementary, Secondary, and High School at Vinhomes Central Park
- Vinschool Elementary, Secondary, and High School at Vinhomes Golden River

Hai Phong

- Vinschool Kindergarten at Vinhomes Imperia
- Vinschool Elementary, Secondary, and High School at Vinhomes Imperia

02

VINUNI

Advanced Higher Education – Where Future Leaders Meet



VinUni was established with the aim of achieving a breakthrough in educational quality at the university level in Vietnam and becoming one of the world’s top 50 new universities. To achieve this goal, VinUni completed its facilities in accordance to the highest standards of research and teaching as set forth by Quacquarelli Symonds. VinUni students follow accredited programs from the world’s leading higher education institutions – Cornell University and University of Pennsylvania, meeting the highest international standards of professional competency with adaptations to match the Vietnam context.

VinUni currently offers three different majors: Business Administration, Engineering and Computer Science, and Health Sciences. These areas are in great demand for highly skilled personnel in Vietnam and around the world.

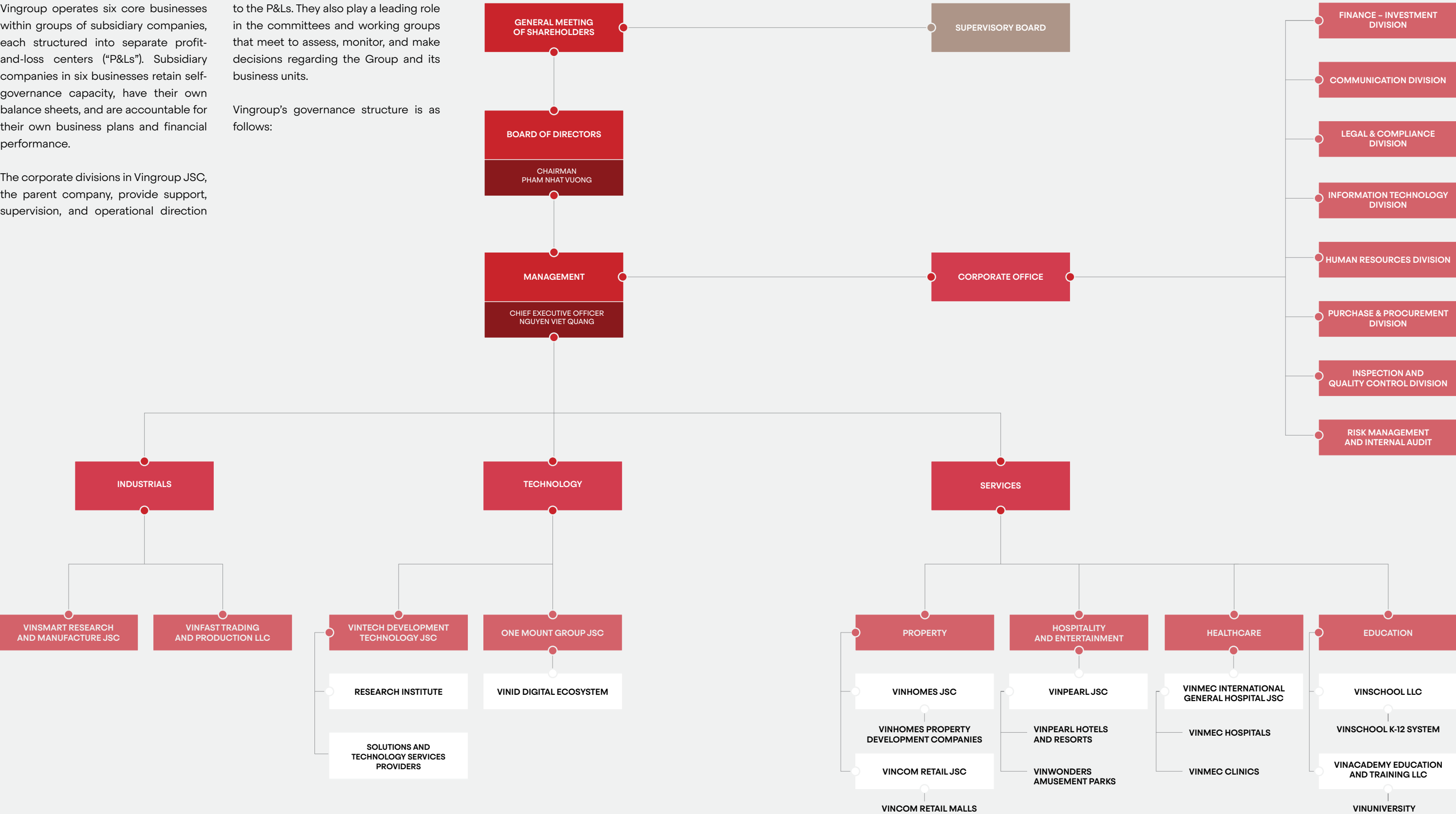
Corporate Structure

Vingroup operates six core businesses within groups of subsidiary companies, each structured into separate profit-and-loss centers (“P&Ls”). Subsidiary companies in six businesses retain self-governance capacity, have their own balance sheets, and are accountable for their own business plans and financial performance.

The corporate divisions in Vingroup JSC, the parent company, provide support, supervision, and operational direction

to the P&Ls. They also play a leading role in the committees and working groups that meet to assess, monitor, and make decisions regarding the Group and its business units.

Vingroup's governance structure is as follows:



Board of Directors

The Board of Directors (the “Board”) consists of nine members. The Board is headed by its Chairman and includes three independent members.

Name	Position
Mr. Pham Nhat Vuong	Chairman
Ms. Pham Thuy Hang	Vice Chairwoman
Ms. Pham Thu Huong	Vice Chairwoman
Mr. Le Khac Hiep	Vice Chairman and Independent Board Member
Ms. Nguyen Dieu Linh	Vice Chairwoman and Authorized Spokesperson
Mr. Nguyen Viet Quang	Vice Chairman and Chief Executive Officer (“CEO”)
Mr. Park Won Cheol	Board Member
Mr. Marc Villiers Townsend	Independent Board Member
Mr. Ling Chung Yee Roy	Independent Board Member

The Board is the Group’s policy-making body, with the authority to make decisions and to exercise all rights and responsibilities that do not fall under the jurisdiction of the General Meeting of Shareholders (the “GMS”). The Board is also responsible for implementing the decisions of the GMS.

Board Members

MR. PHAM NHAT VUONG

CHAIRMAN

Mr. Pham Nhat Vuong was elected to the Board in 2002 and elected Chairman in 2011. He has a long track record as an entrepreneur both inside and outside Vietnam. He established the Group’s core businesses, starting with its two initial brands, Vincom and Vinpearl. In 2012, Mr. Vuong was honored as the first billionaire in Vietnam by Forbes and retained the position as the billionaire with the highest net worth in Vietnam since then.

MS. PHAM THUY HANG

VICE CHAIRWOMAN

Ms. Pham Thuy Hang was elected to the Board in 2005 and elected Vice Chairwoman in 2010. Ms. Pham Thuy Hang is a graduate of Hanoi University with a B.A. degree in Russian Linguistics and Literature.

MS. PHAM THU HUONG

VICE CHAIRWOMAN

Ms. Pham Thu Huong was elected to the Board in 2011. She is a graduate of the National University of Kiev (Ukraine) with a B.S. degree in International Law.

MR. LE KHAC HIEP

VICE CHAIRMAN
AND INDEPENDENT BOARD MEMBER

Mr. Le Khac Hiep was elected to the Board in 2006. He was also Chairman of the Group from 2006 to 2011. He was appointed an Independent Member of the Board in 2014. From 1994 to 2004, he headed Prudential Life Insurance’s Vietnam Representative Office before becoming its Deputy General Director for External Relations. Previously, he was a researcher at the Institute of Physics in the Vietnam Academy of Science. Mr. Le Khac Hiep graduated with a Bachelor’s Degree in Physics and successfully completed his doctoral thesis in mathematics at the National University of Karazin Kharkiv. Mr. Le Khac Hiep is responsible for Vingroup’s sustainability projects.

MS. NGUYEN DIEU LINH

VICE CHAIRWOMAN
AND AUTHORIZED SPOKESPERSON

Ms. Nguyen Dieu Linh has been a member of the Board since 2008 and Deputy CEO of the Group from 2005 to August 2016. Prior to joining Vingroup, she was a legal expert at Ngo Miguere & Partners in Hanoi from 1996 to 1999. She graduated from Hanoi University with a B.A. degree in English and French. She also received a B.A. in Law from the University of Social Sciences and Humanities. Ms. Nguyen Dieu Linh is the Chairwoman of Vinhomes Joint Stock Company.

MR. NGUYEN VIET QUANG

VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Nguyen Viet Quang was elected to the Board since 2017. Prior to joining Vingroup in 2010, he was Board Member and Head of the Supervisory Board of Y Cao Company Limited during the period from 1996 to 2009. Mr. Nguyen Viet Quang graduated from the National Economics University with a B.A in Business Administration.

MR. PARK WON CHEOL

BOARD MEMBER

Mr. Park Won Cheol was elected to the Board in 2019. He is currently the Senior Vice President of Strategic Support at SK SUPEX Council cum Board Member of SK Investment Vina II Pte.Ltd. He was the Senior Vice President of Energy Infrastructure Investment Division at Hana Alternative Asset Management and Senior Vice President of Energy Resource Business Division at GS Energy.

MR. MARC VILLIERS TOWNSEND

INDEPENDENT BOARD MEMBER

Mr. Townsend was elected as an Independent Board Member in 2013. He has worked in Asia in the real estate sector since 1988. He was the Managing Director at CBRE Vietnam from 2003 to 2017, the General Director of Regus in Southeast Asia from 1999 to 2002 and Vice Director of Sales & Marketing at Rockwell Land Corp. in Manila from 1997 to 1999. Mr. Townsend attended the University of Montpellier (France) and received a B.A degree in Accounting Studies from the University of Exeter (UK). He also completed the Program in Management Development at the Asian Institute of Management in Manila in 1999. Marc started his career in the Royal Marines. Marc is Chairman of CBRE Cambodia.

MR. LING CHUNG YEE ROY

INDEPENDENT BOARD MEMBER

Professor Ling was elected to the Board in 2011. He is currently a Managing Director at RL Capital Management. Concurrently, he also serves as an Independent Board Director at several listed companies and non-profit organizations across Asia, as an Adjunct Professor in Finance at the EDHEC Business School, and as a Consultant for RHT Strategic Advisory and RHT Academy. Prior to RL Capital, Prof. Ling held senior investment banking positions with JPMorgan, Lehman Brothers, Goldman Sachs and Salomon Smith Barney. Prof. Ling was a former Board Director of the CFA Society of Japan. He was honored as the Real Estate Executive of the Year by Singapore Business Review in 2016, and as one of 20 Rising Stars in Real Estate by Institutional Investor in 2008. Prof. Ling graduated from INSEAD with a Global EMBA and from the National University of Singapore with a Bachelor’s degree in Business Administration.

Management

The Board may elect a Board Member or appoint an outside executive to the position of CEO. The Board also decides on the compensation and employment terms for the CEO. The CEO shall not be the Chairperson of the Board. The CEO's term of office is three years, unless otherwise decided by the Board. The CEO may be reappointed to successive terms.

Members



MR. NGUYEN VIET QUANG

VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



MS. MAI HUONG NOI

DEPUTY CEO



MR. PHAM VAN KHUONG

DEPUTY CEO



MS. NGUYEN THI DIU

DEPUTY CEO



MS. DUONG THI HOAN

DEPUTY CEO



MS. NGUYEN THI THU HIEN

CHIEF ACCOUNTANT

Further details can be found in Chapter About Vingroup – Board of Directors – Page 52.

Ms. Mai Huong Noi has been a Board Member since 2008 and Deputy CEO since 2012. She was also CEO of the Group from 2006 to 2012. Prior to joining Vingroup, she was Deputy Director of the Customer Service Division at Hanoi Post Office from 2004 to 2006. Ms. Mai Huong Noi received a B.S degree in Economics and Banking from the National Economics University.

Mr. Pham Van Khuong was appointed Deputy CEO in 2007. He has nearly 30 years of experience in construction and industrial technology. From 1996 to 2003, he was the General Director of the Construction and Water Resources Technology Company in the Ministry of Construction. He started his career in 1982 as a design engineer at Vietnam Water, Sanitation, and Environment JSC. He received a B.S. degree in Engineering from Hanoi Architecture University.

Ms. Nguyen Thi Diu was appointed Deputy CEO in 2014. She served as a Director of Investment Banking Vietnam at UBS from 2013 to 2014. From 2008 to 2013, she was the Chairwoman and CEO of AFH Finance and Investment Consultancy JSC. From 1996 to 2008, she was Chief Representative and Head of Investment Banking at JPMorgan Vietnam. She received her MBA degree in Finance from the University of Hawaii.

Prior to being appointed Deputy CEO in August 2016, Ms. Hoan held the position of the Head of Vingroup Communication Division from 2007 to 2016. She was General Director of Hung Viet Company from 2005 to 2007. Ms. Hoan received a B.S from Vietnam University of Commerce and completed her Joint Master of Business and Administration degree between Hanoi National University and Benedictine University of Illinois, USA.

Ms. Nguyen Thi Thu Hien has been Vingroup's Chief Accountant since 2008. She was Chief Financial Officer of Ha Viet Investment JSC from 2005 to 2008 and its Chief Accountant from 2003 to 2005. She graduated from Hanoi University of Finance and Accounting with B.A. degree in English from the University of Languages and Foreign Studies. She is also a member of ACCA.

The Supervisory Board

The Supervisory Board is elected by the GMS. The Supervisory Board has three members including two independent members. Each Supervisory Board member serves for a five-year term.

The responsibility of the Supervisory Board is to inspect the validity and legality of the Group’s business activities and financial reports.

Name	Position
Mr. Nguyen The Anh	Head of the Supervisory Board
Mr. Dinh Ngoc Lan	Board Member
Ms. Do Thi Hong Van	Independent Board Member

Members

MR. NGUYEN THE ANH

HEAD OF THE SUPERVISORY BOARD

Mr. Nguyen The Anh was elected to the Supervisory Board in 2007. Prior to joining the Supervisory Board, he was a Deputy Head of the Corporate Office of the Joint Stock Commercial Bank for Foreign Trade of Vietnam (“Vietcombank”) from 2005 to 2007 and Assistant to the General Director from 2001 to 2005. From 1997 to 2000, he worked at Vietnam Financial Leasing Company and Vietcombank’s Secretariat Office from 1995 to 1997. He received a B.S. degree in Economics and a Master of Political Economics from the National University of Vietnam.

MR. DINH NGOC LAN

BOARD MEMBER

Mr. Dinh Ngoc Lan was elected to the Supervisory Board in 2009. Previously, he worked at the State Audit Office of Vietnam as a Regional Office Deputy Head of Business Auditing from 2007 to 2008 and an Auditor from 1996 to 2007. Mr. Dinh Ngoc Lan received a B.S. degree in Economics from Vietnam University of Commerce.

MS. DO THI HONG VAN

INDEPENDENT BOARD MEMBER

Ms. Do Thi Hong Van was elected as an Independent Member of the Supervisory Board in 2011. She is currently Chief Accountant at Nghe An Sugar Pte. Ltd. (previously known as Tate & Lyle Sugar Nghe An Co. Ltd.) and was a Financial Controller with Shell Vietnam Ltd. from 1998 to 2007. Ms. Do Thi Hong Van holds a B.S. degree in Economics and Accounting and is a senior member of ACCA. She is also a licensed auditor recognized by the Vietnam Association of Certified Public Accountants (“VACPA”).

Corporate Strategy

Governance and Human Resource Development

Five Transformational Principles

- 1 Empowerment
- 2 Standardization
- 3 Simplification
- 4 Automation
- 5 Optimization

Corporate Strategy for the 2019 – 2023 Period

The Group promotes its governance and human capital strategies. Vingroup continues to develop its subsidiaries into independent P&Ls. The P&Ls operate with support and supervision from the Corporate Office, so they can leverage one another and continue to grow cohesively.

Governance

The Group continues to promote greater autonomy and decentralization, as well as the restructuring of the centralized governance model, to create a system that provides more autonomy for each business segment. Under the new model, subsidiaries will become independent profit-and-loss centers, or “P&Ls”, while their parent company, Vingroup Joint Stock Company, plays the role of strategizing, evaluating and managing subsidiaries This progress is a direct result of refining the knowledge of leading consulting firms, such as McKinsey, BCG, PwC and Ernst & Young. Then, internal changes and adjustments are factored into this formula to find the most suitable model for Vingroup’s diverse business and corporate culture. The governance model under P&L will be a solid foundation for the Group’s expanding development needs in the next period.

Vingroup uses “**Empowerment**” to emphasize the importance of human resources, particularly leaders and managers at the Group’s businesses. We promote the best managers who will form the next generation of leaders. Technical and management training, in addition to challenging opportunities, will be offered equally to employees who show promise.

Vingroup will regulate existing procedures and deliverable standards, in order to create a lean and more effective organizational structure that will improve productivity. After processes and deliverables are standardized, over the time, the Group will be able to automate many procedures using advanced technology to deliver performance breakthroughs. Lastly, the Group’s subsidiaries and P&Ls will efficiently manage and utilize resources to increase revenue streams and optimize expenses, and ultimately maximize the capacity of the whole Group.

The Group’s internal audit and risk management functions will be active at both the Corporate Office and P&L levels in order to ensure sufficient specialization and close monitoring of business activities.

Vingroup will devote greater resources to cultivate a strong corporate culture, building on the Group’s existing values. Management believes that the right strategy, combined with efforts by every member, will allow the Group to maintain its market-leading position while helping the entire market to develop.

Human Resource Development

To build a leadership pipeline and strong management bench to support the Group’s growth plans, Vingroup organizes extensive training programs for its employees on a regular basis. In addition, the Group emphasizes developing younger employees to prepare them for future roles as managers.

Business Strategy



Industrials

- Develop Vietnamese-branded cars and e-scooters of international standards, catered to various customer segments, with regard to internal combustion engines, electric engines, and environment-friendly electric buses and scooters. Continuously improve models previously launched in the market in order to optimize the customer experience
- Form an ecosystem of smart products, including smartphones, smart TVs, and other smart products
- Develop a distribution network and after-sales services in the domestic and international markets, as well as optimize cost in business operations
- Gain market share in Vietnam and prepare to enter international markets
- Leverage Vingroup's experience and expertise in the real estate segment to develop a supplier park that will attract the world's leading suppliers to open manufacturing plants in Vietnam



Technology

- The institutes shall focus on solving critical problems, the development of cutting-edge technologies, and building the foundations for long-term success in specialized technology fields, particularly in AI, software, and automation. VinBDI and VinAI focus on AI and Big Data, with projects that include the development of the Vietnamese genome database and sequencing, computer vision, image processing, which has benefits for early diagnosis and medical screening, and language and voice recognition. Vantix is developing systems that use information from wearable IoT devices to analyze and optimize labor productivity. VinBrain is developing a system that helps doctors analyze medical images and incorporates AI into diagnostic applications.
- Continue to develop the expertise of our technology services companies, which provide IT solutions for management, network security, data analysis, and the digital transformation of Vingroup and its subsidiaries and subsequently commercialization of the offerings for external clients
- Develop core technologies and apply them to Vingroup's products and services
- The research institutes also manage the Vingroup Innovation Foundation – supporting scientific research projects and bringing new scientific research environment into Vietnam, and the VinTech Fund – aiming to support the realization of highly applicable scientific and technological products, while creating a foundation for the development of research communities and human resources in this field in Vietnam.
- VinID promotes its loyalty program, expands its customer base, develops finance and payment options, New Retails platform and smart algorithms, as part of VinID ecosystem development strategy.



Residential Property

- Continue to look for opportunities to expand its land bank across the country. Leverage on its large land bank as well as its comprehensive ecosystem to continue developing mega projects with remarkable scale
- Constantly take lead in market research and listen to customer feedback to develop and diversify its products
- Strongly focus on the digital transformation of its sales activity and internal management, enhancing productivity and cost efficiency
- Develop and diversify its foreign customer portfolio
- Increase revenues by providing value-added products and services such as serviced apartments, serviced villas and office leasing, generating stable recurring income as well as uplifting Vinhomes' brand value
- Launch a wider variety of services to meet the standards of a high-class living environment

Further details can be found in the 2019 Annual Report of the Vinhomes Joint Stock Company.



Retail Property

- Continue to expand Vincom Retail's network to ensure wide coverage
- Maintain the leading position in retail mall coverage, market share, and quality
- Innovate with the retail tourism model
- Adapt to new market segments with four different retail mall formats: Vincom Center, Vincom Mega Mall, Vincom Plaza, Vincom+. Leverage on the land bank of Vingroup and Vinhomes in expanding Vincom Center and Vincom Mega Mall formats. These models are accompanied with well-known domestic and international brands that represent the modern shopping trend, and are Vincom Retail's key retail mall formats. In addition, Vincom Retail continues to explore new potential markets with two formats of Vincom Plaza and Vincom+, and develop the integrated format of retail mall – hotels – shophouses.
- Concentrate on tenant care and support to develop the portfolio of chain tenants, continue to increase the proportion of chain tenants through special policies suitable for each mall format

Further details can be found in the 2019 Annual Report of the Vincom Retail Joint Stock Company.



Hospitality and Entertainment

- Become Asia’s leading hospitality and entertainment brand, with a diverse portfolio of brands and products, to bring a new hospitality and entertainment culture to the middle class in Vietnam, and introduce Vietnamese cultural quintessence to international visitors
- Continue to develop integrated hospitality and entertainment model, while promoting the expansion of services, including F&B, shopping and healthcare
- Improve and upgrade the quality of products and services, develop signature products for each product line, diversify customer sources through developing major markets and expanding distribution to new markets, and increase sales of MICE products
- Strengthen governance capacity through the application of information technology and digitalization



Healthcare, Education

- Vingroup will continue to develop facilities in Healthcare, Education at all of our developments and hospitality projects. Our comprehensive investment will continue to include equipment, facilities, expertise, and human resources. In addition, Vingroup will collaborate with well-known global organizations in the fields of Healthcare and Education in order to deliver best-in-class services to the Vietnamese people.

Business Performance in 2019



- Maintain the leading position in the property segment and leverage existing strengths in project delivery, product quality, high-standard-of-living environments, and a comprehensive ecosystem, including hospitals, schools, retail malls, entertainment, sports and other facilities. Vingroup continues to focus on large-scale, high-end, complex projects in prime locations
- Quickly reach customers and grab market share in new business segments by offering breakthrough products at affordable prices
- Constantly expand and diversify products, raising the level of product and service quality in accordance with international 5-star standards
- Strengthen Vingroup’s presence nationwide via network expansion in all areas, especially real estate and hospitality, and expansion of showrooms, service centers and authorized dealers for cars and e-scooters
- Enter into strategic partnerships with the world’s most prestigious partners and organizations, especially in the Industrials and Technology segments, in order to enhance Vingroup’s position domestically and internationally
- Continue to emphasize the five transformational principles of “**Empowerment – Standardization – Simplification – Automation – Optimization**” in organization management.

Further details can be found in Chapter 3: Report of Management on 2019 Business Performance and 2020 Plan of Action – Vingroup Operations and Financial Performance in 2019 – Page 68.

CHAPTER
03 Management Report
on 2019 Business
Performance and
2020 Plan of Action

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2019 Economy and 2020 Macroeconomic Outlook

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Vingroup Operations and Financial Performance in 2019

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Blueprint for 2019



Vincom Mega Mall Grand Park (Ho Chi Minh City)
(Image is for illustrative purposes only)

2019 Economy and 2020 Macroeconomic Outlook

Vietnam’s Economic Growth Remained High at over 7%

2019 Economic Conditions

In 2019, the global economy continued to slow down. Based on data from the International Monetary Fund (IMF), global growth was estimated at only 2.9%, decreasing sharply from 3.6% growth in 2018 and hitting the lowest level since the 2008 global economic crisis. Global trade and investment weakened in both developed economies – especially in Europe – and emerging economies. This is partially attributed to the strains in trade relations between the U.S. and China.

Despite these global trends, Vietnam recorded impressive growth in 2019. The General Statistics Office of Vietnam (GSO) reported that GDP growth in 2019 reached 7.02%, exceeding the target of 6.6% to 6.8% set by the National Assembly. Improvement was seen across most areas of production and business; in particular, the industrial and construction sectors grew by 8.9%, accounting for 50.4% of the total growth, while the services sector increased by more than 7.3%, accounting for 45.0% of total growth. The processing and manufacturing industries also performed remarkably well, growing at a rate of 11.3%.

Key Industries Continued to Grow During 2019

In 2019, Vietnam was one of the fastest growing economies in the region and the world with positive and stable growth across all major sectors.

Vietnam’s automobile market saw strong growth in 2019 with sales of nearly 420 thousand vehicles, an increase of 19% compared to 2018. Within the consumer car market, sedans and SUVs remained the two most popular models, accounting for 69% of total car sales, according to the Vietnam Automobile Manufacturers’ Association (VAMA). SUVs in particular saw the strongest increase – 60% in 2019 – as compared to the market average of 20%.

Meanwhile, sales of traditional gasoline-powered motorcycles decreased by 3.9% to 3.3 million units sold. The decline is attributed to the explosion of e-scooters following VinFast’s pioneering efforts to introduce high-quality models that appeal to many customer segments. As the world moves towards eco-friendly electric motor vehicles, the market for e-scooters has particular potential.

Given the growing trend of the economy, the real estate market also benefited. According to CBRE’s statistics, the number of successful apartment transactions in Ho Chi Minh City and Hanoi reached nearly 58,900 units in 2019. The increase in supply in the Hanoi market was mainly attributed to the launches of two Vinhomes mega projects, with the number of newly launched mid-range apartments increasing by 17% as compared to 2018. Meanwhile, housing development in Ho Chi Minh City saw a decline of 13% in the number of new launches, due mainly to difficulties in getting development approvals. Overall, primary pricing in both markets increased in 2019 across all segments, with prices in Ho Chi Minh City increasing more sharply than in Hanoi due to a shortage of new supply.

The Vietnam retail market is full of potential and has always offered tremendous growth opportunities. GSO data indicates that retail sales has grown consistently since 1990. 2019 retail sales reached VND 3,800 trillion (USD 161 billion), 12.7% growth over that in 2018 and the highest growth rate in five years. Vietnamese retailers leveraged on this strong growth to expand store coverage throughout the nation. In addition, many international retail brands entered Vietnam to ride on the wave of consumption by middle-income customers. These international retail brands include H&M, Zara, and Inditex brands such as Massimo Dutti, Stradivarius, and Pull & Bear, all of whom entered the Vietnamese market in 2016 and 2017. On the back of successful entrance by these brands, 2018 saw the expansion of leading retailers such as H&M and Zara. In particular, H&M opened stores in five Vincom malls, and Zara opened a second store in Hanoi. Other leading retailers – Uniqlo, Decathlon, Cotton:On, OVS, and Haidilao – opened stores at our leading malls, adding to the range of quality options available to the Vietnamese consumers. Retail estate in general and shopping malls in particular stand to benefit from these trends. CBRE reported that the growth rate of retail floor space was 15% in 2019 in Hanoi and Ho Chi Minh City, reaching a total of over 2 million square meters of total leasable space. Occupancy rates and average rental prices remained positive.

The tourism sector of Vietnam performed strongly in 2019, with more than 18 million international arrivals, a growth rate of approximately 16.2% year-over-year. Domestic tourism also increased by 6.3% compared to 2018 to a total of 85 million visitors. Total revenue from tourism was estimated at VND 726 trillion, an increase of 17.1% from 2018. A report by the UN World Tourism Organization (UNWTO) listed Vietnam as having the highest growth of international visitors in Southeast Asia.



WORLD ECONOMY GREW BY

2.9%



VIETNAM GDP GREW BY

7.02%

420 thousand cars sold in Vietnam

↑ 19%

58,900 new apartments sold(*)

2 million sqm of retail net leasable area(*)

VND 726 trillion Revenue from tourism industry

↑ 17.1%

85 million domestic visitors

↑ 6.3%

18 million international visitors

↑ 16.2%

(*) In Hanoi and Ho Chi Minh City only
Growth relative to 2018



FORECASTED 2020 GDP GROWTH
OF VIETNAM

4.9%



FORECASTED VIETNAM'S
URBAN POPULATION

55%

OF THE TOTAL POPULATION BY 2035

2020 – Challenges
and Difficulties

Golden Population
Structure and
Infrastructure Investment
Considered Keys to
Sustainable Development

Macroeconomic Outlook for 2020

10% Annual growth of Vietnam automobile market	800 thousand units Annual demand of housing market
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Vietnam tourism in 2025		
30 – 32 million international visitors	130 million domestic visitors	USD 45 billion Total revenue

At the beginning of 2020, Vietnam and the world faced many challenges and difficulties brought on by the Covid-19. As the Covid-19 has grown, economic experts fear this dangerous virus will threaten global economic growth. An OECD report published in early March stated that global economic growth is expected to reach only 2.4% in 2020, with negative growth in the first quarter. China is the most heavily affected, with expected growth of only 4.9% compared to 6.1% last year. OECD also reported that the world economy is likely to recover to 3.3% growth in 2021.

According to the World Bank, Vietnam’s economy is expected to grow by 4.9% in 2020, which is much lower than the 7.02% growth experienced in 2019. However, the growth rate will rebound to 7.5% in 2021, reflecting an improved external demand and a firming of the services sector, as well as a gradual recovery in agricultural production.

McKinsey estimates a 9.2% growth rate in the middle class in Vietnam over the next five years, hitting the highest level in the region and accounting for over half of the population by 2035. The urbanization rate in Vietnam reached 39.2% in 2019, which was relatively low compared to other Southeast Asia countries. However, the urban population is forecast to grow rapidly and will account for 55% of the total population by 2030. Ranked 15th among countries with the largest populations and having a golden population structure, where the working-age population is double the non-working age population, along with rapid urbanization, Vietnam is poised to develop into a long-term consumer economy.

The Vietnamese automobile market is said to be one of the most promising markets in the region as the rate of car ownership is still low, with only 23 cars per 1,000 people on average. By 2035, according to a forecast by the Institute for Industrial Policy and Strategy (IPSI), the market will grow by 1.85 million cars a year, equivalent to an average growth rate of 10% per year. The growth of the middle class, along with the constantly ungraded transportation infrastructure, will be the two main drivers of expansion in the automotive industry in the near term. As infrastructure development enables the expansion of provinces and cities and the creation of satellite developments around the major cities of Hanoi and Ho Chi Minh City, cars will increasingly become essential for families. In addition, automobile manufacturing is a key industry promoted by the Government with many favorable conditions for growth. The above conditions are expected to boost the domestic automobile market in the coming years.

Meanwhile, prospects for the e-scooter market are also bright thanks to their eco-friendly features and lower prices as a result of technological advancements. By 2030, the e-scooter is expected to replace most gasoline-powered motorcycles, hitting nearly 2.4 million units sold and accounting for 60% of all motorcycles in the market, recording an average growth rate of 28% per annum.

In the smart device market, 2020 marks the year of national digitization, initiating the transition away from 2G targeting shutdown in 2022 according to the Ministry of Information and Communications, in order to free up new spectrum for the advent of new technologies. This transition represents a golden opportunity for VinSmart with its diverse smart phone portfolio that targeted at the mass and middle-income segments, offering features tailored to the Vietnamese consumers to enhance their experience. In addition, rapid technology developments have enabled the emergence of the “smart home” and “smart city” models around the globe. The smart home market exhibits tremendous growth potential in Vietnam, expected to reach an annual growth rate of 25% between 2020 and 2024 according to Statista. This is an appealing market for many technology companies, and also Vingroup’s strategic business sector.

CBRE estimates that the real estate market will see growth of about 800 thousand new housing units per year between 2018 – 2022. In 2020, the market is expected to maintain positive growth as installment buying has become more common, particularly among young households. New projects will tend to be in the suburbs and satellite cities near Hanoi and Ho Chi Minh City due to scarcity of land in the city centers and the expectation of infrastructure and public transportation development. In the next three years, housing prices in the affordable to high-end segments are forecast to increase slightly by 1% to 5% per year. Meanwhile, prices in the luxury segment are forecast to increase sharply by about 10% per year due to a limited supply.

Over the next two years, retail malls are forecast to continue to target the mass to middle-income consumers, and to enhance their shopping experience. Younger shoppers have demonstrated an eagerness to try new shopping experiences, and are drawn to retail-tainment platforms that combine shopping with entertainment.

Vietnam tourism in 2020 will face many difficulties and challenges given the decline of tourists due to the Covid-19 virus. However, over the long term the tourism industry will quickly recover and grow again given that Vietnam is consistently considered to be a prime destination for tourists due to its abundant landscapes, rich culture and cuisine, and stable geopolitical factors. According to a Government approved plan, tourism is one of the key sectors of the economy. Vietnam aims to serve 30 – 32 million international tourists by 2025 and over 130 million domestic tourists, generating revenue of USD 45 billion and contributing over 10% to GDP. In order to keep pace with the industry’s growth rate, infrastructure investment, particularly investment in airports, is seen as key. Airports Corporation of Vietnam (ACV) plans to start a host of airport upgrades and expansion, including Terminal 2 at Cat Bi airport, Terminal 3 at Tan Son Nhat airport, and a renovation and expansion of the domestic terminal at Tan Son Nhat airport, among other projects in 2020.

Vingroup Operations and Financial Performance in 2019

Business Performance

At the end of 2019, Vingroup restructured the Group's operations through a series of important decisions. First, the Group exited the consumer retail and agriculture businesses through a share swap agreement at VCM with Masan Group. This partnership aims to maximize the core competencies of each party and create a new national champion in Vietnam in the Consumer – Retail sector with outstanding competitiveness and scalability. In addition, the Group merged Adayroi into VinID to build a flexible, customer-focused retail platform, dissolved VinPro ICT store chains, and ceased plans to enter the the Aviation sector. These corporate restructuring efforts have helped the Group better optimize its resources and allow it to focus on investment and development of the Industrials – Technology segments. Apart from being an important growth engine, the Real Estate and Services segment provides an ecosystem that can support the research and commercialization of industrial and technological products.



Vincom Center Pham Ngoc Thach (Hanoi)

Industrials

In June 2019, VinFast inaugurated its first automobile manufacturing facility in Dinh Vu Industrial Park, Hai Phong, setting a world record for being constructed in only 21 months, well ahead of the development schedule. Since the factory’s inauguration and the delivery of its first vehicles, VinFast has received 17,200 orders for cars, and produced 15,300 cars as of the end of 2019.

SOLD

17,200

CARS

50,000

E-SCOOTERS

Cars and Motorcycles Manufacturing



VinFast cars are trusted by consumers for their quality and safety, which is reflected in the high sales numbers. The New Car Assessment Program for Southeast Asian Countries (ASEAN NCAP) gave the VinFast Lux A and VinFast Lux SA models a 5-star safety rating, and the VinFast Fadil received a 4-star safety rating, the highest safety rating for A-class cars.

As part of its development and popularization of eco-friendly electric products, VinFast announced plans to begin producing electric buses.

Also in 2019, VinFast launched two new e-scooter models with a sporty style, the Ludo and the Impes, and introduced an upgraded model of its Klara e-scooter, the Klara S. Tailored to customers’ needs, all three models will support home-charging or battery swapping at a station in order to provide maximum flexibility and convenience. At the end of 2019, VinFast had sold 50,000 e-scooters, and produced more than 45,100.

VinFast’s network of authorized dealers currently includes 17 showroom and 84 authorized automotive and motorcycle dealers, located across 47 cities and provinces. This network will continue to grow to meet the distribution needs of VinFast.

Smart Devices Production

In November 2019, VinSmart inaugurated Phase 1 of its smart device manufacturing plant in Hoa Lac Hi-tech Park (Hanoi) after moving its factory from the Dinh Vu – Cat Hai Economic Zone (Hai Phong). The new facility has an estimated annual production capacity of 26 million smart devices in Phase 1, including 23 million smartphones, 1 million IoT devices, and over 2 million other smart electronic devices.

SOLD

600 thousand

SMARTPHONES

2,500

SMART TVs



Since the beginning of 2019, VinSmart has introduced eight new phone models – the Bee, Star, Joy 2+, Live, Bee 3, Active 3, Star 3 and Joy 3 – that range from the affordable to the mid-range segments, thereby meeting the needs of many customers. Thanks to a broad offering of models, competitive pricing, and integrated advanced technologies, VinSmart products have been broadly accepted. In 2019, VinSmart sold 600 thousand phones and quickly gained 7.5% of the mobile phone market share in December. In the last week of March 2020, VinSmart was among top 3 best selling smartphone brands with 16.7% market share in Vietnam. In addition, Vsmart Joy 3 broke the record for the of VND 2 – 3 million smartphone segment by selling 12,000 units within 14 hours. In addition to the domestic market, VinSmart has also launched in the Russian market through its authorized distributor, TFN Trading.

In June 2019, VinSmart signed a cooperation agreement with Qualcomm (USA) to develop Vsmart-branded 5G smartphones. The new phones will use Qualcomm’s modularized Snapdragon 5G platform. This agreement makes VinSmart one of the first 5G phone manufacturers in the world, putting Vietnam among a small group of pioneering countries that use and produce 5G-powered devices.

Last year VinSmart also took a step toward the development of a smart device ecosystem when it officially launched the first five Vsmart smart TV models. The products are developed on Google’s Android operating system through a copyright agreement and have Google Play integrated with more than 5,000 applications, bringing a breakthrough experience to customers. At the end of 2019, only one month after its initial launch, VinSmart had already received 2,500 smart TV orders.

Technology

VinTech

After building up the organizational structure and key personnel teams for technology research and development in 2018, the subsidiaries and research institutes of VinTech began operations in 2019 and quickly established themselves as future leaders in the global technology arena.



Regarding product and service development, in 2019, VinTech’s subsidiaries successfully developed many technology applications to support intra-Group operations, including computer vision technology and language processing, construction management applications, and digital signatures. In particular, Network Security Services Company Limited (VinCSS) launched the VinCSS-FIDO2 Authenticator and achieved FIDO2 certification by Fast IDentity Online (FIDO) Alliance, making Vingroup one of only 34 companies in the world that have the capacity to produce and master the most modern technologies in security authentication. In addition, VinTech has also developed facial recognition and anti-counterfeiting features that were applied to Vsmart Live phones launched in 2018.

In the field of research, the AI Research Institute presented two scientific research projects at NeurIPS, the world’s premier artificial intelligence conference and considered the “Oscars in AI and machine learning”, making Vietnam only the second country in the region to have research announced at this conference. In addition, VinTech also had 41 different standardized identifiers certified for global security vulnerabilities (Global CVE), which are now posted on the National Vulnerability Database of the US National Institute of Standards and Technology (NIST).

Regarding funding activities, the Innovation Fund funded 20 basic science research projects, 12 applied and start-up research projects, and 158 Master/PhD scholarships. In addition, VinTech Fund started the second round of its applied and start-up research funding, receiving 240 project documents from 49 different universities and nearly 2,200 researchers, as well as numerous domestic and international technology start-ups. These sponsorships have made valuable contributions to the promotion and development of scientific research and are highly appreciated by the community, particularly universities.

VinSmart’s Mobile Device Research Institute has successfully developed its own VOS operating system which has been embraced by the market, and the vMessage messaging service on iOS platform and computers. In addition, the Telecommunication Research Institute had built the R&D labs for the development of 5G base stations. Smart City and Smart Home Research Centers successfully applied AI technologies to their image processing and image recognition systems, as well as successfully experimented IoT-based smart home ecosystem of products.

VinID digital ecosystem

In 2019, VinID developed a new strategy for its digital ecosystem development – a powerful, fully-featured human assistant that has more than 9.4 million members as of 29 February 2020.



9.4 million
MEMBERS



Loyalty program

Superior to the traditional loyalty program, VinID integrates new features that combines online and offline channels such as Scan & Go, finding VinID Voucher discounts, purchasing VinID tickets for sports and entertainment events, and various features exclusively for Vinhomes residents.



Payment and financial applications

In 2019, VinID launched the VinID Pay e-wallet application, officially joining the e-wallet market in Vietnam. This marked the first step toward becoming a complete financial services (Fintech) platform.

Apart from providing a wide range of services and utilities, VinID has also focused on improving its customer experience by leveraging big database analysis and a customer relationship management center.



Large database

With a large and comprehensive database, VinID has analyzed consumer behavior and the results of past advertising campaigns in order to evaluate their performance.



Customer Relationship Management Center (CRM)

The CRM Center functions as a sales and marketing center that provides timely and effective feedback to customers to enhance engagement and the customer experience.

Property

In 2019, Vinhomes focused on developing mega projects. Its first three projects – Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park – have all been upgraded to the 4.0 platform of artificial intelligence and digital management and operation technology, making them the first “smart cities” in Vietnam.

Residential Property



Vinhomes Golden River (Ho Chi Minh City)

28,900

APARTMENTS, VILLAS,
SHOPHOUSES, AND
BEACH VILLAS HANDED OVER

In particular, Vinhomes Grand Park made a particularly impressive launch in the Southern real estate market when selling 10,000 apartments in the first 17 days.

Besides Vinhomes Grand Park, Vinhomes also recorded an impressive sales of Vinhomes Symphony in Hanoi with 83% of units open for sales sold out after just one month upon launching.

In 2019, Vingroup delivered nearly 28,900 apartments, villas, shophouses and beach villas, and continued to consolidate its dominant position. By the end of February 2020, Vingroup managed 23 residential property projects under the Vinhomes brand, with nearly 50,500 apartments, villas and shophouses, bringing the joy of a new home to hundreds of thousands of residents.



Progress of Complex Development Projects

Vingroup’s competitive advantage lies in its speed of development and project deliveries to customers. Projects undertaken by the Group will continue to be handed over on time or ahead of schedule, in line with our past track record. Among the projects completed and delivered during 2019 were Vinhomes Skylake, Vinhomes Metropolis, Vinhomes The Harmony, Vinhomes Star City, Vinhomes Marina, and several shophouse, hotel and beach villa projects. Other projects are being developed by Vingroup and leading contractors with the highest level of quality and attention to deadlines. These projects include Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Grand Park, Vinhomes Marina and Vinhomes Symphony.

New Paths Open with Investment in Industrial Real Estate

Vietnam is ripe for the development of industrial real estate. Over the past five years, foreign direct investment into Vietnam (FDI) recorded strong growth at an average rate of 16% per year, with more than 70% of that investment going into production and industrials. Leveraging its expertise in land acquisition, project development, and construction management, Vinhomes is well positioned to invest in a number of industrial real estate projects in the future.

Retail Malls

Vincom Retail develops, owns and operates Vietnam’s largest and fastest-growing network of retail malls. In 2019, Vincom Retail launched 13 malls, raising the total number of its retail malls to 79, with a presence in 43 provinces and cities nationwide and a total gross floor area of up to 1.6 million square meters. The occupancy rate of the network reached 89.8%, up 1.4 percentage points from 2018.



13
RETAIL MALLS LAUNCHED

225 million
VISITORS



In 2019, the Vincom retail mall network reached a new record of over 225 million visitors to its shopping, entertainment and recreation facilities, up nearly 43% from 2018. Innovative and professional story-based marketing activities not only generated record growth in the number of customers to Vincom Retail malls but also enhanced social cohesion and educational values, making Vincom malls a cultural destination that connects customers of all ages. In particular, in April 2019, the Landmark 81 Skyview Observatory, at an altitude of nearly 400m, was officially launched and quickly became the newest and most attractive entertainment spot in Ho Chi Minh City.

With its reputation for quality, Vincom Retail shopping malls have been the first-choice destination of many global brands. In 2019, Vincom Retail continued to attract more international tenants such as Uniqlo, Decathlon, Planet Sports, Jaju, Haidilao, Nara.

Hospitality and Entertainment

In 2019, Vinpearl’s business performance was quite positive. Total guest nights were approximately 4.9 million, a record increase of nearly 43% year-over-year. Vinpearl hotels in Nha Trang led in terms of guest nights sold, followed by Da Nang and Phu Quoc. Domestic guests versus international guests in the total number of guest nights sold were 29% and 71%, respectively. China, South Korea, and Russia account for the majority of international guests.

4.9 million
GUEST NIGHTS SOLD

5.8 million
VISITORS TO VINWONDERS



The Entertainment segment has also been repositioned to become a fast-growing, strong driver of Vinpearl. Besides upgrading and rebranding Vinpearl Land theme parks as “VinWonders”, Vinpearl plans to further develop VinWonders parks in line with international standards in order to enhance the customer experience and Vietnam’s standing in global tourism.

In 2019, VinWonders welcomed nearly 5.8 million visitors with revenue growing at a rate of 17% year-over-year. VinWonders Nha Trang launched an 800m zipline that holds three national records, including the longest straight-away, the most sloping, and the highest land jump. Not surprisingly, the zipline became one of the most popular attractions at the amusement park.

Progress of Development Projects

In 2019, Vinpearl opened three additional hotels in the city: Vinpearl Luxury Landmark 81 (Ho Chi Minh City), Vinpearl Hotel Imperia and Vinpearl Hotel Rivera (Hai Phong) with a total of nearly 800 new rooms.

Vinpearl is continuing to invest in new resort projects in strategic tourist locations and hotels in the center of major cities in an effort to maximize brand penetration throughout the nation. In particular, the Vinpearl implemented a strategy of accessing the international market through opening overseas representative offices, and comprehensively cooperating with airlines to promote the number of international visitors to Vinpearl. In the field of entertainment, Vinpearl is in the final phase of construction for its expanded VinWonders Phu Quoc project and other new features at VinWonders Nha Trang that will open in the near future.

By focusing more on in-depth development based on thorough research of new product packages that bring more values to customers, Vinpearl has affirmed its position as a resort paradise in Vietnam – “where endless joys await”.

Healthcare

In 2019, the Vinmec system had a total of 753 thousand inpatient and outpatient visits, an increase of 22% as compared to 2018. Total revenues increased by 15%, from VND 2.6 trillion in 2018 to VND 3 trillion in 2019.

753 thousand
PATIENTS SERVED

REVENUE
3,0 trillion VND



In terms of professional activities, Vinmec deployed ERAS – a method to support rapid recovery after colorectal surgery – at Vinmec Times City, reducing hospital stays from 8 – 9 days to 5 days without re-surgery. In 2019, Vinmec was the first hospital in Vietnam to deploy clinical pharmacy services throughout the system, serving 100% of patients.

Regarding research activities, Vinmec completed the project “Identifying gene mutations in autistic children in Vietnam”, built a Vietnamese genome database, and published its findings in the prestigious international journal – Human Mutation. The research drew a lot of public attention when it asserted that the origin of the Vietnamese people was not from the North. In addition, Vinmec was also honored when Prof. Nguyen Thanh Liem, Director of the Vinmec Research Institute of Stem Cell and Gene Technology, was recognized as one of the top **Top 100 Scientists in Asia** in 2019 by Asian Scientist Magazine (Singapore).

Strategic Alliances and Partnerships

On 17 July 2019, Vingroup and Vinmec healthcare system have signed the cooperation deal with University of Pennsylvania (PENN) to develop Vinmec Cardiology and Oncology specialties into Centers of Excellence (COE). This is the first COE in Vietnam, led by leading international standard professors and medical experts. In particular, from 2019 to 2020, Vinmec will develop breast cancer and heart failure units, followed by the development of other subspecialties such as lung cancer, liver cancer, colorectal cancer, coronary artery disease.

On 4 November 2019, Vinmec Central Park Hospital and ICON Group (Australia) signed a strategic cooperation to lay the foundation for Vinmec Central Park to build and develop an Oncology Center of Excellence in Vietnam, in order to enhance the quality of cancer diagnosis and treatment in line with international standards, and to redefine standards of cancer care in Vietnam in Vietnam and the region.

Progress of Vinmec Projects

In the fourth quarter of 2019, Vinmec completed the construction and launch of the Vinmec Times City clinic in Hanoi that will reduce the workload for Vinmec Times City Hospital by focusing on patients who need obstetric/pregnancy services, vaccines, physical exams and aesthetic treatments. In addition, three new projects – Vinmec Can Tho, Vinmec Ocean Park and Vinmec Smart City (Hanoi) – are under development and will be launched soon.

Education

Vinschool is currently the largest private education system in Vietnam with 27,400 students across 31 campuses, primarily in Hanoi, Ho Chi Minh City and Hai Phong. Besides the impressive growth in numbers after six years of development, Vinschool has affirmed its pioneering position by taking the lead in updating the curricula and educational philosophy currently used within the high school system in Vietnam.

27,400
STUDENTS

23%
INCREASE IN THE NUMBER OF STUDENTS OVER 2018

Vinschool Kindergartens, Elementary, Secondary and High Schools



In March 2019, the seven largest high schools within Vinschool became members of the Council of International Schools (CIS) as the system works towards the goal of becoming CIS accredited. As the first Vietnamese education system to follow CIS standards, all Vinschool facilities are standardizing in the following areas: curriculum development, teacher training, education services operation, and recruitment. In addition, six Vinschool managers have completed CIS training courses and passed the rigorous requirements necessary to become certified CIS auditors.

Vinschool continues to be a pioneer in improving curricula, as well as teaching and learning approaches. The **Quality Skills Education Program** and the **Global Citizenship Program** were specifically designed to make a difference for Vinschool when skills education and experiential learning are the main subjects. High school programs were also revised according to the credit-based model of pre-university programs, with an increased focus on higher vocational and academic orientations.

Vinschool, the largest private school system in Vietnam, has been awarded twice by the Ministry of Education and Training for its contribution to education reform – and the only Vietnamese school to have this honor. Vinschool students have won high awards in both national and international competitions as well as claimed prestigious scholarships from some of the world’s leading universities.

Progress of Vinschool Projects

Vinschool continued to expand its school system based on the strategy of accompanying Vinhomes urban areas. Although only recently opened, Vinschool facilities at Vinhomes Skylake, Vinhomes Metropolis and Vinhomes Golden River have attracted a large number of students due to Vinschool’s reputation for quality. Other facilities in residential communities such as Vinhomes West Point, Vinhomes Ocean Park, Vinhomes Smart City are being completed and will soon come into operation.

VinUniversity

On December 17, 2019, VinUni’s establishment was officially approved by the Prime Minister. VinUni aspires to become an elite university that will train and develop talent for the future.



On 15 January 2020, after 14 months of rapid construction, the school was completed on a total area of 23 ha and in accordance with the 5-star standards set forth by Quacquarelli Symonds (QS), a global leader in education. The school is set to welcome about 300 students in the 2020 – 2021 school year.

Under a cooperation framework with Cornell University, Prof. Dr. Rohit Verma, Dean of External Relations at the Cornell SC Johnson College of Business was selected to lead VinUni as its first Rector. Furthermore, three other leading professors, Prof. Charalabos (Haris) Doumanidis, Prof. Maurizio Trevisan and Prof. Sunmee Choi joined VinUni as Directors of the Institutes of Engineering and Computer Science, Health Sciences, and Business and Management, respectively.

VinUni also signed a Memorandum of Understanding with partner universities, including University of California, University of California San Diego, Johns Hopkins University, the University of Queensland, University of New South Wales, Monash University, University of Technology Sydney, Singapore Management University, Nanyang Technical University, to grant 1,100 scholarships in the field of Science and Technology.

2019 Financial Performance

Key Financial Indicators

Item	2019 (VND trillion)	2018 (VND trillion)	% Difference
Current assets	197.4	135.4	46%
Non-current assets	206.3	152.7	35%
Total assets	403.7	288.1	40%
Total liabilities	283.2	189.0	50%
Of which: total debt (short-term and long-term)	127.7	91.1	40%
Statutory obligations	6.0	15.5	-61%
Owners’ equity	120.6	99.2	22%
Net revenue	130.0	121.9	7%
Cost of goods sold	92.5	92.9	0%
Operating profit	15.8	13.6	16%
Other profit (loss)	-0.1	0.3	-
Profit before tax	15.6	13.9	12%
Profit after tax	7.7	6.2	24%

Source: 2018 and 2019 consolidated audited financial statements of Vingroup Joint Stock Company

Analysis of the Consolidated Income Statements

Item	2019		2018	
	Value (VND trillion)	% Total	Value (VND trillion)	% Total
Sale of inventory properties	64.5	49.6%	83.3	68.3%
Leasing activities and rendering related services	6.8	5.2%	5.6	4.6%
Rendering of hotel, amusement park, and related services	8.5	6.6%	7.4	6.0%
Rendering hospital and related services	3.0	2.3%	1.5	2.2%
Sale of goods in supermarkets, convenience stores, and retail outlets	29.7	22.8%	19.3	15.9%
Rendering education and related services	2.1	1.6%	1.5	1.2%
Manufacturing activities	9.2	7.1%	0.6	0.5%
Others	6.2	4.8%	1.7	1.4%
Total	130.0	100.0%	121.9	100.0%

Source: 2018 and 2019 consolidated audited financial statements of Vingroup Joint Stock Company

Discussion and Analysis of the Balance Sheet

Net revenue reached VND 130.0 trillion, an increase of VND 8.1 trillion (equivalent to 7%) as compared to 2018 due to growth in recurring revenue businesses, especially automobile production, which started to generate revenue and helped offset decreasing **Revenue from the sale of inventory properties**. Specifically:

Revenue from sale of inventory properties decreased by 23% from VND 83.3 trillion to VND 64.5 trillion in 2019 due to the fact that older projects, such as Vinhomes Golden River, Vinhomes The Harmony, Vinhomes Central Park, and Vinhomes Imperia, were handed over in 2018. However, **Gross profit from the sale of inventory properties** in 2019 grew by 37% compared to 2018 as the Group implemented a bulk strategy at the mega projects, because bulk sales typically has higher profit margins than retail sales.

Revenue from leasing activities and related services grew by 22% from VND 5.6 trillion to VND 6.8 trillion in 2019 due to the nationwide expansion of shopping centers. In 2019, the Group launched 13 new shopping malls, reaching a total of 79 shopping malls with four different formats.

Revenue from hospitality, entertainment and other services reached VND 8.6 trillion in 2019, a growth rate of 16%, as a result of an increased number of room nights sold. The increase is attributed to gradually stabilizing operations at facilities opened in 2018 as well as the opening of three new facilities 2019 that added 800 additional hotel rooms.

Revenue from manufacturing activities reached VND 9.2 trillion, increasing sharply as compared to 2018 thanks to the delivery of three new car models following the completion of the factory at Dinh Vu – Cat Hai Industrial Park (Hai Phong) and the start of mass production in the middle of 2019.

Vingroup’s **Profit after tax** increased by 24% from VND 6.2 trillion in 2018 to VND 7.7 trillion in 2019.

In 2019, the relatively stable exchange rate and reasonable cost of foreign currency loans helped Vingroup limit the impact of exchange rate risks on overall business results.

Current assets increased by VND 62.0 trillion, from VND 135.4 trillion to VND 197.4 trillion in 2019, mainly impacted by fluctuations in **Inventories** since it was the first year the manufacturing sector had a full year of production, and real estate mega projects started construction but the units were not yet delivered. In addition, **Short-term receivables** also increased sharply due to receivables from real estate and car and e-scooter manufacturing activities.

Non-current assets increased by 35% year-over-year, reaching VND 206.3 trillion as of 31 December 2019.

Fixed assets increased from VND 49.5 trillion in 2018 to VND 108.3 trillion in 2019, an increase of 119%, due to the completion of the VinFast automobile and VinSmart manufacturing plants.

Investment properties increased by VND 7.1 trillion from VND 26.7 trillion to VND 33.9 trillion as of the end of 2019 due to the expansion of Vincom Retail’s nationwide retail network as it opened 13 new shopping malls.

Construction in progress decreased from VND 58.5 trillion to VND 48.1 trillion at the end of 2019 due mainly to VinFast’ factory machinery and equipment value being recorded in **Fixed assets** when the construction is completed and the equipment are out into use.

Other non-current assets recorded a decrease of VND 834 billion as compared to 2018 due to a decrease in **Goodwill** arising from the annual allocation and disposals of some subsidiaries.

Total liabilities in 2019 were VND 283.2 trillion. **Long-term debts** increased as Vingroup mobilized additional capital to finance real estate projects and manufacturing activities.

Vingroup's **Total debts** reached VND 127.7 trillion in 2019. **Total debts** are mainly comprised of syndicated loans (47%), domestic bonds (34%), and exchangeable bonds (8%).

Statutory obligations decreased from VND 15.5 trillion in 2018 to VND 6.0 trillion in 2019 due to a sharp reduction in land use fees and land lease fees related to Vingroup's ongoing projects. In 2019, Vingroup paid VND 38.7 trillion in tax and statutory obligations.

Owners' equity increased by 22% from VND 99.2 trillion to VND 120.6 trillion at the end of 2019 due to Vingroup's issuance of additional shares via private placement.

Key Financial Indicators

Indicators	2019	2018
Liquidity ratios (times)		
Current ratio	1.1	1.2
Quick ratio	0.6	0.7
Capital structure (times)		
Total liabilities(*)/Total assets	0.7	0.7
Total liabilities(*)/Owners' equity	2.3	1.9
Leverage (times)		
Total debt/Total assets	0.3	0.3
Operating capacity (times)		
Asset turnover	0.4	0.5
Inventory turnover	1.3	1.7
Profitability (%)		
Profit after tax margin	5.9%	5.1%
Return on Equity	6.4%	6.3%
Return on Assets	1.9%	2.2%
Operating income margin	12.1%	11.2%
Operating income/Total assets	3.9%	4.7%

(*) Total liabilities include amounts payable to suppliers, advances from customers, beside borrowings. Liabilities also include the proceeds from contracted sales paid by customers for residential properties. These payments will be recognized as revenue when the properties are delivered to customers.

At the end of the fiscal year ended December 31, 2019, Vingroup's liquidity ratios were relatively stable versus 2018. **Current ratio** and **Quick ratio** were 1.1 times and 0.6 times, respectively.

Total liabilities to Total assets, as well as **Leverage ratio** were stable as compared to 2018. However, **Total Liabilities to Owners' equity ratio** tended to increase.

Profitability ratios in 2019, calculated based on **Net revenue** and **Owners' equity**, were improved as compared to 2018. **Return on assets** decreased due to a sharp increase in assets upon completion of the automobile factories, while revenue and profit from this activity began only in the middle of the year.



Blueprint for 2020

Vingroup’s Plan for Business Development in 2020

During 2020, the Group will continue to implement a decentralized P&L model at its subsidiaries with an emphasis on efficiency and transparency.

Vingroup continues to promote the implementation of the “**5 Transformational Principles**” to build a streamlined, multi-functional and robust governance mechanism:

- The role of the Group's business development system is to diversify the products and services of each business segment with the aim of delivering products of the highest quality to Vietnamese consumers. The ultimate goal is to diversify revenue sources and encourage consumers to use products from the entire Vingroup ecosystem. Vingroup will simultaneously continue its strategy of raising standards toward the international 5-star level in 2020.
- Vingroup will diversify its sources of investment capital both domestically and internationally and will match the availability of capital in the short-term, mid-term, and long-term with appropriate uses.
- The Group will promote the role of leaders while building its leadership pool from within its ranks. Management plans to take steps to promote healthy mind and body of employees, and to maintain an attractive, professional and friendly work environment.

Business Strategy

Industrials

In 2020, VinFast plans to launch a few more car and e-scooter models. VinFast continues its strategy to dominate the domestic market with high quality products at competitive prices that target diversified customer segments. VinFast will also improve its distribution network and superior customer service to deliver the best customer experience possible.

With regards to smart devices, VinSmart plans to launch a number of new smartphone and smart TV models, including the first 5G phone under a Vietnamese brand, catering to mass to high-end segments, as well as OLED TVs. VinSmart will also introduce smart home devices with superior features, develop comprehensive smart city solutions for Vinhomes’ three mega projects, and launch an AI-based security camera systems. In addition, VinSmart continues to work closely with Qualcomm and Google in an effort to develop new products and technologies.

Technology

During 2020, Vingroup will continue to conduct technology research and development to support the Group’s focus on Industrials, Technology, and Services. Along with its long-term technology research plans, Vingroup is striving to promote the application of home-grown technologies to build products that meet market needs.

VinBrain’s AI Doctor Assistant will be deployed in Vietnamese hospitals to provide image diagnosis, examine medical charts, and assist in the development of treatment regimens. Vantix will offer a wide range of IoT-based solutions to analyze and optimize labor productivity at Vinpearl facilities and in VinFast and VinSmart plants.

VinAI and VinBDI will seek breakthroughs in AI technologies for deployment throughout the Group. Their computer vision and image processing technologies will enable automatic timekeeping and monitoring within Vingroup, enhancing customer experience at Vinpearl facilities, Vincom Retail malls, and Vinhomes smart cities. Language processing systems and chatbots will be integrated into customer service

systems at Vinmec, Vinpearl, and VinSmart. Technologies developed by the institutes have been brought to market through VinSmart devices and smart camera systems, and integrated into new generations of cars from VinFast.

Besides promoting technological development and applications, VinTech, VinSmart and VinFast’s research institutes expect to file patent applications for intellectual property and industrial designs in 2020.

In network management and security, VinCSS will invest in a Cyber 4.0 Lab to upgrade the Group’s authentication systems in accordance with the FIDO2 security standards. IT solutions will be widely deployed by VinSoftware to support the digital transformation of the Group and its subsidiaries. HMS is developing a comprehensive platform for hotel and resort operational management, as well as a digital platform for the hospitality industry.

VinID expands the scale of its loyalty programs with the goal of quickly gaining market share, developing payment services, and advancing algorithms for data analysis to tailor promotions and search suggestions to customers’ preferences. New Retails – VinID’s smart and convenient shopping platform, along with the introduction of O2O services, will help maintain strong customer engagement as well as attracting new ones to the ecosystem.

Property

Vinhomes will continue to maintain its dominant position in the property market, leveraging its core strengths in delivery schedule, product quality and the full ecosystem of live-work-play products and services. In 2020, Vinhomes will continue to diversify its product portfolio to reach the mid- to high-end segments.

In addition, Vinhomes is conducting a feasibility study to develop industrial parks that will attract both domestic and foreign tenants. These industrial zones will have flexible business models, including factory leasing and land leasing with infrastructure included.

Vincom Retail continues to expand its network of retail properties to maintain its leading position in the number of retail malls, as well as in market share and quality. Vincom Retail will continue to serve the mid- to high-end consumer segments by enabling well-known international retailers to enter Vietnam through its extensive network of retail malls. In 2020, Vincom Retail will continue to research and develop retail mall formats, diversify its F&B and entertainment options, and integrate advanced technologies in order to attract more customers of all ages.

Hospitality
and
Entertainment

In 2020, Vinpearl will be cooperating with domestic airlines to promote domestic and international routes to locations where Vinpearl properties are located and also offer premium travel service packages to attract visitors. In addition, in an effort to access international markets and promote tourism, Vinpearl plans to open representative offices in strategic markets. Vinpearl will also introduce a new 3-star hotel product line under the VinHoliday brand aimed at the economy segment, and engage well-known international hotel management companies to manage some Vinpearl hotels to diversify customer choice.

According to its new strategy, VinWonders will further adopt the model of a theme park with an area of at least 50 hectares and primarily located in big cities or famous tourist cities. In 2020, the VinWonders Phu Quoc expansion project, along with some new enhancements at VinWonders Nha Trang, are expected to be completed and put into operation.

Healthcare

In 2020, Vinmec will accelerate digital transformation in order to enhance the customer experience and continue to develop key products such as stem cells and gene technology. Vinmec plans to develop Telehealth, which will be a core product strategy for the future. In addition, Vinmec will develop new models and products in line with the trend to focus more on proactive care instead of reactive care.

Education

In 2020, Vinschool plans to open new K-12 facilities in Hanoi and Ha Tinh and increase the total number of students to 33,300 in the 2020 – 2021 school year. Vinschool has digitized and transformed its curricula into an integrated online and offline learning program (blended learning) to reduce dependence on teacher quality. Vinschool has also standardized its human resources qualifications and teacher training programs in line with CIS standards in an effort to become CIS accredited in the near future.

In 2020, VinUni will finish the preparation of facilities for its English Pathway program, General Education, and degree programs by installing equipment, laboratories, and getting all teaching and learning materials ready in order to start the first semester in Fall 2020.



CHAPTER

04

Corporate Governance

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Vingroup Governance Structure

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Vingroup Governance Structure

Vingroup launched a number of initiatives to strengthen its management and governance procedures. These initiatives were aimed at applying best practices in accordance with the Group's core values and aligning individual total compensation with business results.

In recent years the Group has received the endorsement of the business community, investors, and management experts for its corporate governance, as well as national and international awards for its annual reports.

Role of the Management Systems in Vingroup’s Development

Vingroup has identified corporate governance as a critical success factor in achieving sustainable growth and profitability. The Group has issued an internal management code of conduct describing the requirements for professional and transparent management of operations. The code of conduct is designed to protect the interests of shareholders, customers, employees, and the community.

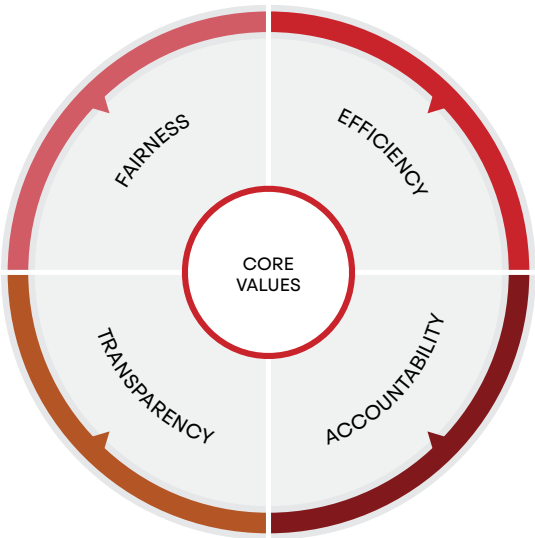
Principles of the Management Code of Conduct



(Extract from Provision No. 3, Vingroup Management Code of Conduct – issued on 31 May 2018)

Core Values of Vingroup’s Management Models

Vingroup’s governance structure has been developed based on the following core values:



Vingroup believes that effective management systems enable the organization to promote its core values, control business operations, and delegate responsibilities among its various business units. The Group constantly looks for ways to realize the synergies among the various business units and P&Ls to help meet its business goals.

Vingroup Management and Governance Structure 2019

The Vingroup management and governance system follows standard international practices for publicly listed companies and includes a General Meeting of Shareholders, a Board of Directors, a Supervisory Board, a Chief Executive Officer, along with functional units and representatives of the Parent Company in the Group's subsidiaries (the independent profit-and-loss centers, or “P&Ls”). Vingroup’s management and governance structure is used for both the Parent Company – Vingroup JSC – and the P&Ls.

Components of the Vingroup Management Structure

The General Meeting of Shareholders (“GMS”) has the highest level of authority within Vingroup and includes all shareholders with voting rights. The GMS determines key governance structures and has power to appoint members of the Board of Directors and Supervisory Board.

The Board of Directors (“BOD”) is the Group’s management body, elected by the General Meeting of Shareholders and entrusted with the authority to make business decisions for the Group, and exercise rights and responsibilities that do not fall within the jurisdiction of the General Meeting of Shareholders. The Board consists of nine members, with three independent directors. This structure ensures transparency and is in line with prevailing Vietnamese legislation and international standards.

The Board of Directors does not have special committees because the functions of supervision and risk management are already assigned to dedicated Divisions in the Corporate Office. These Divisions supervise the operations of the business units and are empowered to take control of operational units as needed.

The Board establishes standards for investment, divestiture, large corporate borrowings, and the issuance of stocks and bonds. Management is authorized to make decisions on those matters and transactions whose value fall below the Board approval thresholds as prescribed in the Charter of Vingroup JSC and can exercise rights and responsibilities that do not fall within the jurisdiction of the Board.

The Supervisory Board is elected by the General Meeting of Shareholders and operates independently from the Board and Management.

The Management includes the CEO and Deputy CEOs who are appointed by the Board of Directors. The Management is responsible for overseeing the Group’s business operations by managing and supervising the heads of Divisions in the corporate office and the senior executives at each P&L. The CEO is the legal representative of the Group and has the highest authority in managing the daily operations of the Group.

The Corporate Office is the body charged with supporting the Board of Directors, the CEO, and the Management of the Company in formulating the Group’s business strategies and directions.

The Corporate Office also carries out such functions as governance, brand-building, corporate advertising, capital allocation, fund raising, mergers and acquisitions, investments – all aimed at maximizing benefits for shareholders. Other corporate management functions assigned to the Corporate Office include internal auditing, setting information technology management policies, and project management. During 2019, the responsibilities, roles, and objectives of Divisions within the Corporate Office have been recalibrated to reduce overlap with the P&Ls and duplication of effort, and to ensure effective supervision of business units.

Relationship Between the Corporate Office and P&Ls

Mechanism for Coordination Between the Corporate Office and the P&Ls

The P&Ls are responsible for implementing Group decisions, resolving issues not reserved under its jurisdiction. According to the laws and Group regulations, the P&L directly runs the day-to-day operations of the business units and reports to the Group management. The P&Ls are also responsible for escalating issues to the Group on matters that affect shareholder interests.

Relationships between the Corporate Office and the business units are managed in accordance with the Enterprise Law, the Charter, Management Code of Conduct, Vingroup regulations and other prevailing laws. Vingroup affects decisions by exercising its rights as shareholders in the P&Ls.

When projects require coordination between multiple business units, they are managed under the terms of Vingroup’s Responsibility matrix: “Responsible – Approver – Support – Consulted – Informed” or RASCI. This framework is used to clarify responsibility, facilitate cooperation and promote transparency.

Vingroup’s business units are directed to cooperate with each other for mutual longterm benefit under arm’s length principles.

The Corporate Office also sets policies and guidelines to ensure that business units work with each other and with the Parent Company to utilize resources efficiently and leverage their individual strengths.



VinSmart Smart Devices Manufacturing Complex (Hoa Lac – Hanoi)

Report of the Board of Directors

Evaluation of the Board of Directors on Management and Business Performance in 2019

In 2019, the Board believes that the Group and Management have put in significant amount of efforts in organizing and launching business operations, and maintaining good corporate governance practices.

Approach

In compliance with provisions in the Group Charter, internal regulations and prevailing law, the Board of Directors has completed the following governance and supervisory activities:

- Supervised Vingroup development projects
 - Administered capital-raising programs to finance project development
 - Led, directed, and successfully organized the 2019 Annual General Meeting of Shareholders (“AGM”) on 23 May 2019 and the solicitations of shareholders’ written opinion in March, August and October 2019
 - Ensured the 2019 financial report, quarterly and semi-annual financial reports, and annual report provided a timely and comprehensive update of the Group’s business performance and financial state on the reporting date
- Supervised the implementation of the GMS and BOD Resolutions, oversaw and reviewed management operations
 - Presided over information disclosure to stakeholders, to ensure timely and transparent reporting
 - Maintained oversight on activities in order to improve operational performance and meet business targets

2019 Report

During 2019, the Board believes that the Group and Management have put in a significant amount of effort in organizing and launching business operations, and maintaining good corporate governance practices. 2019 net revenue reached VND 130 trillion, representing 93% of the budget approved by the GMS. Profit after tax reached VND 7.7 trillion, exceeding 19% of the budget approved by the GMS at VND 6.5 trillion. Each business sector demonstrated significant improvement, setting a foundation for continued success in the future.

In the Industrials segment, VinFast and VinSmart products earned positive feedback from the market. By the end of 2019, the Group recorded a total of 17,200 orders for cars, 50,000 orders for VinFast e-scooters, 2,500 orders for smart TVs, and 600 thousand smartphones in the domestic market.

In the Technology segment, Vingroup developed components to serve its business operations, such as diagnostic imaging, facial recognition and an anti-counterfeiting features on Vsmart smartphones. In particular, VinCSS was awarded FIDO2 Certificate for its authentication key product, making Vingroup one of 34 companies in the world capable of producing and mastering the most modern technology in the field of security authentication. These achievements gradually affirmed Vingroup’s transformation into a leading technology group and its integration with world-class technology. In addition, VinID expanded its scale and features, attracting 9.4 million members by the end of February 2020.

NET REVENUE
130 trillion VND

PROFIT AFTER TAX
7.7 trillion VND

Activities of the Board of Directors During 2019

Introduction of the Board of Directors

The Board of Directors consists of nine members, including a Chairman and three independent directors.

Further details can be found in Chapter 2: About Vingroup – Board of Directors – Page 52.

Board Meetings and the Promulgation of the Group’s Major Decisions

During 2019, the Board held a total of four meetings with a member participation rate of 100%. The Board issued 60 resolutions (including the solicitations of written opinion, and the BOD’s authorization for the Chairperson to decide matters on the resolutions), approving important policies that impacted the Group’s operations and prospects. The resolutions can be summarized as follows:

Contents	No. of resolutions
Reorganizing the corporate management and operational structure, establishing the P&Ls, making executive appointments at the Group and P&L levels	46
Fund raising, issuance of corporate bonds, pledging of assets	14
TOTAL	60

Participation of Board Members in Corporate Governance Programs

During 2019, members of the Board (except for the three independent members who are located overseas) attended all seminars and training sessions on corporate management and governance.

Corporate Management and Governance Plans for 2020

During 2017, the Group announced its Five Transformational Principles of governance: **“Empowerment – Standardization – Simplification – Automation – Sharing”**. In 2020, based on the business performance and actual needs, the Group decided to replace **“Sharing”** with **“Optimization”** and implemented the new **“Five Transformational Principles”** across all P&Ls and all levels of employees.

“Empowerment” Refers to the Group’s Emphasis on the Importance of Individual Responsibility and Accountability, as the Individual Is the Nucleus of All Activities

**Standardization
Simplification
Automation
Optimization”**

Human resource investments are aimed at developing all employees to be highly competent, professional, and efficient. Team leaders must set themselves as role models, especially in the company value of “Dare to Try, Dare to Do”. That means management members are tasked with clear missions and KPIs and have full accountability for their work. Besides, as a part of the succession planning, managers are assigned to train the next generation of leaders. Vingroup’s top management has also formulated and implemented talent pool training programs to foster the next generation of highly qualified leaders.

The principles of **“Standardize – Simplify – Automate – Optimize”** are intended to formalize all operational standards, and subsequently to make them clear and simple. With **“Simplification”** and **“Automation”**, the Corporate office and P&Ls will be able to automate or increase the level of collaboration and sharing of resources especially in standardized procedures, such as those in our hotels, hospitals or supermarkets.

The benefits of **“Standardize – Simplify – Automate”** are to ensure that the management process is coherent and simplified to the greatest degree possible, so as to alleviate stress from our people. The Company’s clear operational framework also ensures that expansion in number of staff and premises is facilitated, because our employees can access a comprehensive informational database and rely on seamless processes. **“Optimization”** aims at fostering revenue growth, maximizing operating cost savings and creating long-term value for the Group.

During 2020, the Board of Directors has set the following four governance directions:

- Vingroup, the parent company, will continue to adopt the holding company model and each P&L will be more independent
 - Vingroup will continue to pursue growth in both breadth and depth
- The “Five Transformational Principles” will continue to be reinforced in business management, and sales and marketing activities will be accelerated to maximize efficiency.
 - Vingroup will prioritize internal training to ensure an adequate supply of well-trained staff members.

Activities of the Supervisory Board During 2019

Activities of the Supervisory Board During 2019

2019 marked a significant transformation of the Group to facilitate its rapid expansion. The Supervisory Board has strengthened the control and supervisory activities, and coordinated with the Board of Directors and Board of Management to monitor the implementation and assessment of the results of GMS and BOD resolutions. Within the scope of the functions and tasks as specified in the Charter and internal regulations, the Supervisory Board also tracked audits by the Internal Audit Division and the Group’s external audit reports, in order to screen for risks arising from ongoing operations.

The Supervisory Board carried out these functions during 2019:

- Oversaw the implementation of last year’s GMS and BOD resolutions;
 - Supervised and evaluated the execution of business plans and progress of achieving revenue targets;
 - Ensured the accuracy of quarterly and annual financial statements in accordance with
- Vietnamese Accounting Standards and other accounting policies;

 - Ensured compliance with laws and regulations on information disclosure; and
 - Reviewed and evaluated key related-party transactions.

The Supervisory Board has not reported any unusual changes in business, investment, or finance during 2019.

During 2019, the Supervisory Board held four quarterly meetings and several additional meetings as follows:

No.	Date	Number of attendees	Content	Result
1	18 March 2019	3/3	Assess the impacts and results of the Board of Directors’ Resolutions on reorganizing, establishing subsidiaries and transferring shares/contributed capital of subsidiaries;	Restructuring process was carried out in a strict manner to ensure compliance with required legal procedures. The information disclosure was made and the operations of newly established and restructured subsidiaries have stabilized.
			Review the implementation of resolutions of the Board of Directors from the beginning of the year to the date of the meeting	Strictly implemented by the departments and subsidiaries, meeting requirements
2	7 May 2019	3/3	Prepare information to be reported at General Meeting of Shareholders	Reconciled data prepared by the Chief Accountant and Management.
				Agreed contents in Report of Activities of the Supervisory Board during 2018
			Evaluate and review the implementation of resolutions issued by the Board of Directors in the period of 31 March – 7 May 2019.	BOD Resolutions were meticulously executed without any mistake.
3	31 August 2019	2/3	Assess the results of the GMS’s Resolutions on the offering plan and the intended use of capital mobilized from the overseas bond issuance.	The Management and related departments quickly implemented and ensured the progress and completion of relevant procedures in accordance with the laws.
			Review the implementation of resolutions issued by the Board of Directors in first half of Quarter III.	BOD Resolutions were meticulously executed without any mistakes.
4	20 November 2019	3/3	Review the implementation of resolutions issued by the Board of Directors in first half of Quarter IV	BOD Resolutions were meticulously executed without any mistakes.

In 2019, the Supervisory Board also actively engaged management members and Chief Financial Officers in a number of subsidiaries to assess the status of financial control and corporate management, and to discuss ways to improve the efficiency of internal supervision and risk prevention.

2020 Action Plan of the Supervisory Board

The Supervisory Board will continue to carry out its mandated functions and responsibilities with a strong focus on increasing overall compliance and transparency:

- Monitor legal and regulation compliance in the business activities of the Group and P&Ls
- Periodically review the preparation and reconciliation of quarterly and annual financial statements of the Group and large P&Ls
- Coordinate with internal departments to conduct regular and ad-hoc inspections of the newly established or restructured subsidiaries
- Actively research and provide strategic consultation to the Board of Directors and Board of Management to come up with measures to improve transparency, as well as monitor and prevent risks in business operations

Governance Report

2019 Governance Report

During 2019, Vingroup remained in full compliance with regulations on corporate governance. The Group disclosed to investors and stakeholders all information on business operations in a timely and transparent manner.

After achieving a positive outcome from the 2018 restructuring, Vingroup continued to streamline its administrative processes and optimize resource allocation in order to utilize contributions and enhance the supervisory role of the Board, as well as ensure a system-wide implementation of its principles.

Vingroup's Investor Relations function strives to provide timely and transparent information to shareholders and investors.

Further details can be found in Chapter 4: Corporate Governance – Shareholders and Investor Relations – Page 106.

Vingroup is one of the few enterprises to issue financial reports in line with Vietnamese Accounting Standards (“VAS”) and International Financial Reporting Standards (“IFRS”). The financial reports of the Group and its P&Ls are audited by Ernst & Young Vietnam Ltd. and KPMG Vietnam Ltd.

Compensation for Members of the Board, Supervisory Board, and Management

Remuneration Policies

Remuneration for members of the Board, the Supervisory Board, and Management complies with regulations on compensation, incentives, and operating expenses prescribed in the Group's Charter. Remuneration is further approved periodically by the GMS and complies with applicable laws.

Remuneration for Members of the Board, the Supervisory Board, and Management 2019

During 2019, there were nine members of the Board and three members of the Supervisory Board.

The AGM in May 2019 set the amount of remuneration for members of the Board and the Supervisory Board as a percentage of the Group's Profit after tax:

- Remuneration of the Board may not exceed 0.4% of 2019 Profit after tax
- Remuneration of the Supervisory Board may not exceed 0.1% of 2019 Profit after tax

Total remuneration for the Board and the Supervisory Board:

- 2019 remunerations of the Board were VND 19.0 billion, equivalent to 0.25% of 2019 Profit after tax in accordance with the GMS's Resolution in 2019
- 2019 remunerations of the Supervisory Board were VND 3.9 billion, equivalent to 0.05% of 2019 Profit after tax in accordance with the GMS's Resolution in 2019

Members of Management received salaries and incentives based on their employment contracts, and did not receive any other forms of remuneration.

Other benefits for Members of the Board, the Supervisory Board, and Management

- **Regular health check-up:** Full reimbursement is provided for the actual cost of annual health examinations at any Vinmec International Hospital or another medical facility selected by the Group.
- **Health insurance:** In addition to social and medical insurance required by law, members of the Board, the Supervisory Board and Management and their immediate families are provided with health insurance.
- **Company telephone:** Members of the Board, the Supervisory Board and Management are supplied with a mobile phone with services plus reimbursement for usage costs.
- **Discounts when using Group services:** Members of the Board, the Supervisory Board, and Management receive discounts for certain Group products and services. Such discounts are applicable for services at Vinmec International Hospitals, Vinpearl Hotels and Resorts, VinWonders amusement parks, and Vinschool, purchase or rental of VinFast e-scooters and cars or Vsmart smart devices. VinID Cards are also given to members of the Board, the Supervisory Board, and Management so that they can earn loyalty points when using Group services.
- **Business-related expenses:** Actual expenses for business trips are reimbursed for members of the Board, the Supervisory Board, and Management as follows: Business class tickets for air, rail, water or road travel both domestically and internationally. Group hotels for business-related travel, or 4- or 5-star hotels if Group hotels are not available. Other business expenses are reimbursed based on actual costs.

Changes in the Composition of the Board, the Supervisory Board, and Management

Resignation of Mr. Joseph Raymond Gagnon as Board Member, effective from 8 July 2019

Appointment of Mr. Park Won Cheol as Board Member, effective from 16 August 2019

Changes in the List of Related Parties of a Public Company

No changes

Internal Audit Report

During 2019, the Internal Audit Division reviewed and evaluated the business and compliance activities of the Corporate Office and the P&Ls, as described below:

- Inspected and evaluated the quality of products sold to customers. Strictly monitored food safety and hygiene and customer service. Evaluated customer service to ensure full compliance with the law and sales terms;
 - Followed up on customer feedback and suggestions for improvements in service;
 - Monitored relationships between the P&Ls and their vendors to ensure that business partners were treated with fairness, transparency, timeliness and in the spirit of mutual benefit;
 - Inspected work environments, employee compensation and benefits, training programs, and evaluated incentives and employee development opportunities;
- Coordinated with Vincom Security to mitigate fire and explosion hazards at all business locations;
 - Worked with the legal and compliance division to evaluate the compliance with all legal and administrative requirements;
 - Coordinated with the Information Technology Division, VinTech and P&Ls to oversee network security, data security, data room updates, and the maintenance of IT systems throughout the Group and P&Ls;
- Coordinated with the Finance and Investment Department to evaluate the adequacy, reliability, timeliness, and transparency of financial and non-financial information in each P&L in order to provide maximum support for the Corporate Office;
 - Evaluated the efficiency of capital and asset deployment by benchmarking P&Ls’ financial metrics with leading regional peers.

During 2020, the Internal Audit Division will continue to strengthen its advisory role to provide greater assistance to the Group in achieving their targets.

Risk Management

The Aim of Risk Management

Vingroup has built a risk management framework in accordance with international rules and standards (ISO 31000), while ensuring that it is suitable to the Group’s corporate structure and the business environment in Vietnam. Risk management at Vingroup is based on these principles:

- 01

A comprehensive risk management framework, coupled with effective risk management tools, should support the Group’s business development strategies.
- 02

Risk management should identify risks in a timely manner and help minimize the impact of unfavorable outcomes and maximize the upside of the favorable opportunities.
- 03

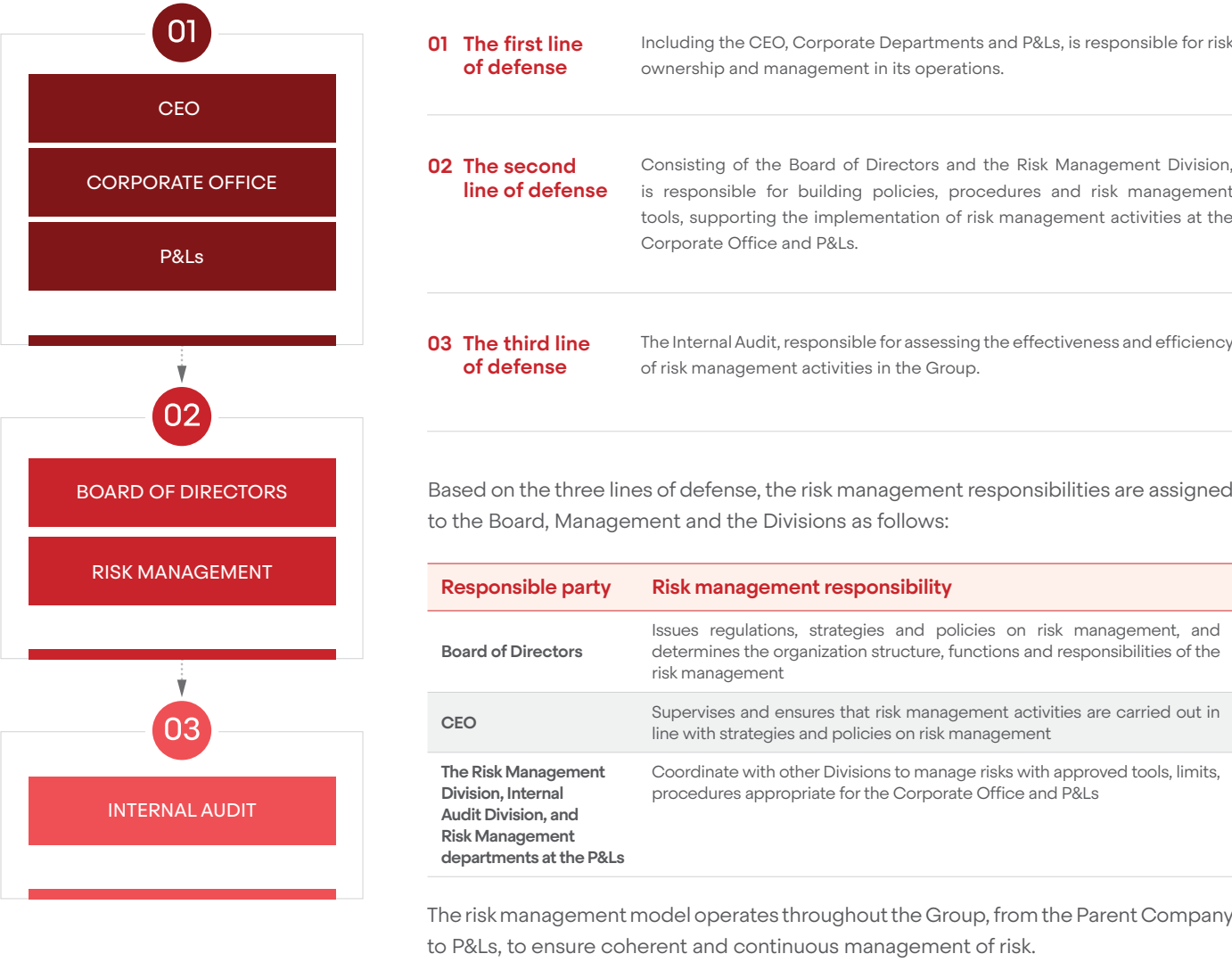
Vingroup will clearly allocate responsibilities and ownership in risk management and establish regular supervision and reporting mechanisms.
- 04

Vingroup will establish a common risk management system in order to strengthen the risk management culture at Vingroup.

The Group recognizes that opportunities arise from risks. Therefore, risk management does not only include risk minimization, but also study risks carefully to optimizes the balance between risks and opportunities, and accept risks within a pre-defined risk appetite. Vingroup is prepared to take risks in a prudent manner for justifiable business rationales.

Risk Management Structure

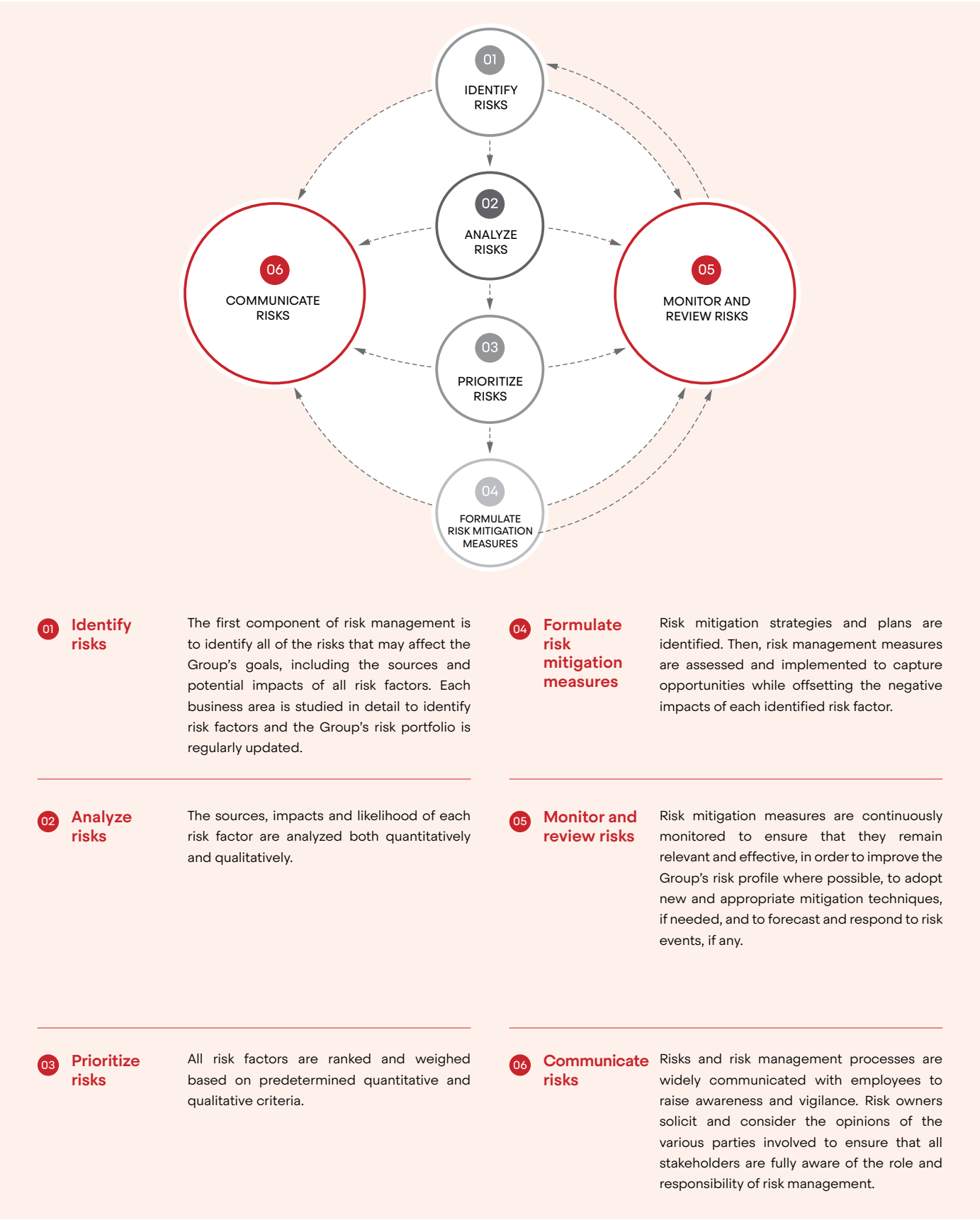
The risk management model used at Vingroup is constructed with three lines of defense in order to ensure the independence and objectiveness of the Risk Management Division.



Risk Management Process

The Group uses a risk management process consisting of six components. This process provides a logical and systematic approach to identify, analyze, assess the level of priority, formulate the risk mitigation measures, monitor and review, and communicate risks to provide information to the Management for decision-making and timely response to both risks and opportunities.

This six-component risk management system is constructed based on the principles and guidelines of ISO 31000 standards as well as best risk management practices in the industry. The CEO and Head of the Risk Management Division submit risk management policies to the Board for approval at least once a year. The major risk factors of the Group are reviewed and assessed at least once a quarter.



Risk Management Activities in 2019

During 2019, Vingroup continued to strengthen its risk management systems throughout the year. During significant transactions, periods of market volatility, and changes in the legal environment, the Corporate Office and P&Ls consult the Risk Management, Legal and Compliance, Finance and Investment Division, in accordance with procedures set up for timely assessment and resolution. Besides, the Group frequently arranged seminars to disseminate information about risks and legal developments for all members of Management and staff.

Managing Material Risks in 2019

The Group analyzed, assessed, monitored and managed the risks that are considered to have a material impact on the Group's operations and strategies, including:

- 01 – Macroeconomic risks**

Important macroeconomic factors include growth rates, inflation, credit growth, exchange rates, consumer indexes, savings rates, investments, and unemployment rates. All of these factors influence Vingroup's operations and results. Specialized divisions monitor the macroeconomic environment and consult with the Management and P&Ls to forecast future trends and their potential impact on business developments. This analysis helps Management prepare appropriate strategies and policies.

The property business, which accounts for the majority of Vingroup's revenue, tends to fluctuate with macroeconomic conditions. The Group frequently innovates and diversifies its real estate products, including the launch of Vinhomes mega projects, which contains the Vinhomes Sapphire product line targeting the mid-range segment, which is less affected by economic fluctuations than the high-end market segment.
- 02 – Financial risks**

Financial risks for Vingroup include liquidity, interest rates and foreign currency risks. Quarterly, the Finance and Investment Department assesses conditions in the capital and financial markets to proactively manage the debt portfolio and other commitments of the Group. The Finance and Investment Department consults with local and external banking and finance experts to propose and implement risk management solutions, such as using derivatives, especially ahead of large transactions or transactions in foreign currencies. In order to manage liquidity risks, Vingroup actively manages its debt maturity profile and ensures that cash flows are carefully controlled.
- 03 – Competition risks**

Vingroup operates in highly competitive business segments, especially residential real estate, commercial property and industrial production. Competitors include multinational groups and domestic rivals offering similar products and services. To maintain its competitiveness, the Group continuously innovates to launch attractive new and high-quality products and services. A notable example is VinID, Vingroup's loyalty program. It not only integrates Vingroup's ecosystem of products and services but also incorporates a smart payment application. This greatly enhances value for customers and positions Vingroup ahead of the competition.
- 04 – Investment risks**

Strategic business and investment planning are carried out at the beginning of the year. Every investment has to be financially viable compared to the average cost of capital of the relevant P&Ls, or meaningful to the Group's overall strategy. Prior to implementing each project, market, legal, tax or operational risks have to be carefully assessed, and risk mitigation solutions are accordingly proposed if required. The Group frequently consults with financial, legal and tax advisers and follows rigorous due diligence and mergers & acquisitions processes for potential transactions.
- 05 – Project development risks**

Vingroup developed a thorough project management system, comprising several components for budgeting, cost management, quality control, regulatory compliance and execution review. Stringent criteria of experience and reputation are put in place to select highly qualified vendors who are frequently monitored and reassessed. Senior executives in the Construction Supervisory Division are experienced practitioners in their fields and capable of thoroughly reviewing external contractors.
- 06 – Personnel risks**

The Group's compensation framework is transparent, competitive and results-driven, to attract and motivate talent, especially experienced managers. Vingroup has successfully built its own distinctive culture through various cultural and team building activities. This has made the Group a Common Home for all employees, promoting long-term staff commitments. To maintain high quality and stable human capital while continuously thriving for breakthrough growth, Vingroup has launched learning campaigns throughout the Group. The Human Resource Management and Training Department frequently organizes large-scale training programs and online learning for employees. In addition, the Group emphasizes developing the next generation of leaders, in particular young talent.
- 07 – Environmental risks**

The Group pays close attention to the potential environmental impact of each project (air, noise or water pollution, etc.) that may impact the surrounding ecological, economic, and social environments or nearby areas. Therefore, all projects undertaken by Vingroup follow the strictest standards in design and material selection and undergo rigorous social and environmental analysis before development begins.

Share Information and Investor Relations

Vingroup Share Price During 2019

Ticker	VIC
Outstanding shares (as of 31 December 2019)	3,368,575,556 ordinary shares 62,338,466 preference shares (unlisted)
Market capitalization (as of 31 December 2019)	VND 387,386,188,940,000

Trading price		
Share Price ^(*)	Date	Price (VND/share)
Closing	31 Dec 2019	115,000
Low	1 Feb 2019	98,800
High	22 Aug 2019	126,100
Volume-weighted average price ^(**)		115,786

Trading volume		
	Date	Volume (thousand shares)
Closing	31 Dec 2019	614,630
Low	12 Aug 2019	107,460
High	1 Feb 2019	2,095,840
Average daily trading volume		503,631

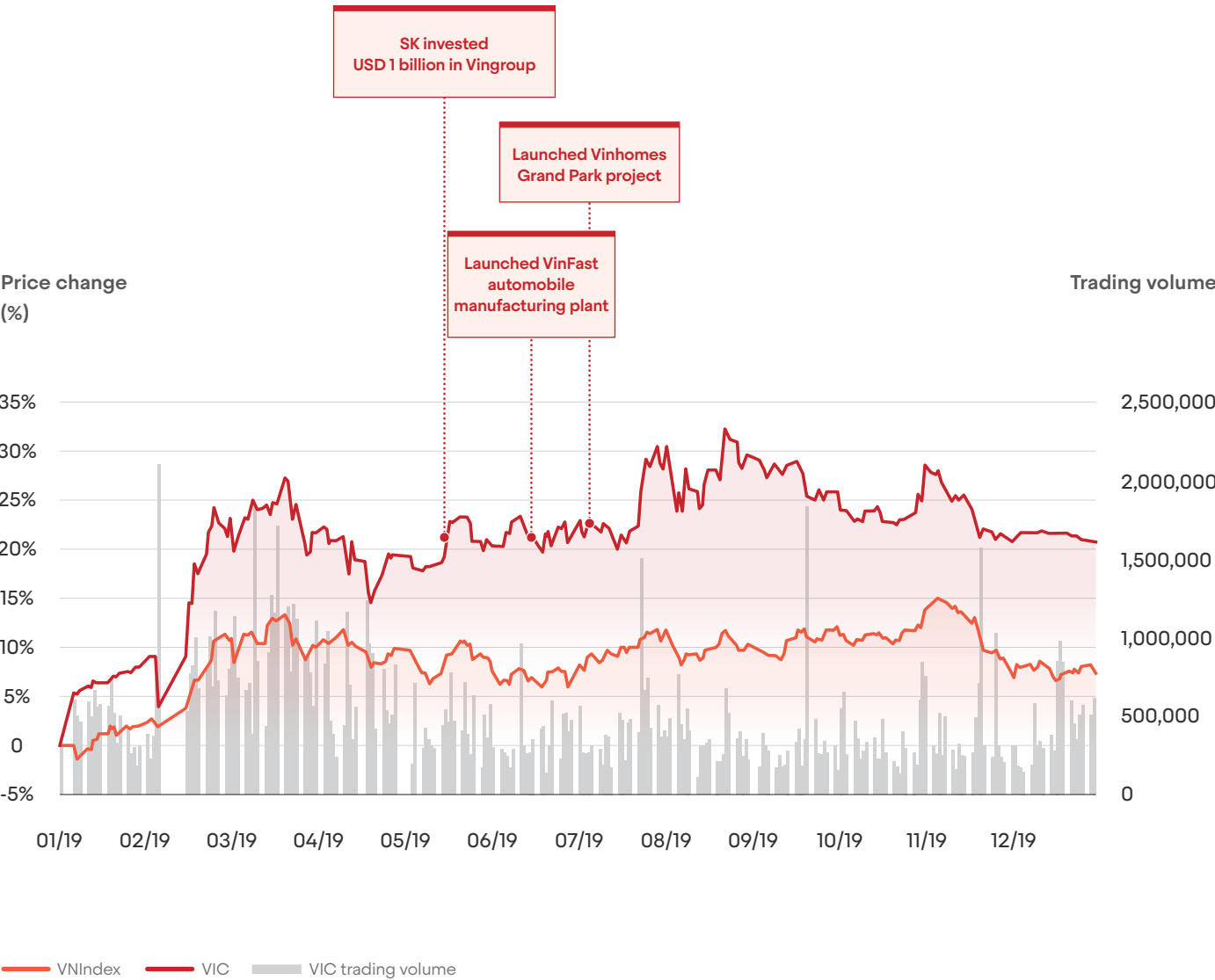
(*) Calculated based on adjusted share price
(**) Calculated using the weighted average closing price, weighted by the daily trading volume in 2019 (250 days)
Source: Ho Chi Minh Stock Exchange and Bloomberg

2019 Share Price Performance

Carrying the largest weight in the VN Index in terms of market capitalization, Vingroup JSC (Ticker: VIC) has been moving in line with the VN-Index. Specifically, in the first eight months of 2019, VIC's share price has climbed 30% to reach a peak of VND 126,100 per share on 22 August – the highest since its initial listing. At the same time, the VN-Index also continued its steady increase, up 10% compared to the beginning of the year. Market growth has been significantly driven by inflows from frontier and emerging market funds based on their expectation of Vietnam's macroeconomic stability. This includes a high level of economic growth, a stable exchange rate and low inflation, coupled with lower interest rates thanks to the easing monetary policy.

In September and October, the market in general and VIC in particular faced correction pressure due to the escalating U.S. – China trade tension, which in turn affected sentiments across the global markets and weakened foreign trading inflows. Foreign investors continuously net sold on the stock market, corroding the accumulated year to date net buying and putting heavy selling pressure on the VN-Index.

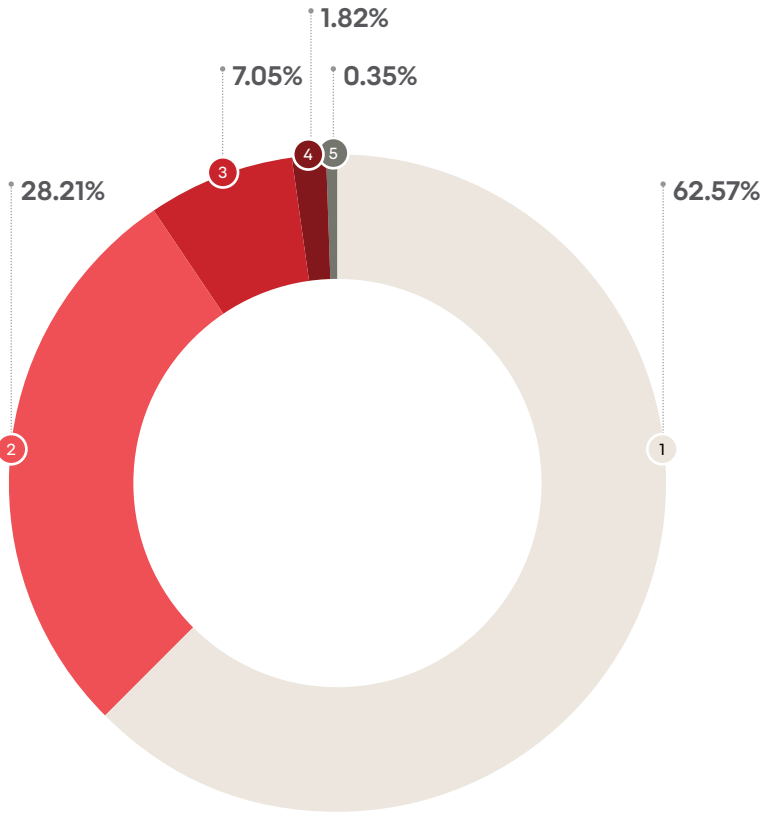
On 31 December 2019, VIC's share price reached VND 115,000 per share, an increase of 21% compared to the closing price on 28 December 2018. During 2019, VIC's share price outperformed the VN-Index and VN30 index, which increased by 8% and 3% respectively.



Shareholder Structure

Legend

- 1 Significant shareholders
- 2 Other shareholders – Domestic
- 3 Other shareholders – Foreign
- 4 Preference shares
- 5 Founding shareholders



No.	Shareholder	Number of shares held	Ownership percentage (%)	Number of shareholders
1	State Ownership	0	0	0
2	Founding shareholders	12,131,115	0.35	1
	- Domestic	12,131,115	0.35	1
	- Foreign	0	0	0
3	Significant shareholders (holding above 5%)	2,146,767,729	62.57	3
	- Domestic	1,941,015,517	56.57	2
	- Foreign	205,752,212	6.00	1
4	Trade union	0	0	0
5	Treasury shares	0	0	0
6	Preference shares	62,338,466	1.82	1
7	Other shareholders	1,209,676,712	35.26	16,920
	- Domestic	967,862,149	28.21	15,043
	- Foreign	241,814,563	7.05	1,877
	Total	3,430,914,022	100.00	16,925
	- Domestic	2,921,008,781	85.14	15,046
	- Foreign	509,905,241	14.86	1,879

Significant Shareholders (Holding Above 5%)

No.	Name	Number of shares held	Ownership percentage (%)
1	Vietnam Investment Group JSC	1,065,012,866	31.04
2	Mr. Pham Nhat Vuong	876,002,651	25.53
3	SK Investment Vina II Pte. Ltd.	205,752,212	6.00
Total		2,146,767,729	62.57

Note: Vietnam Investment Group JSC is a related party to Mr. Pham Nhat Vuong.

History of Charter Capital Increase (2014 – 2019)

Time of issuance	Transaction	Shareholder	Capital before the issuance (thousand VND)	Capital mobilized from the issuance (thousand VND)	Capital after the issuance (thousand VND)
2014	Conversion of international bonds	(2)	9,296,036,790	722,201,960	10,018,238,750
	Stock dividend	(1)	10,018,238,750	4,527,312,230	14,545,550,980
2015	Conversion of international bonds	(2)	14,545,550,980	372,690,630	14,918,241,610
	Stock dividend	(1)	14,918,241,610	3,763,639,260	18,681,880,870
2016	Conversion of international bonds	(2)	18,681,880,870	716,667,640	19,398,548,510
	Stock dividend	(1)	19,398,548,510	2,133,799,410	21,532,347,920
	Issuance of bonus shares	(1)	21,532,347,920	4,884,731,620	26,377,079,540
2018	Stock dividend	(1)	26,377,079,540	5,539,132,760	31,916,212,300
	Private placement of preference shares	(3)	31,916,212,300	840,000,000	32,756,212,300
2019	Private placement of ordinary shares	(3)	32,756,212,300	1,543,141,590	34,299,353,890
	Private placement of ordinary shares	(1)	34,299,353,890	9,786,330	34,309,140,220

Note: In 2017, the Group did not increase charter capital.

- (1) Existing shareholders
- (2) International convertible bondholders
- (3) New international shareholders

Dividend Payment History (2014 – 2019)

Dividend year	Percentage (%)	Form of payment	Time of payment
2014	14.0	Share	2015
2015	11.8	Share	2015
2016	11.0	Share	2016
	22.5	Share	2016
2018	21.0	Share	2018

Note: In 2017 and 2019, the Group did not pay dividend.

Insider Holdings

Shareholder	Name – Position	Number of shares held	Ownership percentage (%)
Board of Directors	Mr. Pham Nhat Vuong – Chairman	876,002,651	25.53
	Ms. Pham Thuy Hang – Vice Chairwoman	100,881,292	2.94
	Ms. Pham Thu Huong – Vice Chairwoman	151,056,477	4.04
	Ms. Nguyen Dieu Linh – Vice Chairwoman	231,742	0.006
	Mr. Le Khac Hiep – Vice Chairman	0	0
	Nguyen Viet Quang – Vice Chairman	175	0
	Ling Chung Yee Roy – Board Member	0	0
	Marc Villlers Townsend – Board Member	0	0
	Park Won Cheol – Board Member ⁽¹⁾	0	0
Management	Mr. Nguyen Viet Quang – CEO	175	0
	Mr. Pham Van Khuong – Deputy CEO	1,882,300	0.054
	Ms. Mai Huong Noi – Deputy CEO	0	0
	Ms. Nguyen Thi Diu – Deputy CEO	0	0
	Ms. Duong Thi Hoan – Deputy CEO	177	0
	Ms. Nguyen Thi Thu Hien – Chief Accountant	175	0
Supervisory Board	Mr. Nguyen The Anh – Head of the Supervisory Board	12,315	0.0003
	Mr. Dinh Ngoc Lan – Member of the Supervisory Board	1,733	0
	Ms. Do Thi Hong Van – Member of the Supervisory Board	0	0

(1) On 8 July 2019, Mr. Joseph Raymond Gagnon resigned as Board Member by his resignation letter to the Group.
On 16 August 2019, Mr. Park Won Cheol was appointed as Board Member.

Transactions by Insiders in 2019

None

Bonds Listed in International Market in 2019

No issuance

Domestic Bond Issuances in 2019

Issuance	No. of issues	Tenor	Currency	Total issuance value (billion VND)
Domestic bonds	1	2 years	VND	1,000
Domestic bonds	1	5 years	VND	1,000
Domestic bonds	1	5 years	VND	1,000
Domestic bonds ^(*)	82	3 years	VND	10,000

(*) Includes 82 private placements. As of 31 December 2019, VND 5.3 trillion has been disbursed from these bonds.

Shareholders and Investor Relations Activities in 2019

Vingroup maintains an active investor relations program to handle inquiries, disclose information, and manage communications with shareholders, investors, analysts, and other interested parties via official website www.vingroup.net/en. The Group is committed to fair treatment of all shareholders (whether significant, domestic or foreign, institutional or individual).

Information is released in Vietnamese and English simultaneously. Investor presentations as well as news and financial releases are regularly updated and may be viewed and downloaded under Investor Relations section of the website. Vingroup regularly organizes meetings with the participation of the Group’s senior management to keep investors and shareholders updated on the Group’s business strategies, as well as financial and operational results. In addition to the quarterly conference calls and investor meetings following the release of financial results, Vingroup’s Investor Relations Department also maintains the ongoing interaction with domestic and foreign shareholders, investors and analysts through the AGM, regular briefings, meetings, site visits, and conference calls.

During 2019, Vingroup held over 160 meetings, presentations, and site visits for investors, and participated in 12 domestic and foreign investor conferences in UK, US, Singapore, Hong Kong, and Japan, meeting hundreds of interested investors. Vingroup has been enlisted in **Top 10 Vietnam Listed Companies with the Best Annual Report for Large-cap group** at Vietnam Listed Company Awards (VLCA) organized by the Ho Chi Minh Stock Exchange, Hanoi Stock Exchange and Vietnam Investment Review. The Investor Relations website continues to help Investors access business information quickly, intuitively and easily.

Vingroup’s Investor Relations plans an even greater number of events for investors. We continue to strive to respond promptly to all investor and analyst inquiries. Investor Relations can be contacted via email at ir@vingroup.net.

2019 Investor Relations Calendar

QUARTER I	Event	Location
	Credit Suisse – 10 th Annual ASEAN Conference	Singapore
	Webinar updating business results in Quarter IV of 2018	Hanoi
	Credit Suisse – Asia Frontier Markets Conference	London & New York
	Daiwa – 13 th Annual Investment Conference	Tokyo
	VCSC – Vietnam Access Day Conference	Ho Chi Minh City
	Credit Suisse – 22 nd Annual Asian Investment Conference	Hong Kong
QUARTER II	Event	Location
	UBS – 5 th Annual ASEAN Conference	New York & San Francisco
	2019 Annual General Meeting of Shareholders	Hanoi
	SSI & Citigroup – C-Suit Vietnam Investors Forum 2019	Ho Chi Minh City
	Webinar updating business results in Quarter I of 2019	Hanoi
	HSC – Emerging Vietnam 2019	Ho Chi Minh City
	Citigroup – ASEAN C-Suit Investors Conference 2019	Singapore
QUARTER III	Event	Location
	Webinar updating business results in Quarter II of 2019	Hanoi
	HOSE-Daiwa – Vietnam Corporate Day 2019	Singapore
QUARTER IV	Event	Location
	Webinar updating business results in Quarter III of 2019	Hanoi
	Goldman Sachs & SSI – Vietnam Corporate Day	Singapore
	Morgan Stanley – Asia-Pacific Summit Singapore	Singapore

Financial calendar

Financial Year Ending 31 December 2019

Time	Event
23 May 2019	2019 Annual General Meeting of Shareholders
30 April 2019	Release of Quarter I, 2019 Financial Statements
30 July 2019	Release of Quarter II, 2019 Financial Statements
30 October 2019	Release of Quarter III, 2019 Financial Statements
30 January 2020	Release of Quarter IV, 2019 Financial Statements

Financial Year Ending 31 December 2020

Time	Event
April 2020	Proposed release of Quarter I, 2020 Financial Statements
July 2020	Proposed release of Quarter II, 2020 Financial Statements
October 2020	Proposed release of Quarter III, 2020 Financial Statements
January 2021	Proposed release of Quarter IV, 2020 Financial Statements



CHAPTER

05

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Vingroup’s Vision For Sustainability

Vingroup believes that a sustainable business is one that creates long-term value for its partners to ensure its continued development in the future.

Vingroup’s mission is to become the leading Group in our business sectors and a catalyst for positive developments to the society. To achieve our goals, the Group has established a corporate culture and principles of conduct that guide our member companies and each of our employees.

Responsibilities to Society

- Contribute to the best of our ability in the work place in order to build the economy and enhance Vietnam’s image and standing globally
- Participate in social and charitable activities that help disadvantaged members of the society
- Maintain a positive mindset, in order to participate in the development of a civilized society, and
- Preserve natural resources and protect the natural environment

Responsibilities to Employees

- Treat employees as our most valuable asset
- Establish a work environment that is professional, dynamic, creative, and humane, and
- Adopt outstanding human resources policies, offering excellent remuneration and growth opportunities for employees at all levels

Responsibilities to Customers

Vingroup is keenly aware that the support from its customers is crucial and their satisfaction is key to our success.

- Put customers first and treat them with INTEGRITY. Maintain a friendly, respectful, and supportive attitude toward customers
- Demonstrate CREDIBILITY in all of our interactions with customers. Continuously improve the quality of our service to ensure customer satisfaction
- Listen to customers in order to clearly understand their needs and balance customers’ needs with those of the Group. Anticipate market trends in order to innovate and offer superior products and services.

Responsibilities to shareholders and partners

- Maintain a spirit of cooperation for mutual benefit
- Uphold CREDIBILITY and commitment to sustainable partnerships



Sustainability by the Numbers

5,000 units of blood

were donated by 9,000 Vingroup employees on Blood Donation Day, enabling prompt assistance to patients in need.

2,200 impoverished patients

received financial assistance for health checkups, and treatment for life-threatening illnesses from the Kind Heart Foundation.

170 thousand impoverished people

in 57 provinces received free medicine.

4,000 Vinschool teachers and staff

organized and participated in community service activities including sharing gifts, warm clothes and affection with disadvantaged children, patients, elderly people living alone, and homeless people.

18 schools and day-boarding accommodations

were built for students in disadvantaged mountainous border communes.

6,000 impoverished students

with good academic performance were granted scholarships.

2.3 million people

received access to mobile library service in library trucks financed by the Kind Heart Foundation to promote community reading.

200 thousand Tet gifts

were presented to the poor countryside.

1,400 charity houses

were built by the Kind Heart Foundation.

32 new tech radio towers

were installed by the Kind Heart Foundation to enhance communications in disadvantaged border communes.

115 km of roads with street lights

were built for poor villages in 16 provinces.

4.1 million hours of training

completed by Vingroup managers and other employees in 2019.

300 thousand visitors

to the Vincom Center for Contemporary Art ("VCCA")

116 young footballers

are being trained under the auspices of The Promotion Fund of Vietnamese Football Talent ("PVF").

01 award

in best financial management among listed companies in Vietnam in 2019; ranked No.1 in the real estate segment by the Business Capacity Index Program by the Vietnam Chamber of Commerce and Industry



Exhibition "Plastic Planet" (VCCA)

2019 Highlights



01 **Vingroup joined the “carbon-free island initiative” for An Binh island – Ly Son district**



On 14 November 2019, Quang Ngai’s People’s Committee signed a Memorandum of Understanding with Vingroup, SK Innovation Co., Doosan Heavy Industries & Construction, and Ingine Inc. regarding a “carbon-free island” initiative. Vingroup, as the Vietnamese partner of the project, is sponsoring environmentally friendly vehicles, batteries, and charging stations to minimize pollution on the island and ensure safe, environmentally sustainable developments in Ly Son and the surrounding Quang Ngai province.

02 **Health sector funding**

In 2019, The Kind Heart Foundation continued to provide healthcare support, including medicines, medical exams, diagnoses and treatment, for 170 thousand patients in poor households across 57 provinces, increased by 5.3 times compared to 2018.

In addition, nearly 2,270 patients, including those from poor and near-poor households, people in especially difficult circumstances and war heroes, were given treatment by Vinmec International General Hospital’s leading doctors, and received sponsorship for 70% to 100% of the total treatment costs. These programs created new hopes and healthcare opportunities for thousands of people in the country. In addition, the Foundation also sponsored tests by Vinmec to identify martyrs’ remains, conducted from more than 200 of their remains and from the DNA of 642 of their relatives.

In 2019, the Foundation, in conjunction with Central Eye Hospital, organized cataract surgeries for nearly 2,600 impoverished and elderly people in order to reduce the prevalence of blindness and vision impairment, improving their overall wellbeing and alleviating a burden on their families and society.

In the same year, the Foundation cooperated with the National Institute of Hematology and Blood Transfusion to conduct tests and provide guidance on prenatal screening and the diagnosis of Thalassemia for nearly 1,500 women of reproductive age in Tuyen Quang province.



03 **Vinmec applies Autologous Immune Enhancement Therapy (AIET) in the treatment of cancer**

In March 2019, AIET was first applied in Vietnam by Vinmec as a cancer treatment and studies showed no signs of disease recurrence. This modern therapy is being successfully applied in Japan, America and Europe. The processes for immune cell therapy at Vinmec strictly comply with the standards of the World Health Organization and the BIJ technology transfer agency (Japan), in an effort to ensure the highest level of safety in the transmission of cultured cells used for cancer patients. By using AIET in combination with thermotherapy and other traditional cancer treatments, Vinmec is improving its multimodal therapies, thereby increasing cancer therapy efficiency and the quality of life for cancer patients.



04 **Muong Dun’s kindergarten facility and Sin Chai primary school’s renovated rooms for impoverished children inaugurated in Dien Bien**

In May 2019, with funding raised from Edurun 2018 (with 21,000 participants) and other community and charitable activities, Vinschool built two projects in the most disadvantaged and ethnic minority areas of Dien Bien province: Muong Dun Kindergarten and two classrooms at Sin Chai Primary School, Tua Chua District. In particular, Muong Dun Kindergarten is a completely new facility, fully furnished with classrooms, staff offices, kitchens, toilets, and a playground.



05

PVF received awarded from the Vietnam Football Federation

In December of 2019, the Vietnam Football Federation (VFF) awarded a certificate of merit to PVF for its support of Vietnam’s National U22 football team in training of the SEA Games 30. PVF Technical Director Philippe Troussier (U19 Coach) was also rewarded by VFF for leading the U19 team to the Finals of the 2020 AFC U-19 Championship.

PVF was established by Vingroup in 2008 and is now Southeast Asia’s leading young football training center. PVF features modern facilities and trainers and coaches with rich international and local experience, and was modelled after advanced international standards in training of young players in Vietnam, which is of high demand in the country.

Every year, PVF’s teams have performed well in the Youth National Championships, Southeast Asian Championships and other Asian competitions. Moreover, PVF also sends its players and coaches to Vietnam’s national youth teams.

06

Vincom Center for Contemporary Art (VCCA) continued to spread the love for arts in the community

In 2019, VCCA organized 11 major exhibitions and 50 art-education events and activities, bringing together over 150 leading artists, 600 exhibitions and attracting nearly 300 thousand visits.

During the consecutive years of 2017, 2018 and 2019, exhibitions including National Youth Fine Arts Festival 2017, the Exhibition of Silk Paintings and Small Sculptures 2018 and the Fine Artworks of Representative Asian Artists 2019, jointly organized by VCCA and the Department of Fine Arts – Photography – Exhibitions, have been selected among **Top 10 Fine Arts and Photography Events** every year by the Vietnamese Ministry of Culture, Sports and Tourism.



07

VinFast implemented initiatives to mitigate environmental impact

VinFast, a large-scale project in pursuit of sustainable developments, is committed to complying with IFC Performance Standards for environmental and social sustainability, while promoting the effective use of limited natural resources, alleviating the impact of emissions and waste, and placing strict controls on waste treatment processes and systems. In particular, exhaust filters and heat circulation systems for controlling pollution along with a centralized wastewater treatment system were installed at the VinFast automotive paint shop, together with a non-water and non-chemicals-based paint separation system in an effort to ensure a minimal amount of effluent being discharged into the environment.

In 2019, VinFast launched three new electric motorcycle models – the Klara S, Ludo and Impes – along with a battery exchange campaign to help reduce the number of discarded batteries, while also researching and developing additional environmentally friendly vehicles such as electric cars and buses. VinFast is also striving to develop an energy-efficient management program and a water conservation program in order to improve water and energy efficiency practices.

2019 Sustainability Report

Economic Optimization for Sustainable Growth

In 2019, the Group continued to implement concrete programs and action plans in pursuit of Vingroup’s sustainability strategy for 2023.

Further details about sustainability strategy can be found in Chapter 5: Sustainable Development – Managing Sustainability – Page 138.

Vingroup Leads the Real Estate Market and Maintains a Top Position in Overall Business Performance

Vingroup maintains its leading position in the real estate segment by constantly offering highly saleable residential properties in prime locations. Vingroup’s stature in real estate and other segments is attributed to the Group’s portfolio of products and services. The Group’s strategy to expand into industrial real estate is expected to further complement and broaden the Group’s ecosystem in the future.

Further details can be found in Chapter 3: Report of Management on 2019 Business Performance and 2020 Plan of Action – Vingroup Operations and Financial Performance in 2019 – Page 68.

Ensuring Economic Efficiency by Maximizing Stable Sources of Revenue and Profit

Increase Recurring and Stable Revenue and Profit

Following Vingroup’s strategy to focus on increasing recurring revenue, the Group’s recurring revenue generated from commercial property leasing, hospitality and entertainment, industrials, healthcare and education grew strongly compared to 2018. This achievement speaks to Vingroup’s determination to diversify its products and services across all business segments.

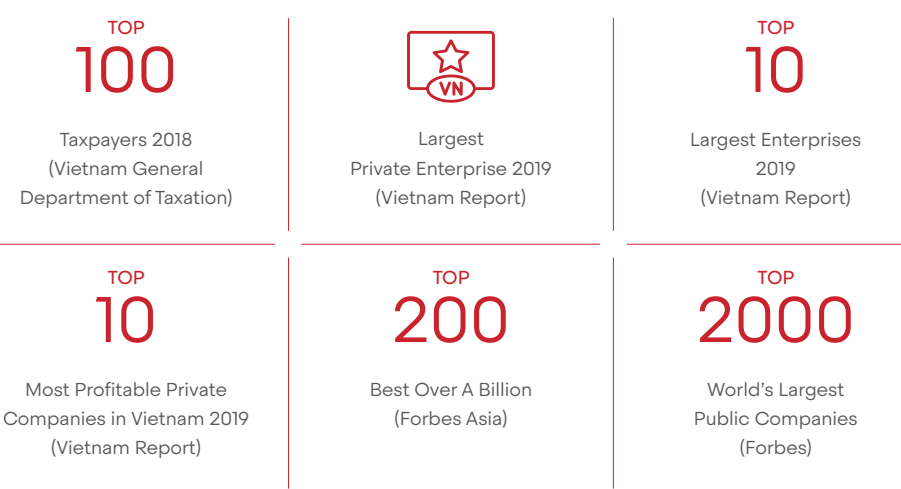
Further details can be found in Chapter 3: Report of Management on 2019 Business Performance and 2020 Plan of Action – Vingroup Operations and Financial Performance in 2019 – Page 68.

Optimize Capital Structure and Increase Capital Efficiency

Ample cash flow from business operations and increased scale, as well as fundings from domestic and international markets, have allowed the Group to optimize its capital structure. The Group’s present stature allows it to access attractive financing products and opportunities.

In 2019, Vingroup continued to raise capital in various forms from both domestic and international markets, such as via strategic partnerships, bond issuance, and syndicated loans, both at the parent level as well at some of its subsidiaries (e.g., Vinhomes, VinFast, Vinmec and Vinpearl). In particular, the Group received an investment of USD 1 billion from SK Group. Vingroup’s superior access to the capital markets, even amidst uncertainties in 2019, affirmed its stature in the global financial markets.

Sustainable Contributions to the Vietnamese Economy



Vingroup Adheres to Environmental Standards in Project Development

Integrating Sustainability in Supplier Selection

As Vingroup cooperates with thousands of domestic and foreign suppliers, managing this array of business partners is an important part of the Group’s sustainable development strategy. Each supplier selected by Vingroup must meet a number of criteria, including legal compliance, quality standards, capacity, labor relations, social impact, and environmental protection. The potential business partner’s track record in these areas is thoroughly examined by the Group’s procurement department.

Sustainability in Project Selection and Development

Vingroup weighs sustainability as part of its investment analysis for every new project. By researching and evaluating the risks of every new project, Vingroup can consider factors which may impact the environment and society. As part of its feasibility studies, the Group examines potential impacts on society and the environment.

Sustainability is evaluated throughout the process of planning and implementing projects. Starting from the initial design, green structures are prioritized using energy-saving designs, extensive landscaping, and a high greenery density.

The recently completed VinUni campus, located in the Vinhomes Ocean Park mega project in Hanoi, was built based on a student-centered design. The campus has low building density and plenty of open space, including green areas and lakes.

AVERAGE BUILDING DENSITY

15% – 19%

Some of our residential projects, such as the Vinhomes mega projects in the new districts of Hanoi, are also designed with low building density of 15% to 19%, and feature sizeable greenery and water space as well as public facilities. Highlights include a 6.1 ha salt water lagoon, a 24.5 ha central lake, greenery areas, providing residents with a fresh, natural environment and helping to improve the area’s microclimate. In addition, Vinhomes projects will also host outdoor sports systems and BBQ facilities to encourage physical activities and outdoor social interactions, all in an effort to improve community health.

With projects in environmentally sensitive sectors such as Healthcare and Hospitality, protecting the environment is always of high priority for Vingroup. We adopt rigorous

Sustainable Products and Services

process to collect, sort and store medical waste in accordance with regulations. The effluent is processed by Vinmec’s large waste-water treatment systems using biological-treatment tanks to ensure the quality is regularly monitored to meet or exceed environmental regulations. The hospitals have in place fire prevention and firefighting measures, laboratory safety, radiation safety, and food safety that comply with the highest international standards.

In the Hospitality and Entertainment segment, in an effort to contribute to environmental protection and raise public awareness about the need to maintain clean seas and beaches, Vinpearl regularly organizes clean-up projects around our development areas during construction, and along the beaches where its resorts and hotel projects operate. Vinpearl continuously explores a natural approach to environmental preservation. For example, Vinpearl uses salt instead of chemicals and pesticides to remove weeds surrounding the golf courses on its properties. Such measures allow for normal operation of the courses and do not cause harm to the local wild habitat. In addition, Vinpearl’s properties across the country are developed with a lot of perennial plants, flowers and grass, which are fertilized organically, to ensure an abundance of green spaces.

In its Industrials and Technology segments, Vingroup focuses on environmentally friendly products such as electric scooters, electric cars, and electric busses. Clean energy and safe, sustainable new materials are also important research areas for VinTech’s institutes in the coming years.

Vingroup products are developed in accordance with the Group’s strategy of sustainable development and are rigorously controlled for quality.

Further details can be found in Chapter 2: About Vingroup – Businesses – Page 32.

Emphasis on Environment – Social Impact – Governance

Vingroup incorporates sustainability into every company activity. Supply chain links from inputs to business operations are evaluated along three dimensions: Environment – Social Impact – Governance

Environment

Managing and Minimizing the Impact of Emissions and Waste

Vingroup places great emphasis on energy conservation as a means of achieving sustainable development throughout the Group.

As a pioneer in real estate development and hospitality, the Group focuses on creating a green working environment, not only for its staff but also for customers. In our ongoing operations, Vingroup aims to raise staff awareness of environmental protection, addressing climate change, and managing waste treatment systems at Vingroup facilities. These steps ensure that Vingroup is meeting environmental standards, minimizing energy use, and reducing greenhouse gas emissions.

In the Healthcare segment, wastewater treatment stations were upgraded, ensuring wastewater quality complies with National Technical Regulations. In Hanoi, Vinmec uses post-flue gas treatments from a variety of regulation-compliant boiler systems to treat industrial wastewater for dust and inorganic substances. In fact, all of the liquid waste are managed by a centralized treatment system in the hospital before being discharged into the city’s wastewater treatment plants. In addition, the water sources Vinmec uses are strictly monitored in accordance with the Law on Resources to ensure that water is not reused during operational procedures, while also taking care to ensure that water tanks and domestic water pipes are kept clean, in order to minimize the risk of waterborne infections.

In the Industrials segment, VinSmart’s and VinFast’s operational procedures comply with the Group’s internal environmental policy, which complies with both Vietnamese laws and international standards on environmental and social practices.

For the production of its smart devices, VinSmart has developed an Environmental Management System (EMS) in accordance with ISO 14001:2015. In its manufacturing facilities, sedimentation basins and collection tanks are used to store and treat wastewater before it is discharged into the centralized treatment stations of the hi-tech parks. Furthermore, VinSmart plans to classify and dispose of electronic waste in compliance with environmental protection regulations and optimize the recycling of plastic components and metal extraction, while encouraging suppliers to use recycled materials for electronic components and setting up standards for chemical substances management.

In terms of car and e-scooter production, in addition to ISO 14001:2015 requirements, VinFast is committed to complying with IFC Performance Standards on Environmental Sustainability to protect the environment around its automobile and motorcycle manufacturing facilities. For example, in addition to a dedicated wastewater treatment system at e-scooter and automotive paint shops that removes any paint in the water before it is recirculated for re-use, the plants also have attached a top coat oven to the thermal air pollution control Eco-pure (TAR) unit in the automotive paint shop to minimize energy loss while oxidizing exhaust air before it is discharged into the atmosphere. To help reduce wastewater, CO2 emissions, and energy consumption, paint spray booths in the automotive and plastic auto parts paint shops are equipped with a semi-automatic, dry separation system (EcoDry X) that does not require water or chemicals to separate paint layers. Additionally, in order to ensure that wastewater containing fine aluminum particles generated from the HDS waterjet activation process is properly treated, the engine shop is fitted with a post-filtration system that separates aluminum from the water and treats aluminium as hazardous waste before the wastewater goes into the centralized wastewater treatment station.

Resource and Energy Efficiency in All of the Group’s Projects

Vingroup places great emphasis on environmental stewardship in all its activities.

At all its facilities, the Group rigorously controls consumption of fuel, electricity and water, and has launched initiatives to minimize energy consumption. Public lighting is controlled by an automated timer set for different hours, areas and weather. Air-conditioners operation is monitored. Energy-saving LED bulbs are used to reduce waste. Inverter-installed electric equipment is used including water pumps and ventilation fans for load adjustments.

VINPEARL

50% – 85%
REDUCTION IN LIGHT INTENSITY

HON TRE ISLAND’S SEWAGE
TREATMENT SYSTEM MEETS
100%
OF WATER REQUIREMENT FOR
LANDSCAPE MAINTENANCE

In the Hospitality segment, technical initiatives have been rolled out at Vinpearl properties to reduce electricity costs during off-peak hours while ensuring service standards. Some examples include a 50% – 85% reduction in light intensity throughout hotel corridors and outdoor areas after 11pm, and prioritizing high power use systems such as hot water pumping for swimming pools and laundry service. Vinpearl has also installed sensors that adjust water flow of the faucets and put an adequate amount of water in the toilet tanks in public areas to help control and minimize water consumption.

Vinpearl resorts on Hon Tre Island implemented programs to reduce oil and electricity consumption. These programs included the use of water sprayed on greenhouses to reduce heat absorption which lowered electricity consumption. Vinpearl hotels and resorts in Da Nang and Quang Nam reduced energy usage by streamlining operational procedures, reducing usage time, and separating items that can be washed using cold water. Vinpearl facilities in Phu Quoc also plan to reduce their annual oil consumption.

Water source reuse and wastewater treatment is incorporated from the design phase. In particular, the entire resort hotels and villas and amusement parks network on Hon Tre Island in Nha Trang has installed a desalination system with a capacity of 1,000m³ per day to create fresh water from sea water, and has built a 1 million m³ rainwater reservoir. Thanks to these facilities, Hon Tre island will have enough fresh water for all of its daily operations without a supply from the mainland. At the same time, Hon Tre Island’s facilities process all of their wastewater in accordance with Vietnam’s highest standards for irrigation and road cleaning. Vinpearl’s campaign to treat wastewater for recycling has been implemented and expanded. Vinpearl’s sewage treatment system can now meet 100% of water requirement for landscape maintenance.

At all Vinpearl hotels, transport systems for passengers and luggage were switched from fossil fuels to electric batteries to reduce CO2 emissions.

Vinpearl Safari places top priorities on animal care, natural habitats and welfare of the animals under our care. The fact that several animals belonging to endangered species listed in the Red Book have reproduced in our safaris is noteworthy for our conservation efforts. In 2019, there were 359 newborns at Vinpearl Safari Phu Quoc animal conversation park alone, including many rare animals such as: White Rhinos, Arabian Oryx, Bongo Antelope and Saguinus Oedipus. Vinpearl Safari is also the only animal conervation park in Vietnam capable of nurturing and conserving many species of wild animals from a variety of biogeographic regions in the world.

In the Healthcare segment, Vinmec emphasizes the protection of both hospital and community environments. Solid waste collection facilities are equipped with modern technology and employees are professionally trained on appropriate waste classification to minimize the amount of waste discharged into the environment. Every Vinmec facility has researched, enhanced and improved energy saving measures according to the characteristics of each hospital and have seen remarkable results. In particular, Vinmec Ha Long saved nearly 270 m³ of water in 2019, by adjusting faucets’ water flows and raising doctor and staff awareness, despite an expansion of operations and an increase of more than 150% in patient visits compared to 2018. Vinmec Da Nang saved nearly 7,800 kWh per day in electricity by cutting down on the number of lights it uses, switching to lower wattage lighting, and controlling the cooling tower system.

In Industrials, VinFast’s centralized wastewater-treatment system ensures compliance with standards for discharging effluent into water bodies. The factory’s management

is developing a plan to reuse a part of treated effluent for watering trees and grass on factory premises. In addition, the plant is developing programs focusing on energy-saving management and water conservation, centralized wastewater treatment, including installing electric meters, monitoring main energy flows and water sources within the manufacturing complex, and developing goals and action plans related to energy and water efficiency.

Creating Green Products and Green Living Spaces, Contributing to Environmental Protection

Emphasis on environmental protection extends from the project design phase through construction and operation at all Vingroup properties: hotels and resorts, retail malls, urban complexes, offices, and residential buildings. Planning and architectural design teams are dedicated to achieving environmental protection in every aspect of their work, from maximizing the efficient use of space, to the creation of modern living and resort complexes, to energy efficiency in building design and construction.

In Real Estate, “green space” is always a vital component in every Vingroup project. Low-density housing, plentiful trees, and water features occupying a large proportion of the projects create modern and eco-friendly living places. Projects such as Vinhomes Green Bay, Vinhomes The Harmony, Vinhomes Grand Park, Vinhomes Smart City and Vinhomes Ocean Park have maintained “green” spaces, making full use of riverfront land to build the ecosystem of environmentally friendly, walkable complexes with large public parks. Particularly, Vinhomes Ocean Park, with 117 ha of trees and lakes, is a desirable living space for the residents. Optimization of visibility and natural light are found at Vinhomes Skylake, Vinhomes Golden River, and Vinhomes Metropolis. Vingroup creates green focal points in cities across Vietnam. With central air-conditioning, low-E glass lenses to restrict UV light, and electricity-use controls, these projects now comply with many advanced environmental standards. Vingroup creates green focal points in cities across Vietnam.

In Hospitality, Vinpearl developed its ‘Go Green’ project to minimize the use of disposable plastic bags and replace most items made from plastic with environmentally friendly materials, such as 100% paper straws, food containers made from bagasse, and laundry bags made of fabric. Since October 2019, Vinpearl has reduced an average of 1.4 tons of plastic waste across its network every month. A set of environmentally friendly standards developed by Vinpearl for dry and wet consumables, such as tea, coffee, towels, has also been piloted in its resort chain and will be applied to the whole system in 2020.

In Healthcare, Vinmec is undertaking efforts to minimize plastic waste by using biodegradable bags made from corn starch, using plastic baskets in lieu of plastic bags, using paper cups and straws instead of plastic ones, and reusing medical record covers. In addition, it provides enhanced training sessions on medical waste management and classification.

In the Industrials segment, Vingroup focuses on the development of electric cars, electric motorcycles and electric buses to save energy and protect the environment. According to a survey from the Energy Conservation Center of Ho Chi Minh City, replacing a gasoline motorcycle with an electric one reduces 1.7206 kg of CO2 emissions into the atmosphere for every km travelled. Consequently, VinFast’s primary goal is research into new technologies that it can apply to its Vietnamese-branded electric cars, motorcycles and buses in an effort to help reduce hazardous emissions into the environment.

VINMEC HA LONG SAVED

270m³
OF WATER IN 2019

VINMEC DA NANG SAVED

7,800 kWh
PER DAY

VINPEARL REDUCED

1.4 tons of
plastic waste
PER MONTH

Social Impact

Develop
Products That
Meet Community
Standards

In smartphone manufacturing, VinSmart implemented a “Say No to Plastic” campaign to increase employee and supplier awareness regarding environmental stewardship, while simultaneously looking for solutions to minimize the use of plastics in VinSmart’s business operations and manufacturing. In particular, VinSmart uses recyclable or environmentally friendly packaging whenever possible, such as recycled paper and cardboard, and ESD plastic trays and pallets.

Responsibilities to Society

Vingroup’s goal is to provide clean, environmentally friendly products in every business segment. Vingroup’s products and services, including real estate developments, consumer retail, social infrastructure, or industrials, are all community-oriented.

In 2019, during the launch of a special cultural show called **The Fairy Harbor**, VinWonders Nam Hoi An took the audience back in time when it showed the bustling commerce scene at an ancient Hoi An commercial port. The story of old Hoi An – a vibrant economic and cultural destination in Vietnam in the last century – was told by music, lights and dance, revealing a well rounded perspective on the life and beauty of one of the most unique cultural areas in Central Vietnam.

Last year, VinFast continued to fulfill its commitment to become Vietnam’s leading supplier of eco-friendly vehicles by launching three new electric motorcycle models – the Ludo, Impes, and Klara S – while also setting up battery exchange stations throughout the country to increase customer convenience. Meanwhile, by providing battery rental and the exchanging of batteries that are worn out or damaged, VinFast’s goal is to bear all risks for its customers, in an effort to reduce the incidence of fire and explosions while proactively promoting battery recycling to minimize environmental impact.

Raise Level of Social Well-Being in Areas Where the Group Operates

In 2019, Vingroup continues to expand the presence of Vingroup brands to cities and provinces. Large-scale, affordable public real estate projects will be located in the city’s suburbs, creating more jobs and social development. Vincom Plaza shopping centers and Vincom shophouses have created an innovative retail format that provide customers with modern shopping, entertainment, and dining experiences. In the process of developing the project, Vingroup is always ready to go along with the locality in investing in essential infrastructure such as roads, electricity, water and public works to meet the needs of residential development.

As social enterprises, Vinmec, Vinschool and VinUni play an important role in Vingroup’s social responsibility initiative. For example, VinUni, a Vietnamese not-for-profit higher education institution, is realizing its goal of seeking out and nurturing highly talented individuals who are exceptionally qualified, truly creative, and have a passion for pursuing pioneering initiatives that improve people’s lives.

With its entrance into the Industrials segment, VinFast has not only helped to promote the region’s economy but it also improved the immediate environment and community. VinFast’s manufacturing facilities created 312 and 2,400 new jobs for the Cat Hai Island and Hai Phong area, respectively. VinFast also improved infrastructure in the region by

VINFAST CREATED

312

NEW JOBS FOR
THE CAT HAI ISLAND

2,400

NEW JOBS FOR HAI PHONG AREA

Fairness and
Transparency with
Business Partners
and Responsibility
to Customers

putting in new roads and high-pressure sodium lighting for the section of Highway 356 that passes through the complex.

Through its concrete actions, Vingroup has created a spillover effect to all businesses to promote the development of society.

Demonstrate a Sense of Social Responsibility Towards Business Partners, Customers and the Community

In partnerships, Vingroup emphasizes fairness, transparency, and mutual benefits for all involved parties, in accordance with applicable regulations and market practices. Each contract signed between the Group or its P&Ls and their counterparts also contains an anti-bribery clause that clearly states the procedures for preventing bribery.

Putting the customer first, Vingroup is committed to providing high-quality products and services and incorporating sustainability into its customer relations. In addition to conducting after-sales programs as well as surveys to improve service level quality, the Group also develops customer data confidentiality policies to help protect customer privacy. The Group places a high priority on improving customer health and safety; in particular, the Group regularly reviews its standards for fire safety and food purity, while also promoting an active lifestyle that includes healthy foods and sport activity. VinSmart is designing and using recyclable materials that are free from hazardous chemicals in accordance with REACH and RoHS standards and implementing a process to ensure that the radiation level of its devices is within permitted levels.

Investing in
Healthcare,
Education and Youth
Development to
Prepare Vietnam’s
Next Generation

VINMEC AND THE KIND HEART
FOUNDATION GAVE TREATMENT TO

1,700

IMPOVERISHED PATIENTS

VINMEC SPONSORS

64

RESIDENT DOCTORS

The Vinmec health care system is taking the lead in applying new care, prevention, examination, and treatment methods, including immune therapy as well as new methods of treating lung, breast, gynecological, and gastrointestinal cancers. These therapies can help with early detection and treatment within Vietnam, given that Vietnam is among the countries that have rapidly increasing rates of cancer incidence. Under joint projects between the Kind Heart Foundation and Vinmec, over 1,700 impoverished patients received free medicine, health checkups and treatment, primarily in the areas of cardiovascular disease, oncology and osteoarthritis. Human resources training and development has also been a focus of Vinmec. Notably, Vinmec is collaborating with domestic medical universities to sponsor 64 resident doctors, with the goal of building a pool of young, talented and high-quality doctors for the 2020 – 2022 period.

In Education, in May 2019, Vinschool held an inauguration ceremony for Muong Dun Kindergarten and two classrooms at Sin Chai Primary School. The new construction was funded by over 21,000 participants in the ‘Edurun 2018 – Run for Education’ campaign in support of educating children in Dien Bien province. Additionally, Vinschool presented the children of Muong Dun Kindergarten with a playground made from recycled materials – a project by Vinsers as part of their Service Learning Curriculum.

VinUni now offers higher education that is based on the highest standards of research and teaching to prepare students for employment in both domestic and international organizations. VinUni’s goal is to achieve breakthroughs in the educational quality

at the university level in Vietnam, by focusing on three fields of study: Business and Management, Health Sciences, and Engineering and Computer Science. With cooperation from leading universities around the world, VinUni’s education programs have all achieved international quality accreditation.

In the 2019 – 2020 academic year, Vinschool and VinUni announced a long-term scholarship program for students from the high school and university levels, particularly targeting outstanding 10th and 11th grade students nationwide. Under this annual scholarship program, a maximum of 25 full scholarships for the 3-year high school program at Vinschool, and a maximum of ten 50 – 100% scholarships at VinUni are offered each year. Following a rigorous selection process that included over 250 applications, 23 outstanding students were awarded full scholarships by Vinschool. Through this Vinschool – VinUni scholarship program, students not only receive long-term scholarships, but they are also given opportunities to access highly personalized and intensive learning programs, as well as expert-facilitated career orientation programs.

VINSCHOOL AWARDED
23
FULL SCHOLARSHIPS

19 players
OF VIETNAM’S NATIONAL
TEAM WERE FROM PVF

In 2019, 1,100 Science and Technology scholarships were awarded by Vingroup. Managed by VinUni, these scholarships are aimed at building a high-quality labor pool for Science and Technology in Vietnam. To date, 26 excellent Vietnamese students have received full scholarships to study for master’s and PhD degrees at prestigious universities around the world.

Since its establishment in 2008, Vingroup-sponsored PVF has offered 11 training courses enrolling a total of 570 students since 2018. In 2019, PVF sent 19 players to Vietnam’s National Team, contributing to the development of the country’s football.

Improving Community Welfare

Through the Kind Heart Foundation, Vingroup has supported many social activities throughout the country. In 2019, the Kind Heart Foundation implemented programs to build 1,400 houses of compassion, construct 18 schools with day-boarding houses for students in upland districts, support Vietnamese Heroic Mothers, sponsor free health checkups, cancer screening, construction and restoration of cultural works, and educational scholarships. The Phat Tich Charity and Career Center, located in Bac Ninh Province, is founded and sponsored by the Kind Heart Foundation, which provides care and education for over 194 orphans and the elderly with no one to rely on.

Also in 2019, the Foundation continued to provide monthly stipend to 733 individuals and their families in difficult circumstances, and regularly provided free meals to poor patients in public hospitals. The Kind Heart Foundation also provided monthly support for 14 temples that are raising foster children in some provinces in the country, funded the cost of living and tuition fees for more than 6,000 good students that were in financial difficulties, and sponsored many Vietnamese Heroic Mothers and former military volunteers without support in provinces and cities nationwide.

Recipients of support from the Foundation also received frequent attention and contact, and motivation and care. During 2019, successive natural disasters caused great damage to people in provinces across the country. The Foundation timely organized programs to help the victims and repair or rebuild severely affected buildings. It also sponsored the Community Fund for Disaster Prevention that provided for the construction of 125 automatic rain gauge stations and 30 swimming pools for

Corporate Governance

Strengthening Corporate Governance and Management Capabilities

In order to maintain its leadership position in all of its business segments, Vingroup is building a lean, flexible, and efficient governance structure. Strengthening governance and perfecting its corporate structure are key parts of Vingroup’s strategy for achieving its business goals. To meet those goals, the Group’s Board of Directors continued to maintain the directions as follows:

- Keep the pace of development in line with the organization’s capabilities. To focus on depth and quality of development rather than breadth
- Streamline the organization and the system of regulations and procedures to improve productivity and efficiency
- Promote learning by developing training programs for leaders at all levels, so that training becomes a development strategy of the Group
- Build the Vingroup Family with a focus on improving the well-being of its members, to turn Vingroup into the members’ Common Home
- Research and apply technology in business and governance to create new breakthroughs

Further details can be found in Chapter 4: Corporate Governance – Report of the Board of Directors Page 96.

Risk Management and Anti-Corruption Management

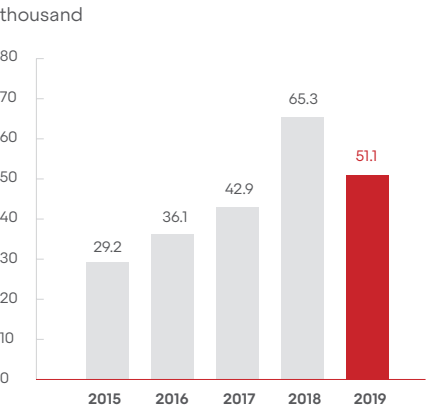
Risk management focuses on key risks identified in each and every procedure and business area. To better identify and control risk, Vingroup has developed clear strategies for each category, including operational risk, compliance risk, financial risk, and quality management. In particular, for risk management in the work environment, the Group adopted a comprehensive approach to ensure the safety of its employees by having various procedures in place, providing training on labor safety, firefighting and fire prevention, and by adhering to Vietnamese laws and international standards.

Vingroup and its P&Ls have undertaken specific anti-corruption measures, including incorporating anti-bribery clauses in its purchasing agreements, encouraging all employees to renounce fraud and corruption within their companies and by their suppliers, rewarding employees who strongly “say No” to bribery, integrating anti-corruption components into corporate culture training programs, and repeating these messages on a regular basis to maintain a high level of compliance among employees at all times.

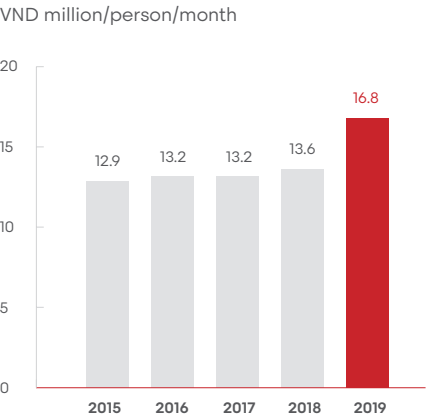
Ongoing Development of Human Capital

Human capital is the critical resource for business development. Vingroup employees are experts in each of our core business segments, thereby creating an attractive, professional and friendly working environment based on the guidelines described below:

Number of Employees

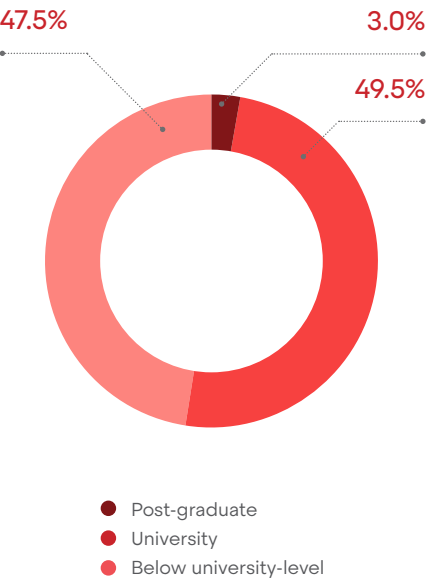


Average Income



2019 Employee Distribution

By education



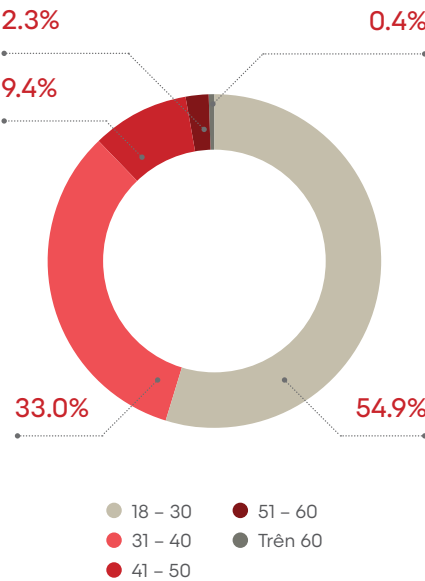
Protect Employee Rights and Equality

Vingroup respects the contributions made by all employees, regardless of nationality, age, gender, or educational background. The Group manages and promotes employees on the basis of their productivity and performance, providing equal opportunity for all employees so that all can develop their abilities to the full extent of their potential.

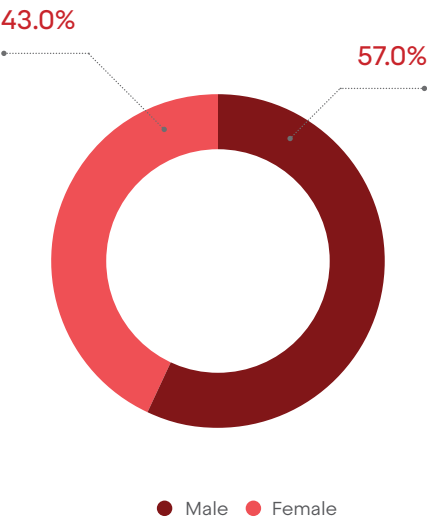
Recruitment and Human Resources Strategy

- Vingroup recruits capable candidates who seek to work in a fast-paced, dynamic, creative and professional environment.
- The recruitment process at Vingroup is clear and efficient. The compensation packages are fair and merit-based.
- The Group cultivates a modern, efficient and professional work environment in which business needs are balanced with the needs and goals of employees.
- Vingroup invests in human capital through its professional-development training programs, skill upgrades for staff and executive-training programs in order to encourage promotions from within.
- Employees get the opportunity to attend corporate culture, skill-development and professional-training programs relevant to their goals, and to gain experience in different jobs through rotations and job postings, to achieve practical knowledge about the Group's business operations and to steadily advance employees' self-development.
- The Group always emphasizes managers' role in training and development through their direct involvement as trainers in training sessions for employees. In addition, the Group frequently organizes conferences and workshops with leading experts, professors and researchers for Vingroup's people to gain further knowledge.

By age



By gender



Employee Benefits and the Work Environment

In 2019, Vingroup was again listed among **Best Employers** by the Vietnamese Trade Union and the Labor Newspaper. This award recognizes Vingroup's commitment to maintaining a modern and professional workplace, with superior benefit policies, while balancing the interests of the employer and employees.

Vingroup employees work eight hours a day. Non-customer-facing employees, including those from the administrative functions, work five and a half days a week, while operations or service employees work six days a week. All employees receive paid public holidays, vacation and personal days in accordance with labor law.

Vingroup is committed to maintaining a work environment where each employee can realize his or her full potential. That includes providing all employees with comfortable, modern offices and regular health checks. Operations or service employees are supplied with uniforms and work in environments that meet all health and safety standards.

It is Group policy to maintain an Employee Code of Conduct that fully complies with all labor regulations.

Vingroup salaries are competitive with other companies in the same sectors. The Group continues to standardize and optimize its direct-compensation system, as well as its allowance and incentive-payment programs in order to attract and retain talent. The Group also has a compensation, allowance and incentive-payment policy that is particularly competitive for well-qualified and experienced employees in relevant fields.

Social, Health and Unemployment insurance are provided in accordance with applicable laws. Besides, the Group engages Bao Viet Group to develop and implement health-insurance programs exclusively for its employees and their families.

The Group's employee benefit programs include gifts for employees in conjunction with significant personal events, as well as recreational programs that bring employees together to promote teamwork and healthy lifestyles. In addition, support is provided for the children of employees in the form of recognition and awards, summer camps, and skills training programs. Multi-sport recreation complexes have been built at the Group's headquarters and several locations where there are large company operations. Other employee benefit programs include: an emergency fund, an employee loan fund that extends zero-interest loans for those facing personal hardship, and a bond issuance program with superior interest rates for employees only.

Vingroup's Work Schedule

Working Conditions

Labor Regulations

Salary, Insurance and Welfare

Employee Benefits

Incentive Scheme

- Mobile phones, where required for specific jobs
- Vehicle fuel
- Meals
- Transportation to and from work

Vingroup has an incentive system for the Corporate Office and all Group companies. We also reward employees with outstanding achievements in the form of performance awards and bonuses.

4.1 million
HOURS OF TRAINING

VINGROUP MANAGERS
DELIVERED
223 thousand
HOURS OF TRAINING

Deliver Highest Quality of Employee Training

One of Vingroup’s Work Environment criteria is: “Training is a priority and should be carried out in an efficient manner”. The Group continued its extensive training programs, with the goal of developing Vingroup into an even stronger learning organization as well as improving the human capital quality throughout the Group.

In 2019, Vingroup employees completed more than 4.1 million hours of training, an increase of 18% over 2018, and Vingroup managers delivered 223 thousand hours of training.

The Group continued to maintain the diversity of its training programs to raise the skill, knowledge and capacity-development level of all managers and other employees. Vingroup conducted skill tests and other assessments to screen and classify employees in order to place them in appropriate training programs. Executive/expert development programs were carefully designed and carried out, attracting the participation of leaders at all levels.

Vingroup has organized professionaltraining programs and career development for specific jobs. Many effective training programs promote the culture of learning in Vingroup. These include:

- 01

Leadership, governance and digital transformation skill training programs for mid- and upper-level management: Nearly 90 training courses and seminars (with approximately 6,000 participants) were delivered by such prestigious training institutions as SMU University – Singapore, Curtin University – Australia, BCG Consulting Company, Prophet Consulting Company, KPMG Vietnam and Deloitte Vietnam.
- 02

Future leader training and development programs: All core employees developed their own Personal Development Plans, while KPIs for future leader trainings and development were assigned to current executives. Future leader training programs – for such positions as Vinpearl General Manager, Vinmec Resident Doctor/Nurse and Vinschool Principal, were a success, meeting the human resource requirements at each facility.
- 03

Experiential training programs in real estate and hospitality in Malaysia, Thailand, South Korea and Japan
- 04

Service quality enhancement training programs at Vinmec, Vincom Retail, Vinhomes, and other units
- 05

Compliance training programs, including firefighting and fire prevention, labor safety and hygiene, food safety and hygiene, and vocational training for positions where mandatory certifications are required

In 2019, the Group continued to upgrade the SABA online training system to promote employees’ continuing learning and self-development to improve efficiency.

Build a Strong Corporate Culture

In 2019, Vingroup organized a series of exciting activities for its 26th anniversary celebration, including the **Vin26 Marathon – Stronger Together**, which attracted over 7,000 employees. These activities were aimed at promoting employee fitness and a spirit of overcoming challenges, while also helping employees to develop a healthy mind and body and strengthen internal cooperation.

The **Happy Memories** game show, with its interesting quizzes on Vingroup’s key milestones, created a lot of exciting and memorable moments, and strengthened the unity of the Group across the country. This is part of a series of activities to promote Vingroup’s culture.

Additionally, arts, sports, and culinary events regularly organized by the Group have attracted the participation of thousands of employees, further strengthening their fitness, spirit, and bonding.

After four years of operation, the Vinclub internal social network released its Vinclub mobile app version to facilitate the ties among managers and other employees, to serve as a way to update the Group’s information anytime, anywhere and to further spread the Vingroup Family’s cultural values.

Foster Team Spirit by Organizing Community Involvement and Employee Charitable Activities

The Group is interested in promoting corporate activities that boost the welfare and morale of its employees. The Group established a Communist Party section and a Trade Union and organize cultural activities regularly to strengthen solidarity amongst employees and party member. In addition to corporate programs, Vingroup encourages employees to participate in volunteer activities. Every year, thousands of Vingroup employees take part in community programs in far-flung areas across the country, as well as volunteer activities, such as **Blood Donation Day**, clearly reflecting Vingroup’s “COMPASSION” core value.

Vingroup is always proactive in developing harmonious communities at its projects through healthy and meaningful activities. Besides annual special occasions, Vingroup has also initiated community sports events, fairs, Smart Little Resident Programs to develop children’s interpersonal skills and provide swimming lessons for children to strengthen the bond within the communities and improve the quality of life of the residents.

Managing Sustainability

Sustainability Strategy Towards 2023

Vingroup believes that long-lasting sustainable value and social contributions can only be accomplished by achieving sustainable economic growth.

Leveraging our commercial success, the Group now has the resources to implement our strategies in human capital development, environmental protection, and corporate social responsibility. The Group’s sustainability strategy towards 2023 requires Vingroup to strike a balance among the interests of stakeholders, following the four principles:

- Accomplishing Business Goals in Order to Grow Effectively and Sustainably
 - Ongoing Development of Human Capital
- Managing Corporate Social Responsibilities
 - Environmental Protection

Accomplishing Business Goals in Order to Grow Effectively and Sustainably

- Maximize growth in ways that are sustainable
- Maintain a leadership position in the real estate market, as well as in all the other business segments
- Make sustainable contributions to the economy
- Observe applicable project development, environmental, and social standards, and
- Strengthen corporate governance and management capability

Ongoing Development of Human Capital

- Protect employee rights and equality
- Build a strong and cohesive corporate culture
- Focus on sustainable development of the human resources, and
- Foster team spirit by organizing union and community activities

Managing Corporate Social Responsibilities

- Develop products that meet community standards
- Raise the level of social well-being in areas where the Group operates, and
- Demonstrate a sense of social responsibility towards business partners, customers, colleagues and the community

Environmental Protection

- Minimize energy and water use and noise pollution in all of the Group’s projects
- Observe environmental protection plans in each of the buildings that the Group manages, and
- Adhere to the highest standards in construction, and design our products with “Green Living” in mind

Engaging Stakeholders

Vingroup aims to balance the interests of its stakeholders, in order to develop long-term sustainable partnerships based on mutual trust, transparency, and corporate ethical standards. These are the Group’s most important stakeholder groups.

Stakeholders	Value brought by Vingroup
Shareholders and Investors	Business performance
	Dividend payment
	Transparent and fair corporate governance to protect shareholder interests
	Adequate and timely disclosure of information, promptly seeking shareholders consent for important matters through extraordinary shareholder meetings when required
	Frequent meetings, Vingroup website, mailboxes ir@vingroup.net, ir@vincom.com.vn, ir@vinhomes.vn, and Investor Relations Quarterly Earnings Presentations enable investors to meet and understand the Group's strategy from senior management
Customers	Commitment to quality of products and services
	Highly-qualified consultants to provide adequate and accurate information
	Model units for prospective buyers of residential properties; relentless improvements in design, landscaping and amenities. Additional benefits for customers using the VinID app
	Shopping mall tenants benefit from regular large-scale events to attract shoppers
	Vinhomes residents enjoy frequent community programs to connect with one another in a harmonious environment
Local community	24/7 hotline to provide information and assistance on the Group's products and services
	Environmental and community impact assessment studies prior to implementation of real estate developments
	Frequent dialogues with local authorities regarding measures to improve the local environment
	Assist regulatory authorities in developing local infrastructure
Regulators	Mobilize local work force, create new jobs and raise level of social well-being in areas where the Group operates
	Participate in conferences and seminars with regulators
	Member of many trade associations including the World Economic Forum (“WEF”) and Vietnamese Association of Enterprises with Foreign Investments.
	Contribute comments on draft policies and legal documents
Employees	Further details can be found in Chapter 5: Sustainable Development – 2019 Sustainability Report – Ongoing development of human capital – Page 124
Business partners	Maintain relationships with suppliers and business partners based on fairness, transparency and mutual benefit
	Select suppliers based on criteria including compliance with the law and commitment to environmental protection and sustainability.

Identification, Classification and Handling of Critical Issues

Vingroup constantly reviews its operations and maintains communications with stakeholders in order to identify critical issues facing the Group. These issues are ranked based on their level of concern to stakeholders and their impact on corporate operations in order for us to prioritize Action plans and resources.

Based on Vingroup’s analysis, critical issues identified that need to be addressed are discussed in the following paragraphs:

- **For shareholders and investors:** economic efficiency, presence in the market
 - **For customers:** safety and health, product responsibility
 - **For local communities:** wastewater and waste, energy
 - **For management agencies:** compliance, anti-corruption, public policy
 - **For employees:** equal opportunity, fair remuneration, employment, education and training, human rights
 - **For partners and suppliers:** equal opportunity, supplier review
 - **Sustainable development:** Vingroup is determined to integrate sustainability into our operations and governance at all levels, from executives to employees. Criteria for sustainability are defined in detail and are used as benchmarks to measure the performance of each member of Management and senior executives in Vingroup and the P&Ls.
- **Integration of sustainability measures into management and operational practices:** Management is responsible for developing specific policies, targets, and mechanisms to monitor the achievement of sustainability targets set by the Board. One example is the policy to require an environmental and community impact assessment to be conducted prior to the commencement of a real estate project; another example is the way that recruitment and training procedures are designed to ensure equal opportunity for all employees.
 - **Training:** To ensure that sustainability objectives are achieved, the Group frequently provides training to all employees to introduce relevant knowledge and skills.

CHAPTER
06 Consolidated
Financial Statements

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General Information

The Company

Vingroup Joint Stock Company (“the Company”) is a joint stock company established in Vietnam pursuant to the Business Registration Certificate No. 0103001016 issued by the Hanoi Department of Planning and Investment on 3 May 2002 and the Business Registration Certificate No. 0101245486 re-issued on 12 May 2010. The Company subsequently received amended Enterprise Registration Certificates, with the latest amendment being the 69th amended Enterprise Registration Certificate dated 31 January 2020.

The Company’s shares were officially listed on the Ho Chi Minh City Stock Exchange (“HOSE”) from 19 September 2007 pursuant to Decision No. 106/QĐ-TTGDHCM issued by the Director of HOSE on 7 September 2007.

The current principal activities of the Company are to invest in, construct and trade real estate properties; to carry out capital mobilization and investment activities; and to provide general administrative services. The current principal activities of the Company’s subsidiaries are presented in Appendix 1.

The Company’s head office is registered at No. 7, Bang Lang 1 street, Vinhomes Riverside Eco-urban Area, Viet Hung ward, Long Bien District, Hanoi, Vietnam. Its branch is located at No. 72, Le Thanh Ton and No. 45A, Ly Tu Trong street, Ben Nghe ward, District 1, Ho Chi Minh City, Vietnam.

Board of Directors

Members of the Board of Directors during the year and at the date of this report are:

Mr. Pham Nhat Vuong	Chairman
Ms. Pham Thuy Hang	Vice Chairwoman
Ms. Pham Thu Huong	Vice Chairwoman
Ms. Nguyen Dieu Linh	Vice Chairwoman
Mr. Nguyen Viet Quang	Vice Chairman
Mr. Le Khac Hiep	Vice Chairman
Mr. Ling Chung Yee Roy	Member
Mr. Marc Villiers Townsend	Member
Mr. Joseph Raymond Gagnon	Member (resigned on 8 July 2019)
Mr. Park Woncheol	Member (appointed on 16 August 2019)

Board of Supervision

Members of the Supervisory Board during the year and at the date of this report are:

Mr. Nguyen The Anh	Head
Mr. Dinh Ngoc Lan	Member
Ms. Do Thi Hong Van	Member

Management

Members of the Management during the year and at the date of this report are:

Mr. Nguyen Viet Quang	Chief Executive Officer
Ms. Mai Huong Noi	Deputy Chief Executive Officer
Mr. Pham Van Khuong	Deputy Chief Executive Officer
Ms. Nguyen Thi Dieu	Deputy Chief Executive Officer
Ms. Duong Thi Hoan	Deputy Chief Executive Officer

Legal Representative

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Viet Quang.

Ms. Mai Huong Noi is authorised by Mr. Nguyen Viet Quang to sign the accompanying consolidated financial statements for the year ended 31 December 2019 in accordance with the Letter of Authorisation No. 029/2018/GUQ-TGD-VINGROUP dated 2 May 2018.

Auditor

The auditor of the Company is Ernst & Young Vietnam Limited.

Report of Management

Management of Vingroup Joint Stock Company (“the Company”) is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2019.

Management’s Responsibility in Respect of the Consolidated Financial Statements

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards for the Group have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

Statement by Management

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of management:



Mai Huong Noi
Deputy Chief Executive Officer

Hanoi, Vietnam
30 March 2020

Independent Auditors’ Report

To: The Shareholders of Vingroup Joint Stock Company

We have audited the accompanying consolidated financial statements of Vingroup Joint Stock Company (“the Company”) and its subsidiaries (collectively referred to as “the Group”) as prepared on 30 March 2020 and set out on pages 6 to 97, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Responsibility of the Company’s management

The Company’s management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as the Company’s management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company’s management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2019, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited



Tran Phu Son
Deputy General Director
Audit Practising Registration
Certificate No. 0637-2018-004-1

Hanoi, Vietnam
30 March 2020

Chu Anh Dung
Auditor
Audit Practising Registration
Certificate No. 3814-2016-004-1

Consolidated Balance Sheet

As at 31 December 2019

Currency: VND million

Code	Assets	Notes	Ending balance	Beginning balance (Restated)
100	A. CURRENT ASSETS		197,392,876	135,401,658
110	I. Cash and cash equivalents	5	18,446,968	13,557,055
111	1. Cash		7,639,369	8,566,276
112	2. Cash equivalents		10,807,599	4,990,779
120	II. Short-term investments		11,172,867	1,951,598
121	1. Held-for-trading securities	6.1	9,539,371	-
123	2. Held-to-maturity investments	6.2	1,633,496	1,951,598
130	III. Current accounts receivable		63,871,798	50,075,353
131	1. Short-term trade receivables	7.1	16,640,800	7,492,516
132	2. Short-term advances to suppliers	7.2	16,519,157	16,677,008
135	3. Short-term loan receivables	8.1	21,022,039	5,077,857
136	4. Other short-term receivables	9	10,062,709	20,993,915
137	5. Provision for doubtful short-term receivables	10	(372,907)	(165,943)
140	IV. Inventories	11	83,808,756	55,228,146
141	1. Inventories		85,969,752	55,739,534
149	2. Provision for obsolete inventories		(2,160,996)	(511,388)
150	V. Other current assets		20,092,487	14,589,506
151	1. Short-term prepaid expenses	12	3,254,545	2,484,729
152	2. Value-added tax deductible		3,905,190	2,402,675
153	3. Tax and other receivables from the State	22	68,800	312,854
155	4. Other current assets	13	12,863,952	9,389,248

Consolidated Balance Sheet

As at 31 December 2019

Currency: VND million

Code	Assets	Notes	Ending balance	Beginning balance (Restated)
200	B. NON-CURRENT ASSETS		206,347,877	152,725,517
210	I. Long-term receivables		1,464,432	360,542
215	1. Long-term loan receivables	8.2	1,207,650	55,000
216	2. Other long-term receivables	9	256,782	305,542
220	II. Fixed assets		108,268,894	49,456,326
221	1. Tangible fixed assets	14	88,298,602	48,549,323
222	Cost		100,039,030	57,637,791
223	Accumulated depreciation		(11,740,428)	(9,088,468)
227	2. Intangible fixed assets	15	19,970,292	907,003
228	Cost		21,348,251	1,566,339
229	Accumulated amortisation		(1,377,959)	(659,336)
230	III. Investment properties	16	33,872,258	26,743,666
231	1. Cost		39,078,518	30,173,967
232	2. Accumulated depreciation		(5,206,260)	(3,430,301)
240	IV. Long-term assets in progress		48,057,748	58,529,123
242	1. Construction in progress	18	48,057,748	58,529,123
250	V. Long-term investments		3,950,881	6,068,157
252	1. Investments in associates, jointly controlled entities	19.1	2,147,468	2,546,386
253	2. Investments in other entities	19.2	1,707,083	1,594,869
254	3. Provision for long-term investments	19.2	(188,865)	(72,778)
255	4. Held-to-maturity investments	6.3	285,195	1,999,680
260	VI. Other long-term assets		10,733,664	11,567,703
261	1. Long-term prepaid expenses	12	6,681,695	5,570,350
262	2. Deferred tax assets	36.3	645,493	614,227
268	3. Other long-term assets	13	1,032,337	1,231,431
269	4. Goodwill	20	2,374,139	4,151,695
270	TOTAL ASSETS		403,740,753	288,127,175

Consolidated Balance Sheet

As at 31 December 2019

Currency: VND million

Code	Resources	Notes	Ending balance	Beginning balance (Restated)
300	C. LIABILITIES		283,152,164	188,960,461
310	I. Current liabilities		181,293,250	109,245,613
311	1. Short-term trade payables	21.1	17,563,738	14,773,384
312	2. Short-term advances from customers	21.2	51,470,178	25,203,958
313	3. Statutory obligations	22	5,991,675	15,520,707
314	4. Payables to employees		1,141,362	1,014,578
315	5. Short-term accrued expenses	23	16,493,327	16,017,109
318	6. Short-term unearned revenues	24	2,524,522	2,473,599
319	7. Other short-term payables	25	52,864,324	14,900,338
320	8. Short-term loans and debts	26	32,995,790	19,115,963
321	9. Short-term provisions	28	248,334	225,977
330	II. Non-current liabilities		101,858,914	79,714,848
333	1. Long-term accrued expenses	23	487,397	123,714
336	2. Long-term unearned revenues	24	4,999,981	5,718,562
337	3. Other long-term liabilities	25	1,029,794	947,426
338	4. Long-term loans and debts	26	84,430,440	61,770,712
339	5. Exchangeable bonds	27	10,259,215	10,205,665
341	6. Deferred tax liabilities	36.3	470,023	824,660
342	7. Long-term provisions	28	182,064	124,109

Consolidated Balance Sheet

As at 31 December 2019

Currency: VND million

Code	Resources	Notes	Ending balance	Beginning balance (Restated)
400	D. OWNERS' EQUITY		120,588,589	99,166,714
410	I. Capital	29	120,588,589	99,166,714
411	1. Issued share capital		34,309,140	32,756,212
411a	– Shares with voting rights		33,685,755	31,916,212
411b	– Preference shares		623,385	840,000
412	2. Share premium		33,996,368	11,442,901
414	3. Other owners' capital		7,235,206	7,235,206
415	4. Treasury shares		(2,284,059)	(2,974,924)
417	5. Foreign exchange differences reserve		(11,784)	-
420	6. Other funds belonging to owners' equity		52,845	42,845
421	7. Undistributed earnings		3,119,758	5,143,008
421a	– Undistributed earnings by the end of prior year		5,135,161	38,952
421b	– (Losses)/Undistributed earnings of current year		(2,015,403)	5,104,056
429	8. Non-controlling interests		44,171,115	45,521,466
440	TOTAL LIABILITIES AND OWNERS' EQUITY		403,740,753	288,127,175


Van Thi Hai Ha
Preparer


Nguyen Thi Thu Hien
Chief Accountant


Mai Huong Noi
Deputy Chief Executive Officer

Hanoi, Vietnam
30 March 2020

Consolidated Income Statement

for the year ended 31 December 2019

Currency: VND million

Code	Items	Notes	Current year	Previous year (Restated)
01	1. Revenue from sale of goods and rendering of services	30.1	130,161,398	121,971,751
02	2. Deductions	30.1	(125,384)	(77,350)
10	3. Net revenue from sale of goods and rendering of services	30.1	130,036,014	121,894,401
11	4. Cost of goods sold and services rendered	31	(92,484,797)	(92,943,726)
20	5. Gross profit from sale of goods and rendering of services		37,551,217	28,950,675
21	6. Finance income	30.3	14,000,889	7,478,550
22	7. Finance expenses	32	(8,181,371)	(4,908,950)
23	In which: Interest expenses		(7,147,357)	(3,939,282)
24	8. Shares of loss of associates, joint controlled entity	19.1	(688,443)	(424,919)
25	9. Selling expenses	33	(14,248,448)	(10,112,289)
26	10. General and administrative expenses	33	(12,677,438)	(7,367,839)
30	11. Operating profit		15,756,406	13,615,228
31	12. Other income	34	832,187	778,971
32	13. Other expenses	34	(951,169)	(493,550)
40	14. Other (loss)/profit	34	(118,982)	285,421
50	15. Accounting profit before tax		15,637,424	13,900,649
51	16. Current corporate income tax expense	36	(8,286,824)	(7,273,130)
52	17. Deferred tax income/ (expense)	36	366,013	(389,626)
60	18. Net profit after tax		7,716,613	6,237,893
61	19. Net profit after tax attributable to shareholders of the parent	29.1	7,545,915	3,823,739
62	20. Net profit after tax attributable to non-controlling interests	29.1	170,698	2,414,154

Currency: VND

Code	Items	Notes	Current year	Previous year (Restated)
70	21. Basic earnings per share	38	2,433	1,286
71	22. Diluted earnings per share	38	2,383	1,273



Van Thi Hai Ha
Preparer

Hanoi, Vietnam
30 March 2020



Nguyen Thi Thu Hien
Chief Accountant



Mai Huong Noi
Deputy Chief Executive Officer

Consolidated Cash Flow Statement

for the year ended 31 December 2019

Currency: VND million

Code	Items	Notes	Current year	Previous year (Restated)
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Profit before tax		15,637,424	13,900,649
Adjustments for:				
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)		8,337,680	5,155,271
03	Provisions		2,629,024	241,330
04	Foreign exchange losses		6,516	192,368
05	Profits from investing activities		(12,853,241)	(6,703,086)
06	Interest expenses (including amortisation of issuance costs)	32	7,525,182	4,283,365
08	Operating profit before changes in working capital		21,282,585	17,069,897
09	(Increase)/decrease in receivables		(12,230,443)	1,520,338
10	(Increase)/decrease in inventories		(16,411,200)	4,848,007
11	Increase/(decrease) in payables (other than interest, corporate income tax)		39,864,097	(24,972,741)
12	(Increase)/decrease in prepaid expenses		(1,909,881)	1,038,687
13	Decrease in held-for-trading securities		535,050	12,864
14	Interest paid		(7,221,315)	(3,740,381)
15	Corporate income tax paid	22	(7,941,805)	(5,760,402)
20	Net cash flows from/(used in) operating activities		15,967,088	(9,983,731)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase and construction of fixed assets and other long-term assets		(55,175,557)	(44,772,133)
22	Proceeds from disposals of fixed assets and other long-term assets		422,482	1,305,734
23	Loans to other entities and payments for purchase of debt instruments of other entities		(16,422,931)	(21,453,789)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		38,074,294	20,729,470
25	Payments for investments in other entities (net of cash held by entity being acquired)		(61,532,925)	(46,807,073)
26	Proceeds from sale of investments in other entities (net of cash held by entity being disposed)		34,006,507	27,524,119
27	Interest, dividends and distributed profit received		762,065	1,160,050
30	Net cash flows used in investing activities		(59,866,065)	(62,313,622)

Consolidated Cash Flow Statement

for the year ended 31 December 2019

Currency: VND million

Code	Items	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Capital contribution and issuance of shares		24,156,142	24,903,259
32	Capital redemption and repurchase of issued shares		(10,703,530)	-
33	Drawdown of borrowings		63,707,975	91,020,447
34	Repayment of borrowings		(26,182,542)	(36,981,047)
36	Dividends paid to non-controlling equity holders		(2,188,673)	(1,222,822)
40	Net cash flows from financing activities		48,789,372	77,719,837
50	Net increase in cash and cash equivalents for the year		4,890,395	5,422,484
60	Cash and cash equivalents at the beginning of the year		13,557,055	8,141,750
61	Impact of exchange rate fluctuation		(482)	(7,179)
70	Cash and cash equivalents at the end of the year	5	18,446,968	13,557,055

Van Thi Hai Ha
Preparer

Hanoi, Vietnam
30 March 2020

Nguyen Thi Thu Hien
Chief Accountant



Mai Huong Noi
Deputy Chief Executive Officer

Notes to the Consolidated Financial Statements

as at 31 December 2019 and for the year then ended

1. Corporate Information

Vingroup Joint Stock Company (“the Company”) is a joint stock company established in Vietnam pursuant to the Business Registration Certificate No. 0103001016 issued by the Hanoi Department of Planning and Investment on 3 May 2002 and the Business Registration Certificate No. 0101245486 re-issued on 12 May 2010. The Company subsequently received amended Enterprise Registration Certificates, with the latest amendment being the 69th amended Enterprise Registration Certificate dated 31 January 2020.

The Company’s shares were officially listed on the Ho Chi Minh City Stock Exchange (“HOSE”) from 19 September 2007 pursuant to Decision No. 106/QĐ-TTGDHCM issued by the Director of HOSE on 7 September 2007.

The current principal activities of the Company are to invest in, construct and trade real estate properties; to carry out capital mobilization and investment activities; and to provide general administrative services. The current principal activities of the Company’s subsidiaries are presented in Appendix 1.

The Group’s normal course of business cycle of real estate business starts at the time of application for investment certificate, commencement of site clearance, construction and ends at the time of completion. Thus, the Group’s normal course of business cycle of real estate trading is from 12 to 36 months. The Group’s normal course of business cycle of other business activities is 12 months.

The Company’s head office is registered at No. 7, Bang Lang 1 street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi, Vietnam. Its branch is located at No. 72, Le Thanh Ton and No. 45A, Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

The number of the Company’s employees as at 31 December 2019 is: 418 (31 December 2018: 466).

- As at 31 December 2019, the Company and its subsidiaries (collectively referred to as “the Group”):
- Have 91 subsidiaries (as at 31 December 2018: 67 subsidiaries). The information on these subsidiaries, along with the Company’s voting rights and equity interest in each subsidiary are detailed in the Appendix 1.
 - Holds investments in a number of associates and jointly controlled entities as disclosed in Note 19.1.

2. Basis of Preparation

2.1 Accounting Standards and System

- The consolidated financial statements of the Group expressed in Vietnam dong (“VND”) are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard issued by the Ministry of Finance as per:
- Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
 - Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
 - Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
 - Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
 - Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied Accounting Documentation System

The Group's applied accounting documentation system is the General Journal.

2.3 Fiscal Year

The Group’s fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

2.4 Accounting Currency

The Group’s accounting currency is Vietnam dong (“VND”). For the purpose of preparing the consolidated financial statements for the year ended 31 December 2019, all amounts are rounded to the nearest million and presented in Vietnam dong million (“VND million”).

2.5 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders’ equity.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

In case the Group disposes a partial interest in a subsidiary and loses control but retains an interest as an associate or a joint controlled entity, the Group’s investment is accounted for using the equity method of accounting. Profit/(loss) from this transaction is recognised in the consolidated income statement.

In case the Group disposes a partial interest in a subsidiary and loses control but retains an interest as an investment in other entities, the Group’s investment is accounted for using the cost method. Profit/(loss) from this transaction is recognised in the consolidated income statement.

In case the Group previously disposed a partial interest in a subsidiary and recognised difference between the consideration and carrying amount of the transferred equity interest in undistributed earnings in the consolidated balance sheet, and then disposes a further interest in that subsidiary which results in a loss of control, thereby, the Group reclassifies the difference recognised previously in undistributed earnings to the consolidated income statement.

3. Summary of Significant Accounting Policies

3.1 Changes in Accounting Policies and Disclosures

The accounting policies adopted by the Group in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2018.

3.2 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in transit, cash at banks and short-term, highly liquid investments with an original maturity of no longer than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.3 Inventories

Inventory Property

Property acquired or being constructed for sale in the ordinary course of business or for long-term lease qualified for recognition of outright sales, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost incurred in bringing the inventories to their present location and condition, and net realisable value.

- Cost includes:
- Freehold and leasehold rights for land;
 - Amounts payable to contractors for construction; and
 - Borrowing costs, planning and design costs, costs of site preparation, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and less estimated costs to complete and the estimated costs necessary to make the sale.

The cost of inventory recognised in the consolidated income statement on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the appropriate basis.

Inventory for Manufacturing

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value (“NRV”) represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, tools and consumables	- Cost of purchase on a weighted average basis.
Finished goods and work-in process	- Cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

Other Inventories

Inventories are carried at the lower of cost incurred in bringing each product to its present location and condition and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The periodic method is used to record the costs of inventories for hotel and related services. The perpetual method is used to record the costs of other inventories.

The costs of inventories for hospital are valued on a specific identification basis. The costs of other inventories are valued on weighted average basis.

Provision for Obsolete Inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the consolidated balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.4 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expenses in the consolidated income statement.

3.5 Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

3.6 Leased Assets

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Group is the Lessee

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the Lessor

Assets subject to operating leases are included as the Group's investment properties in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3.7 Intangible Fixed Assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

Land Use Rights

Definite and indefinite land use rights are recorded as intangible fixed assets based on land use right certificates issued by governing bodies.

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and Land use right certificate being issued, are recorded as intangible fixed asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets (“Circular 45”).

Research and Development Costs

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible fixed asset only if the Group can demonstrate all of the following conditions:

- The technical feasibility study of completing the intangible fixed asset so that it will be available for use or sale;
- The intention to complete and use or sell the intangible fixed asset;
- The ability to use or sell the intangible fixed asset;
- The asset will generate probable future economic benefits;
- The availability of resources to complete the development and to use or sell the intangible fixed asset; and
- The ability to measure reliably the expenditure during the development.

Development costs capitalised as intangible fixed asset are stated at cost less accumulated amortisation. Amortisation of the asset begins when development is completed and the asset is available for use.

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 50 years
Machinery and equipment	3 - 25 years
Means of transportation	3 - 25 years
Office equipment	2 - 10 years
Computer software	3 - 10 years
Land use rights	36 - 48 years
Copy rights	3 - 28 years
Others	3 - 20 years

The estimated useful life of land use rights with definite term is recorded based on term of land use rights issued by governing bodies.

No amortisation is charged on the land use rights with indefinite terms.

Investment properties are stated at cost, including transaction costs, less accumulated depreciation and amortisation.

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

3.8 Depreciation and amortisation

3.9 Investment Properties

Depreciation and amortisation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Land use rights, buildings and structures	5 - 50 years
Machinery and equipment	3 - 25 years

No amortisation is charged on the land use rights presented as investment properties with indefinite terms.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation and commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Long-term prepaid expenses include long-term prepaid land rental, pre-operation expenditure, tools and supplies, and other prepaid expenses that bring future economic benefits for more than one year.

The prepaid land rental represents the unamortised balance of advance payment or accrual made in accordance with Land Rental Contract signed with authorities and other expenditures offset against land rental fee obligation. Such prepaid land rental is recognised as a long-term prepaid expense for allocation to the consolidated income statement over the remaining lease period according to Circular 45.

3.10 Borrowing Costs

3.11 Prepaid Expenses

3.12 Business Combinations and Goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

When issued equity instruments are constituted in the consideration of a business combination, such consideration shall include the fair value of those equity instruments as of acquisition date. In case the fair value of those equity instruments cannot be reliably measured, it can be estimated by referring to either the acquirer’s fair value or the acquiree’s fair value, whichever is more reliably evidenced.

In case prior to the date that control is obtained, the investment is an investment in associate or a long-term investment and the acquisition of that subsidiary is a business combination, when preparing the consolidated financial statements, the Group shall remeasure its previously held equity interests at its acquisition-date fair value and recognise the resulting gain or loss, if any, in the consolidated income statement.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over 10-year period on a straight-line basis. The Group conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

Assets Acquisitions and Business Combinations

In cases, the Group acquires subsidiaries that own real estate projects, at the time of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised. Non-controlling interests in the acquired identifiable assets and liabilities are also recognised. The acquired assets and liabilities are presented in classes of assets and liabilities with the same characteristics of the Group.

In case prior to the date that control is obtained, the investment is an investment in associate or a long-term investment and the acquisition of the subsidiary is not a business combination, when preparing the consolidated financial statements, the Group shall not remeasure the previously held equity interests, instead previously held equity interests and the consideration was allocated to the assets and liabilities acquired based on their relative fair values on acquisition date.

Change of Equity Interest in Subsidiary without Losing Control

When the Group acquires additional equity interest in subsidiary, the difference between the acquisition cost and carrying amount of the additional equity interest is recorded in undistributed earnings.

When the Group disposes a part of equity interest in subsidiary without losing control, the difference between the consideration and carrying amount of the transferred equity interest is recorded in undistributed earnings.

Business Combinations Involving Entities under Common Control

A business combination involving entities under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. An entity can be under common control of an individual or a group of individuals following a contractual agreement.

Business combinations involving entities under common control are accounted for as follows:

- The assets and liabilities of the two combined entities are reflected at their carrying amounts on the date of business combination;
- No goodwill is recognised from the business combination;
- The consolidated income statement reflects the results of the combined entities from the date of the business combination; and
- Any difference between the consideration paid and the net assets of the acquiree is recorded in equity.

3.13 Investments

Investment in Associates

The Group’s investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that are neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights in the investee.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group’s share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. The Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the Group’s share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit/(loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The accumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting year as the Group and using the consistent accounting policies with the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3.14 Payables and Accruals

The Group ceases the use of the equity method of accounting since the date it no longer has significant influence over the associate. If the retained equity interest is a long-term investment, the entity measures the retained equity interest at fair value regarded as the cost on initial recognition. Profit/(loss) from the disposal of associate is recognised in the consolidated income statement.

Investments in a Jointly Controlled Entity

The Group’s investment in a jointly controlled entity is accounted for using the equity method of accounting. Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post joint controlled entity changes in the Group’s share of net assets of the jointly controlled entity. The consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity.

The share of profit/(loss) of the jointly controlled entity is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The accumulative post-acquisition movements are adjusted against the carrying amount of the investment. Profit sharing received or receivable from jointly controlled entity reduces the carrying amount of the investment.

The financial statements of the jointly controlled entity are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Held-For-Trading Securities and Investments in Other Entities

Held-for-trading securities and in securities and investments in other entities are stated at their acquisition costs.

Provision for Diminution in Value of Investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expenses in the consolidated income statement.

Held-To-Maturity Investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, these investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the consolidated income statement and deducted against the value of such investments.

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.15 Provisions

General Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed by a third party, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

The Group assesses onerous contracts are those contracts in which, the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The Group recognised and assessed obligations under onerous contracts as provisions and these provisions are made for each onerous contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

Provision for Warranty Expenses

The Group estimates provision for warranty expenses based on revenue and available information about the repair of real estate properties and goods sold in the past.

3.16 Foreign Currency Transactions

The Group applies guidance of Circular 53/2016/TT-BTC dated 21 March 2016 amending and supplementing some articles of Circular 200 to record foreign currency transactions.

Transactions in currencies other than the Group’s reporting currency of VND are recorded at the exchange rate that approximates the average of buying and selling transfer exchange rates announced by the commercial bank where the Group most frequently conducts its transactions (“the average transfer exchange rate”). This approximate exchange rate does not exceed +/- 1% of the average transfer exchange rate. The average transfer exchange rate is determined daily based on the average of daily buying transfer rates and selling transfer rates of the commercial bank.

Borrowing contracts of which risk is mitigated by cross-currency interest rate swap contracts (“swap contracts”) are translated at the exchange rate determined in the swap contracts (Note 3.25).

At the end of the year, balances of monetary items denominated in foreign currencies are translated at the transfer exchange rate announced by the commercial bank where the Group most frequently conducts its transactions. The transfer exchange rate is the average transfer exchange rate of the commercial bank.

All foreign exchange differences incurred are taken to the consolidated income statement

3.17 Treasury Shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised upon purchase, sale, re-issue or cancellation of the Group’s own equity instruments. Upon re-issuance of treasury shares, the Group recognises the difference between the consideration paid and cost of treasury shares to share premium.

3.18 Appropriation of Net Profits

Net profit after tax (excluding negative goodwill arising from bargain purchases) is available for appropriation to shareholders after approval by the Board of Directors (being approved by shareholders at the General Shareholders’ Meeting), and after making appropriation to reserve funds in accordance with the Company’s Charter, each subsidiary’s Charter and Vietnam’s regulatory requirements.

The Group maintains the reserve funds which are appropriated from the Group’s net profit as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Shareholders’ Meeting.

3.19 Advances from Customers

Payments received from customers as deposits for the purchase of properties in the future that do not meet the conditions for revenue recognition, are recognised and presented as “Advances from customers” in the liability section in the consolidated balance sheet. Supports under promotion programs for sales of properties which are, in substance, revenue deductions are presented as deductions against “Advances from customers” for the purchase of properties that do not meet the conditions for revenue recognition in the year.

3.20 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from Sale of Inventory Properties

Revenue from sale of inventory properties is recognised when the significant risks and rewards incident to ownership of the properties have been transferred to the buyer. Revenue from sales of inventory properties also includes revenue from transfer of real estate projects.

- Revenue from sale of inventory properties also includes long-term lease of inventory properties qualified for recognition of outright sales. If the lease-term is greater than 90% of the asset’s useful life, the Group will recognise the revenue for the entire prepaid lease payment if all of the following conditions are met:
- Lessee is not allowed to cancel the lease contract during the lease term, and the lessor is not responsible for reimbursing the prepaid lease payments under any circumstances;
 - The prepaid lease payment is not less than 90% of the total estimated lease payment collected under contract over the lease period and lessee must pay all rental within 12 months from the commencement of the lease;
 - Almost all risks and rewards associated with the ownership of leased assets are transferred to the lessee; and
 - Lessor must estimate the full cost of leasing activity.

Revenue from Leasing of Properties

Rental income arising from operating lease is recognised in the consolidated income statement on a straight-line basis over the lease terms of ongoing leases.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually upon the delivery of the goods.

Rendering of Services

Revenue from hotel, amusement park, education, hospital, real estate management and other related services is recorded when the services are rendered and the outcome of the contract is certainly determined.

Gains from Transfer of Shares and Capital

Gains from transfer of shares and capital are determined as the excess of selling prices against the cost of shares and capital sold. Such gains are recognised on the transaction date when the relevant contracts are executed.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognised when the Group’s entitlement as an investor to receive the dividend is established.

Revenue from Goods and Services in Multiple Elements Package

In the transaction in which the Group provides multiple products and services to the customer in the same arrangement, the Group determines the obligation to sell the product and the obligation to render the services separately and only recognises the revenue when each individual obligation is completed by the Group. The contract value is allocated to individual product or service by taking the total contract value minus the estimated fair value of the service. Payments from customers under contracts corresponding to the unfulfilled obligations will be recognised in advance from customers/unearned revenues in the consolidated balance sheet.

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the consolidated balance sheet date based on the construction works as certified by customers. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probably recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

3.21 Construction Contract

3.22 Taxation

Current Income Tax

Current income tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the consolidated balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred Tax

Deferred tax is provided using liability method on temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

- Deferred tax liabilities are recognised for all taxable temporary differences, except:
- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
 - in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in jointly controlled entity where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

- Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:
- where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
 - in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in jointly controlled entity, deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

3.23 Exchangeable Bond

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

- Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:
- either the same taxable entity; or
 - when the Group intends either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Exchangeable bonds that can be exchanged into a fixed number of ordinary shares are separated into a financial liability component (for the contractual obligation to deliver cash or other financial assets) and an equity component (for the exchange right into ordinary shares for a specified period of time) with an exception where there is no equity component in these exchangeable bonds in accordance with the contract terms (the entire exchangeable bond is recognised as a debt).

Transaction costs relating to bond issuance are charged to the consolidated income statement on a straight-line basis over the tenor of the bond. At initial recognition, these transaction costs are deducted from liability component of the bond.

3.24 Bond Issuance Transaction Cost

3.25 Cross-Currency and Interest Rate Swap Contract

The Group enters into swap contracts to mitigate the risk relating to fluctuation of interest rate and exchange rate. The Group recognises and translates principal and interest expense related to borrowing contracts, of which risks are mitigated by swap contracts, at the interest rate and exchange rate determined in the swap contracts.

3.26 Earnings per Share

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the year attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest expense of exchangeable bonds and dividend of the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.27 Segment Information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. Management defines the Group’s segment report to be based on type of products and services provided. The Group’s management is of the view that the Group’s geography segment is derived mainly from revenues and profit in Vietnam. Therefore, presentation of geographical segment is not required.

3.28 Related Parties

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. Significant Acquisitions and Disposals During The Year

During the year, the Group has made some significant acquisitions and disposals disclosed as follows:

4.1 Acquisition of Group of Assets

During the year, the Group has acquired certain companies and assessed that these acquisitions are acquisitions of group of assets as follows:

Acquisition of Vinpearl Air Aviation Joint Stock Company (“Vinpearl Air JSC”)

On 5 June 2019, the Group acquired 104,000,000 voting shares, representing 80% ownership of Vinpearl Air JSC from a corporate counterparty and two individuals with total consideration of VND1,040 billion. Thereby, Vinpearl Air JSC became a subsidiary of the Group. As of the acquisition date, Vinpearl Air JSC was the owner of a potential aviation project. Subsequently, on 14 January 2020, the Group made a publication regarding the termination of the aforementioned aviation project.

Acquisition of Green City Development Joint Stock Company (“Green City JSC“)

On 1 July 2019, the Group acquired 100% of the voting shares of Green City JSC from individuals with total consideration of VND17,194 billion. Thereby, Green City JSC became a subsidiary of the Group. As of the acquisition date, Green City JSC was the owner of a potential real estate project.

Acquisition of Delta Joint Stock Company (“Delta JSC“)

On 8 July 2019, the Group acquired 100% of the voting shares of Delta JSC from individuals with total consideration of VND4,920 billion. Thereby, Delta JSC became a subsidiary of the Group. As of the acquisition date, Delta JSC was the owner of a potential real estate project.

4.2 Business Combination

Acquisition of Mundo Reader, S.L. (“Mundo Reader LLC”)

On 28 February 2019, the Group acquired 604,027 voting shares of Mundo Reader LLC with total consideration of VND475 billion, representing 34.22% ownership of Mundo Reader LLC. After that, the Group contributed additional capital of VND479 billion to Mundo Reader LLC. As a result, the voting right of the Group in Mundo Reader LLC is 51% and thereby, Mundo Reader LLC and its subsidiaries became subsidiaries of the Group. The principal activities of Mundo Reader LLC are to research, manufacture and trade technology products (including smartphones).

As at 31 December 2019, the Group was in the process of determining fair value of identifiable assets, liabilities or contingent liabilities of Mundo Reader LLC at acquisition date. The provisional fair value of identifiable assets and liabilities of Mundo Reader LLC at acquisition date are presented below:

Currency: VND million	
Provisional fair value recognised on acquisition	
Assets	
Cash and cash equivalents	159,405
Short-term trade receivables	425,414
Short-term advance to suppliers	315,390
Inventories	739,737
Tangible fixed assets	114,198
Intangible fixed assets	154,190
Deferred tax assets	173,356
Other assets	85,813
	2,167,503
Liabilities	
Short-term trade payables	437,027
Short-term loans	634,991
Other liabilities	259,251
	1,331,269
Total net assets	836,234
Non-controlling interests	(304,174)
Goodwill from business combination	422,324
Total purchase consideration	954,384
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	159,405
Cash paid for acquiring the subsidiary up to 31 December 2019	(954,384)
Net cash flow on acquisition	(794,979)

Total purchase consideration was VND954.4 billion paid in cash. Revenue and loss before tax of Mundo Reader LLC for the period from 1 January 2019 to the acquisition date are VND698 billion and VND55 billion, respectively. Loss before tax of Mundo Reader LLC for the period from the acquisition date to 31 December 2019 is VND820 billion.

Acquisition of Aapico VinFast Auto Parts Limited Liability Company (“Aapico VinFast LLC”)

On 17 September 2019, the Group acquired an additional of 51% voting rights of Aapico VinFast LLC from a corporate counterparty for total consideration of VND288 billion and thereby, Aapico VinFast LLC became a subsidiary of the Group. The principal activities of Aapico VinFast LLC are to manufacture car body structure and other automotive.

The fair value of identifiable assets and liabilities of Aapico VinFast LLC at acquisition date are presented below:

Currency: VND million

Fair value recognised on acquisition	
Assets	
Cash and cash equivalents	4,746
Short-term trade receivables	5,450
Inventories	78,428
Short-term prepaid expenses	152
Value-added tax deductible	24,926
Construction in progress	726,868
Long-term prepaid expenses	10,085
Other assets	121
	850,776
Liabilities	
Short-term trade payables	391,478
Statutory obligations	336
	391,814
Total net assets	458,962
Non-controlling interests	26,840
Goodwill from business combination	28,103
Total purchase consideration	513,905
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	4,746
Cash paid for acquiring the subsidiary up to 31 December 2019	(288,155)
Net cash flow on acquisition	(283,409)

Total purchase consideration was VND514 billion, including VND288 billion paid in cash and VND226 billion is the fair value of 49% equity interest in Aapico VinFast LLC previously held by the Group. Loss before tax of Aapico VinFast LLC for the period from 1 January 2019 to the acquisition date and from the acquisition date to the date of the merger into VinFast LLC is insignificant.

4.3 Significant Disposals with Loss of Control

Disposal of Prime Land Real Estate Development Joint Stock Company (“Prime Land JSC”)

On 28 March 2019, the Group disposed 60,000,000 voting shares, representing 100% ownership of Prime Land JSC to a corporate counterparty and individuals for total consideration of VND2,610 billion. Gain from this disposal of VND1,612 billion was recognised in the consolidated income statement.

Disposal of Southern Star Urban Development and Trading Investment Joint Stock Company (“Southern Star JSC”)

On 29 March 2019, the Group disposed 60,000,000 voting shares, representing 100% ownership of Southern Star JSC to a corporate counterparty and individuals for total consideration of VND1,920 billion. Gain from this disposal of VND1,124 billion was recognised in the consolidated income statement.

Disposal of VCM Services and Trading Development Joint Stock Company (“VCM JSC”)

On 31 December 2019, the Group disposed 413,885,893 voting shares, representing 64.3% ownership of VCM JSC to a corporate counterparty for the consideration of a number of option shares of a company to be established in the future (Note 6.1). Gain from this disposal of VND8,502 billion was recognised in the consolidated income statement.

At the date of disposal, VCM JSC was controlling directly and indirectly the following subsidiaries:

- Vincommerce General Commerce Services JSC (“Vincommerce JSC”);
- VinEco Agricultural Investment Development and Production LLC;
- VinEco - Tam Dao Agricultural Investment Development and Production LLC; and
- Dong Nai - VinEco Agriculture LLC.

As a result, from 31 December 2019, VCM JSC and its subsidiaries were no longer subsidiaries of the Group.

4.4 Completion of the Provisional Accounting for Business Combination

Acquisition of General Motors Vietnam LLC (“General Motors Vietnam LLC”)

On 4 December 2018, the Group acquired 100% voting right of General Motors Vietnam LLC from a corporate counterparties for total consideration of VND919.4 billion and applied provisional accounting to consolidate General Motors Vietnam LLC on the consolidated financial statement for the year ended 31 December 2018.

In 2019, the Group completed the provisional accounting applied for the acquisition of General Motors Vietnam LLC. Accordingly, the Group assesses that the finalised results of this business combination is changed compared to the provisional results determined previously, therefore, retrospectively adjusted as follows:

Currency: VND million

	Provisional fair value	Adjustment	Fair value after adjustment
Assets			
Cash and cash equivalents	332,621	-	332,621
Trade receivables	101,494	(101,494)	-
Other receivables	25,725	(24,367)	1,358
Inventory	625,864	250,040	875,904
Tangible fixed assets	69,382	-	69,382
Intangible fixed assets	-	87,131	87,131
	1,155,086	211,310	1,366,396
Liabilities			
Trade payables	30,915	-	30,915
Statutory obligations	103,433	43,906	147,339
Short-term accrued expenses	112,170	(4,399)	107,771
Provision for non-current liabilities	70,161	-	70,161
Provision for current liabilities	21,543	-	21,543
Other payables	32,893	(10,635)	22,258
Total identifiable net assets	783,971	182,438	966,409
Non-controlling interests	78,696	(105,988)	(27,292)
Goodwill from business combination	56,764	(56,764)	-
Gain from bargain purchase	-	(19,686)	(19,686)

Total purchase consideration was VND919.4 billion paid in cash. Profit before tax of General Motors Vietnam LLC for the period from 1 January 2018 to the acquisition date was VND157 billion. Profit before tax of General Motors Vietnam LLC for the period from the acquisition date to 31 December 2018 is VND51.4 billion.

In 2019, General Motors Vietnam LLC was merged into VinFast LLC, an existing subsidiary.

5. Cash and Cash Equivalents

Currency: VND million

	Ending balance	Beginning balance
Cash on hand	22,546	364,083
Cash in banks	7,602,372	8,157,247
Cash in transit	14,451	44,946
Cash equivalents	10,807,599	4,990,779
TOTAL	18,446,968	13,557,055

Cash equivalents as at 31 December 2019 comprised of bank deposits in VND with terms ranging from 1 month to 3 months, earning interests ranging from 3.9% to 5.5% per annum (as at 31 December 2018: 4.3% to 5.5% per annum).

Cash at banks and cash equivalents as at 31 December 2019 include VND268.6 billion in restricted-for-use accounts and in escrow accounts for business and other activities of the Group (as at 31 December 2018: VND1,388.8 billion).

Cash at banks and cash equivalents as at 31 December 2019 also include maintenance funds of handed-over apartments at real estate projects of the Group. These maintenance funds will be transferred to the Building Management Boards.

6. Short-term and Long-term Investments

6.1 Held-For-Trading Securities

Currency: VND million

	Ending balance			Beginning balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Option shares (i)	9,539,371	9,539,371	-	-	-	-
TOTAL	9,539,371	9,539,371	-	-	-	-

(i) In 2019, the Group disposed 64.3% ownership of a subsidiary to a corporate counterparty for the consideration of a number of option shares of a company to be established in the future (Note 4.3). Subsequently, the Group transferred a portion of these option shares to another corporate counterparty.

6.2 Short-Term Held-To-Maturity Investments

Balance as at 31 December 2019 mainly includes short-term bank deposits in VND with terms ranging from more than 3 months to 1 year and earning interest at rates ranging from 5.0% to 7.5% per annum (as at 31 December 2018: short-term bank deposits in VND have terms ranging from 6 months to 1 year and earning interest at rates ranging from 5.2% to 7.1% per annum).

Bank deposits as at 31 December 2019 include maintenance funds of handed-over apartments at real estate projects of the Group. These maintenance funds will be transferred to the Building Management Boards.

6.3 Long-Term Held-To-Maturity Investments

Currency: VND million

	Ending balance	Beginning balance
Long-term bank deposits	515	1,830,000
Long-term bonds (i)	284,680	169,680
TOTAL	285,195	1,999,680

(i) Balance as at 31 December 2019 includes bonds in VND with terms ranging from 6 years to 10 years and earning interest at a reference rate plus (+) 0.8% to 1.3% per annum (as at 31 December 2018: bonds in VND with 10-year term and earning interest at a reference rate plus (+) 0.8% to 1.2% per annum).

7. Trade Receivables and Advances to Suppliers

7.1 Short-Term Trade Receivables

Currency: VND million		
	Ending balance	Beginning balance (Restated)
Receivable from sale of inventory properties	8,208,786	5,701,975
Receivable from construction activities and related services	5,139,171	449,849
Receivable from manufacturing activities	1,953,993	31,198
Receivable from rendering hotel services, amusement park services and related services	351,263	268,595
Receivable from leasing activities and rendering related services	292,872	267,757
Others	694,715	773,142
TOTAL	16,640,800	7,492,516
In which:		
Short-term trade receivables from related parties (Note 37)	4,789,528	256,303
Short-term trade receivables from other customers	11,851,272	7,236,213
Provision for doubtful short-term receivables	(25,406)	(23,327)

7.2 Short-Term Advances to Suppliers

Short-term advances to suppliers as at 31 December 2019 and 31 December 2018 mainly include advances to suppliers and construction contractors for developing projects of the Group and purchasing other goods and services.

As at 31 December 2019, the Group has made a provision for uncollectible advances of VND34.8 billion (31 December 2018: VND24.7 billion).

8. Loan Receivables

8.1 Short-Term Loan Receivables

Currency: VND million		
	Ending balance	Beginning balance
Loans to individuals (i)	12,001,530	-
Loans to corporate counterparties (ii)	8,999,185	5,054,600
Current portion of long-term loans to corporate counterparties	21,324	23,257
TOTAL	21,022,039	5,077,857
Provision for doubtful short-term loan receivables	(70,638)	(70,638)

(i) Balance as at 31 December 2019 includes loan receivables to counterparties maturing in 2020, earning interest at rate ranging from 10% to 10.15% per annum and being secured by shares of a listed company and unlisted companies;

(ii) Balance as at 31 December 2019 mainly includes loan receivables of VND8,620 billion to counterparties maturing in 2020 and earning interest at rate of 9% per annum, in which:

- Loan receivables of VND3,430 billion are unsecured;
- Loan receivables of VND2,720 billion are secured by capital of a borrower and shares of a listed company; and
- Loan receivables of VND2,470 billion are secured by shares of unlisted companies.

8.2 Long-Term Loan Receivables

Currency: VND million		
	Ending balance	Beginning balance
Loans to corporate counterparties (i)	1,207,650	55,000
TOTAL	1,207,650	55,000

(i) Balance as at 31 December 2019 mainly includes a convertible interest-free unsecured loan receivable of VND840 billion with 3-year term made by a subsidiary to a corporate counterparty. Accordingly, the subsidiary can convert the loan into shares of such counterparty.

9. Other Receivables

Currency: VND million		
	Ending balance	Beginning balance
Short-term:		
Customers' advances collected by third party on behalf of the Group	3,552,949	406,983
Interest on bank deposits, deposits and loans to others	3,316,254	1,699,918
Guarantee deposits for project development	770,327	360,178
Receivables from build-transfer contract	582,831	966,530
Receivables from payment on behalf	354,373	361,357
Deposit for investment co-operation contracts	125,000	593,000
Deposit for business co-operation contracts (i)	-	13,950,000
Deposits for guarantee of payment obligations	-	120,190
Short-term other receivables from related parties (Note 37)	-	1,383,112
Others	1,360,975	1,152,647
TOTAL	10,062,709	20,993,915
Provision for doubtful other short-term receivables	(241,998)	(47,849)
Long-term:		
Deposits for guarantee of payment obligations	120,256	-
Deposit for business co-operation contracts	73,367	73,367
Long-term deposits for outlet rentals	13,642	212,873
Others	49,517	19,302
TOTAL	256,782	305,542

(i) Balance as at 31 December 2018 is a deposit to a corporate counterparty for the purpose of developing a real estate project under business co-operation and project development contracts. In July 2019, the Group acquired the whole shares of such counterparty (Note 4.1) and collected the entire deposit and interest associated to these contracts.

10. Bad Debts

Currency: VND million

	Ending balance		Beginning balance (Restated)	
	Cost	Recoverable amount	Cost	Recoverable amount
Overdue receivables	313,002	10,733	159,679	64,374
Overdue loans receivables	70,638	-	70,638	-
TOTAL	383,640	10,733	230,317	64,374

Details of overdue receivables which account for more than 10% of total overdue receivables:

Currency: VND million

Debtor	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Corporate Counterparty No. 1	138,657	-	-	-
Corporate Counterparty No. 2	82,705	-	82,705	-

11. Inventories

Currency: VND million

	Ending balance		Beginning balance (Restated)	
	Cost	Provision	Cost	Provision
Completed inventory properties	958,748	(9,356)	1,681,671	(9,269)
Inventory properties under construction	70,581,103	(22,647)	48,126,882	(201,474)
Inventories for supermarkets, retail outlets and other finished goods	679,970	-	3,576,493	(52,566)
Work in progress for manufacturing activities	1,182,274	(271,287)	14,280	(5,605)
Completed inventories for manufacturing activities	5,532,541	(587,327)	959,970	(109,410)
Raw materials	5,810,242	(1,091,703)	673,262	(121,046)
Purchased goods in transit	772,066	(176,719)	528,666	-
Others	452,808	(1,957)	178,310	(12,018)
TOTAL	85,969,752	(2,160,996)	55,739,534	(511,388)

Details of inventories and associated rights used as collaterals for borrowings and bonds of the Group are disclosed in Note 26.

Detail movements of provision for obsolete inventories:

Currency: VND million

	Current year	Previous year
Beginning balance	511,388	344,400
Add: Provision made during the year	2,198,940	489,208
Less: Utilisation and reversal of provision during the year	(511,216)	(322,220)
Less: Disposal of subsidiaries	(38,116)	-
Ending balance	2,160,996	511,388

12. Prepaid Expenses

Currency: VND million

	Ending balance	Beginning balance
Short-term:		
Selling expenses related to inventory properties not yet handed-over	1,935,989	1,372,076
Provisional corporate income tax	392,347	268,431
Products development expenses	321,881	56,966
Tools and supplies	210,519	219,922
Prepaid committed profit under villas and condotels management program	10,694	267,618
Others	383,115	299,716
TOTAL	3,254,545	2,484,729
Long-term:		
Prepaid land rental	3,954,036	1,888,740
Tools and supplies	1,121,198	1,729,119
Prepaid committed profit under villas and condotels management program	550,845	665,519
Pre-operating expenses	496,972	514,618
Others	558,644	772,354
TOTAL	6,681,695	5,570,350

13. Other Assets

Currency: VND million		
	Ending balance	Beginning balance
Short-term:		
Deposits for investment purpose (i)	11,763,952	9,081,321
Others (ii)	1,100,000	307,927
TOTAL	12,863,952	9,389,248
Long-term:		
Deposits for investment purpose (iii)	1,032,337	1,231,431
TOTAL	1,032,337	1,231,431

- (i) Balance as at 31 December 2019 mainly includes:
- Interest-free deposits of VND3,500 billion to counterparties for acquiring additional shares in an existing subsidiary of the Group. The deposits are secured by shares of an unlisted company;
 - Interest-free deposits of VND3,400 billion to counterparties for acquiring shares of a company which owns a potential real estate project. The deposits are secured by shares of unlisted companies; and
 - An interest-free deposit of VND2,750 billion to a counterparty for acquiring shares of a company owning a potential project. The deposit is secured by shares of an unlisted company.
- (ii) Balance as at 31 December 2019 is the amount of VND1,100 billion deposited to a securities company for purpose of fulfilling the payment obligation of principal and interest due in January 2020 to bondholders in accordance with relevant transaction documents.
- (iii) Balance as at 31 December 2019 is an unsecured deposit to a corporate counterparty earning interest at the rate determined by 12-month interest paid-in-arrears VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam adjusted in every 3-month. The deposit and its associated interest will be used as a settlement for 10% of certified value under contracts signed between the Group and this corporate counterparty.

14. Tangible Fixed Assets

Currency: VND million					
	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others
Cost:					
Beginning balance	36,105,006	17,923,830	1,392,529	1,189,343	1,027,083
Newly purchased	540,241	776,772	462,186	376,436	227,179
Newly constructed (Note 18)	15,552,763	35,753,724	134,907	-	137,023
Increase due to acquisition of subsidiaries	30,105	124,046	4,188	87,060	133,691
Reclassified from investment properties (Note 16)	723,819	115,897	-	-	657
Reclassification	(1,566,024)	1,712,955	42,678	(407,005)	217,396
Sold, disposed	(190,601)	(82,349)	(35,855)	(28,157)	(13,772)
Reclassified to investment properties (Note 16)	(4,878,145)	(946,587)	-	-	(27,679)
Decrease due to disposal of subsidiaries	(3,082,255)	(2,457,462)	(67,904)	(208,085)	(604,660)
Others	(77,346)	(82,810)	(8,877)	24,632	(11,543)
Ending balance	43,157,563	52,838,016	1,923,852	1,034,224	1,085,375
In which:					
Fully depreciated	50,802	231,897	44,331	91,171	6,084
					424,225

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Accumulated depreciation:						
Beginning balance	3,748,630	4,182,958	387,994	383,531	385,355	9,088,468
Depreciation for the year	1,649,738	2,919,998	180,057	150,257	163,230	5,063,280
Increase due to acquisition of subsidiaries	4,753	105,262	2,024	60,933	2,029	175,001
Reclassified from investment properties (Note 16)	80,973	79,396	-	-	64	160,433
Reclassification	(795,971)	809,753	3,113	(41,048)	24,163	-
Sold, disposed	(64,163)	(31,935)	(22,686)	(14,589)	(4,875)	(138,248)
Reclassified to investment properties (Note 16)	(467,477)	(279,284)	-	-	(2,118)	(748,879)
Decrease due to disposal of subsidiaries	(483,321)	(940,789)	(25,785)	(136,216)	(191,035)	(1,777,146)
Others	(20,172)	(52,536)	(10,400)	13,849	(13,222)	(82,481)
Ending balance	3,652,990	6,792,823	514,317	416,717	363,581	11,740,428
Net carrying amount:						
Beginning balance	32,356,376	13,740,872	1,004,535	805,812	641,728	48,549,323
Ending balance	39,504,573	46,045,193	1,409,535	617,507	721,794	88,298,602

Details of tangible fixed assets used as collaterals for loans and bonds of the Group and third parties are disclosed in Note 26.

15. Intangible Fixed Assets

Currency: VND million

	Land use rights (Restated)	Computer software	Copy rights	Others	Total (Restated)
Cost:					
Beginning balance (Restated)	319,759	863,273	-	383,307	1,566,339
Newly purchased	-	568,738	56,510	16,775	642,023
Newly constructed (Note 18)	-	1,064,621	18,344,236	6,513	19,415,370
Decrease due to disposal of subsidiaries	-	(316,889)	-	(55,362)	(372,251)
Others	(26,826)	(20,617)	-	144,213	96,770
Ending balance	292,933	2,159,126	18,400,746	495,446	21,348,251
In which:					
Fully depreciated	-	74,649	-	220,001	294,650
Accumulated amortisation:					
Beginning balance	46,960	299,846	-	312,530	659,336
Amortisation for the year	16,987	224,172	633,323	19,058	893,540
Decrease due to disposal of subsidiaries	-	(150,156)	-	(24,286)	(174,442)
Others	(14,776)	(6,790)	-	21,091	(475)
Ending balance	49,171	367,072	633,323	328,393	1,377,959
Net carrying amount:					
Beginning balance (Restated)	272,799	563,427	-	70,777	907,003
Ending balance	243,762	1,792,054	17,767,423	167,053	19,970,292

Details of intangible fixed assets used as collaterals for loans and bonds of the Group are disclosed in Note 26.

Currency: VND million			
Land use rights, buildings and structures		Machinery and equipment	Total
Cost:			
Beginning balance	25,689,519	4,484,448	30,173,967
Newly purchased	144,338	4,356	148,694
Newly constructed (Note 18)	3,304,908	603,433	3,908,341
Reclassified from tangible fixed assets (Note 14)	4,905,824	946,587	5,852,411
Sold, disposal	(434,188)	(5,991)	(440,179)
Reclassified to tangible fixed assets (Note 14)	(724,476)	(115,897)	(840,373)
Others	(186,077)	461,734	275,657
Ending balance	32,699,848	6,378,670	39,078,518
Accumulated depreciation:			
Beginning balance	2,255,353	1,174,948	3,430,301
Depreciation/amortisation for the year	803,096	366,664	1,169,760
Reclassified from tangible fixed assets (Note 14)	469,595	279,284	748,879
Sold, disposal	(5,880)	(3,564)	(9,444)
Reclassified to tangible fixed assets (Note 14)	(81,037)	(79,396)	(160,433)
Others	(42,157)	69,354	27,197
Ending balance	3,398,970	1,807,290	5,206,260
Net carrying amount:			
Beginning balance	23,434,166	3,309,500	26,743,666
Ending balance	29,300,878	4,571,380	33,872,258

Details of investment properties used as collaterals for loans and bonds of the Group are presented in Note 26.

Investment properties of the Group mainly include shopping malls, offices and factories owned and operated by the Group for providing leasing and related services. As at 31 December 2019, the Group is in the process of determining the fair value of these investment properties.

Revenue and expenses relating to investment properties are presented in Note 30.2.

17. Capitalised Borrowing Costs

During the year, the Group capitalised borrowing costs with an amount of VND2,083 billion (for the year ended 31 December 2018: VND1,584 billion). These costs related to specific and general borrowings obtained to finance the real estate and manufacturing projects of the Group.

The capitalised borrowing costs in relation to the general borrowings are determined by applying a capitalisation rate of 8.45% per annum (for the year ended 31 December 2018: 8.7% per annum) on the accumulated weighted average expenditures of the real estate and manufacturing projects. The capitalisation rate used is the weighted average of the borrowing rates applicable to the borrowings of the Group that are outstanding during the year.

18. Construction In Progress

Currency: VND million		
	Current year	Previous year
Beginning balance	58,529,123	37,492,138
Acquisition of subsidiaries	23,034,155	8,638,301
Increase during the year	60,466,494	49,469,805
Transferred to tangible fixed assets (Note 14)	(51,578,417)	(19,580,139)
Transferred to intangible fixed assets (Note 15)	(19,415,370)	-
Transferred to investment properties (Note 16)	(3,908,341)	(6,483,883)
Transferred to inventories	(17,608,708)	(9,729,966)
Disposal of subsidiaries	(1,461,188)	(1,277,133)
Ending balance	48,057,748	58,529,123

Details for each item of which balance is higher than 10% of total balance:

Currency: VND million		
Projects	Ending balance	Beginning balance
VinFast project	5,965,855	26,684,996
Vinhomes Long Beach Can Gio project	12,456,304	12,406,031

Construction in progress includes freehold and leasehold rights for land, construction costs, land development rights, borrowing costs, consulting and designing fee, costs of site preparation, construction overheads costs relating to researching, developing and manufacturing activities and other related costs.

Construction in progress used as collaterals for loans and bonds of the Group are disclosed in Note 26.

19. Long-term Investments

19.1 Investment in Associates and Jointly Controlled Entity

Name	Voting right (%) (also equity interest)		Principal activities
	Ending balance	Beginning balance	
Phu Quoc Tourism Development and Investment JSC ("Phu Quoc Tourism JSC")	30.00	30.00	Providing hospitality and other services
Viet Thang Feed JSC	40.00	40.00	Feed producing
Hanoi Breeds JSC	37.63	37.63	Cattle breeding
VinFast-An Phat Plastic Auto Part Company Limited	50.00	50.00	Manufacturing car plastic accessories
Vietnam Book Printing JSC	27.76	35.00	Printing
VinFast Lithium Battery Pack LLC	65.00	-	Producing batteries and accumulators

Details of investment in these associates and jointly controlled entity are listed below:

	Beginning balance (*)	Additional investment during the year	Share of profit/ (loss) from associates and jointly controlled entity	Dividends/other	Transfer to subsidiary /investment in other entities	Ending balance (*)
Phu Quoc Tourism JSC	1,919,308	-	(758,983)	23,340	-	1,183,665
Viet Thang Feed JSC	543,184	-	83,731	-	-	626,915
VinFast Lithium Battery Pack LLC	-	188,906	(2,916)	-	-	185,990
VinFast-An Phat Plastic Auto Part Company Limited	30,000	74,000	(6,566)	-	-	97,434
Hanoi Breeds JSC	48,836	-	(1,559)	(153)	-	47,124
Vietnam Book Printing JSC	5,058	1,050	666	(434)	-	6,340
Aapico VinFast LLC	-	228,291	(2,541)	-	(225,750)	-
Vinfa Pharmaceuticals Trading and Distribution JSC	-	5,820	(275)	-	(5,545)	-
TOTAL	2,546,386	498,067	(688,443)	22,753	(231,295)	2,147,468

(*) The fair values of these investments have not been determined because the Group does not have all necessary information to measure these fair values.

Currency: VND million

19.2 Investment in Other Entities

	Ending balance				Beginning balance					
	Equity interest (%)	Voting right (%)	Cost (VND million)	Provision (VND million)	Fair value (VND million)	Equity interest (%)	Voting right (%)	Cost (VND million)	Provision (VND million)	Fair value (VND million)
Viet Nam Textile and Garment JSC	10.00	10.00	552,395	(143,395)	409,000	10.00	10.00	552,395	(22,395)	530,000
Vien Dong Pearl Urban Development Investment LLC	9.62	9.62	521,072	-	(*)	9.62	9.62	521,072	-	(*)
Phat Loc Commercial Investment Trading LLC (i)	51.00	-	342,076	-	(*)	51.00	-	342,076	-	(*)
SV Real Estate Investment Development Business JSC	4.00	4.00	110,000	-	(*)	-	-	-	-	-
SV West Hanoi Real Estate Investment Development Business JSC	4.00	4.00	70,000	-	(*)	-	-	-	-	-
Vinestate Real Estate Service Trading LLC	-	-	-	-	-	15.00	15.00	90,000	-	(*)
Others			111,540	(45,470)	(*)			89,326	(50,383)	(*)
TOTAL			1,707,083	(188,865)				1,594,869	(72,778)	

(*) As at 31 December 2019, the Group is in the process of determining the fair value of these long-term investments.

(i) As at 31 December 2019, the Group no longer holds control or significant influence over Phat Loc Commercial Investment Trading LLC. Therefore, Phat Loc Commercial Investment Trading LLC becomes an investment in other entity of the Group.

Currency: VND million					
	Hanoi Southern JSC	Sai Dong JSC	Royal City JSC	Nhat Nam JSC	Others
Cost:					
Beginning balance (Restated)	1,629,906	2,251,824	1,024,509	901,050	2,812,853
Increases from business combination	-	-	-	-	586,198
Decreases from disposal of subsidiaries	-	-	-	(901,050)	(510,914)
Other decreases	-	(101,336)	(22,177)	-	(123,221)
Ending balance	1,629,906	2,150,488	1,002,332	-	2,764,916
Accumulated amortisation:					
Beginning balance (Restated)	1,200,759	1,255,540	758,965	21,947	1,231,236
Amortisation for the year	110,004	221,328	88,070	90,006	653,080
Decreases from disposal of subsidiaries	-	-	-	(111,953)	(196,098)
Other decreases	-	(63,221)	(18,696)	-	(67,464)
Ending balance	1,310,763	1,413,647	828,339	-	1,620,754
Net carrying amount:					
Beginning balance (Restated)	429,147	996,284	265,544	879,103	1,581,617
Ending balance	319,143	736,841	173,993	-	1,144,162

21. Trade Payables and Advances From Customers

21.1 Short-Term Trade Payables

Currency: VND million		
	Balance (also amount payables)	
	Ending balance	Beginning balance
Trade payables to suppliers	17,563,738	14,773,384
- A corporate counterparty	235,089	1,587,096
- Others	17,328,649	13,186,288
TOTAL	17,563,738	14,773,384
In which:		
Short-term trade payables to related parties (Note 37)	168	443,547
Short-term trade payables to other parties	17,563,570	14,329,837

21.2 Short-Term Advances from Customers

The balance of short-term advances from customers as at 31 December 2019 and 31 December 2018 mainly includes downpayment from customers under sale and purchase agreements for real estate properties and advance payments from customers of other business activities of the Group.

The balance as at 31 December 2019 also includes advances from the Government for the purpose of implementation of a build-transfer contract.

22. Statutory Obligations

Currency: VND million				
	Beginning balance	Payables for the year	Payment made/ offset in the year	Ending balance
Payables				
Value added tax	532,078	5,692,272	(5,665,029)	559,321
Corporate income tax (Note 36)	2,827,841	8,048,600	(7,816,034)	3,060,407
Personal income tax	181,603	1,760,090	(1,703,396)	238,297
Land use fee, land rental fee, and obligations under build-transfer contracts	11,729,011	8,331,601	(18,398,390)	1,662,222
Others	250,174	5,370,068	(5,148,814)	471,428
TOTAL	15,520,707	29,202,631	(38,731,663)	5,991,675

	Beginning balance	Receivables for the year	Payment received/ offset in the year	Ending balance
Receivables				
Corporate income tax (Note 36)	309,752	125,771	(369,659)	65,864
Others	3,102	199,780	(199,946)	2,936
TOTAL	312,854	325,551	(569,605)	68,800

23. Accrued Expenses

Currency: VND million		
	Ending balance	Beginning balance
Short-term:		
Accrued construction and development costs of handed-over real estate properties and other assets	11,273,933	10,096,936
Accrued selling expenses	1,830,302	2,531,932
Accrued interest expenses	1,779,416	1,379,481
Accrued committed profit under villas and condotels management program	318,337	262,109
Others	1,291,339	1,746,651
TOTAL	16,493,327	16,017,109
Long-term:		
Accrued interest expenses	370,071	102,099
Others	117,326	21,615
TOTAL	487,397	123,714

24. Unearned Revenue

Currency: VND million		
	Ending balance	Beginning balance
Short-term:		
Education services	1,110,313	840,825
Villas and condotels leasing management services	780,044	651,932
Apartments and villas management services	439,862	499,785
Customer loyalty program - Vingroup Card	13,453	254,156
Others	180,850	226,901
TOTAL	2,524,522	2,473,599
Long-term:		
Villas and condotels leasing management services	2,768,347	3,242,269
Apartments and villas management services	1,286,692	1,642,103
Royalty fee	669,710	618,333
Others	275,232	215,857
TOTAL	4,999,981	5,718,562
In which:		
Unearned revenue from related parties (Note 37)	769,867	774,490
Unearned revenue from other parties	6,754,636	7,417,671

25. Other Payables

Currency: VND million		
	Ending balance	Beginning balance
Short-term:		
Payables under deposit and other agreements relating to real estate projects (i)	37,934,307	8,653,853
Deposits for investment purpose (ii)	8,495,107	1,316,348
Apartment maintenance funds (iii)	1,691,419	1,715,962
Deposits from tenants to be refunded within the next 12 months	605,510	493,794
Deposits from customers purchasing automobiles and motorbikes	190,190	178,909
Others	3,947,791	2,541,472
TOTAL	52,864,324	14,900,338
In which:		
Other short-term payables to related parties (Note 37)	1,200,000	180,000
Other short-term payables to other parties	51,664,324	14,720,338
Long-term:		
Deposits from tenants	1,615,016	1,413,985
Deposits from tenants to be refunded within the next 12 months	(605,510)	(493,794)
Others	20,288	27,235
TOTAL	1,029,794	947,426

- (i) The balance as at 31 December 2019 includes amounts received from customers under deposit and other agreements relating to real estate projects and deposits from corporate counterparties for the purpose of transferring a portion of real estate projects of the Group;
- (ii) The balance as at 31 December 2019 mainly includes a deposit of VND6,159 billion from a corporate counterparty for the purchase of shares in a subsidiary of the Group; and
- (iii) The balance is maintenance funds of handed-over apartments at real estate projects of the Group. These maintenance funds will be transferred to the Building Management Boards.

26. Loans and Debts

Currency: VND million

	Notes	Beginning balance	Movement during the year		Ending balance
		Carrying value (also payable amount)	Increase	Decrease	Carrying value (also payable amount)
Short-term loans:					
Short-term loans	26.1	9,299,560	13,792,353	(15,393,913)	7,698,000
Current portion of long-term loans	26.2	1,307,492	4,215,719	(1,399,098)	4,124,113
Current portion of corporate bonds	26.3	8,508,911	21,264,766	(8,600,000)	21,173,677
TOTAL		19,115,963	39,272,838	(25,393,011)	32,995,790
Long-term loans:					
Long-term loans	26.2	26,791,140	43,873,957	(8,904,348)	61,760,749
Corporate bonds	26.3	34,979,572	8,863,796	(21,173,677)	22,669,691
TOTAL		61,770,712	52,737,753	(30,078,025)	84,430,440

26.1 Short-Term Loans

Lender	Ending Balance VND million	Maturity date	Interest rate	Collateral
Malayan Banking Berhad ("Maybank")	249,427	June 2020	From 4.45% to 6.4% per annum	(i)
Vietnam Technological and Commercial Joint Stock Bank	4,343,199	From May to October 2020	From 8.25% to 10.35% per annum and floating interest according to agreements	(ii)
Military Commercial Joint Stock Bank	178,181	April 2020	The 12-month residential savings interest rate of Military Commercial Joint Stock Bank plus (+) 0.7% per annum	(i)
Vietnam Prosperity Joint Stock Commercial Bank	16,633	May 2020	9.3% per annum	(iii)
Joint Stock Commercial Bank for Foreign Trade of Vietnam	476,032	From March to May 2020	6.5% per annum	(iv)
Corporate counterparties	1,960,000	From September to October 2020	9% per annum	(i)
Others	474,528	From January to October 2020	From 2% to 6% per annum, the 12-month Euribor plus (+) 1.9% to 3.5% per annum, the 6-month Euribor plus (+) 2.5% per annum and the 3-month Euribor plus (+) 2.5% per annum	(i)
TOTAL	7,698,000			

(i) These loans are unsecured;

- (ii) These loans are secured by development rights, receivables and account balances relating to a real estate project located in the Southern of Vietnam (“the South”) of a subsidiary and a number of shares of certain subsidiaries held by the Company and other subsidiaries of the Group;
- (iii) The loan is secured by a number of shares of certain subsidiaries held by the Company; and
- (iv) The loan is secured by a number of goods circulating in the production process of a subsidiary of the Group.

26.2 Long-Term Loans

Lender/credit arranger	Ending balance		Maturity date	Interest rate	Collateral
	Original currency	VND million			
Joint Stock Commercial Bank for Foreign Trade of Vietnam		551,600	From January 2020 to October 2025	The 12-month interest paid-in-arrears saving rate for individuals plus (+) 3.3% per annum with interest paid quarterly	(i)
In which: current portion		65,000			
Joint Stock Commercial Bank for Investment and Development of Vietnam		140,912	From January 2020 to December 2024	The 12-month interest paid-in-arrears saving rate for individuals plus (+) 2% per annum with interest paid quarterly	(ii)
In which: current portion		28,160			
Vietnam Technological and Commercial Joint Stock Bank		1,371,098	January 2021	The 12-month interest paid-in-arrears saving rate for individuals plus (+) 3.33% per annum with interest paid quarterly	(iii)
Military Commercial Joint Stock Bank		193,706	April 2023	The 24-month interest paid-in-arrears saving rate for individuals plus (+) 2.7% per annum with interest paid quarterly	(iv)
Corporate counterparties		3,390,000	July 2021	9% per annum with interest paid at the maturity date	
Other counterparties and financial institutions		45,036	From July 2020 to February 2027	0.26% to 3.95% per annum	
In which: current portion		6,372			
Lenders of the syndicated loan No.1	USD801,804,679	15,493,610	From September 2020 to April 2029	The 6-month LIBOR plus (+) 0.95% per annum with interest paid semi-annually	(v)
In which: current portion	USD40,090,234	928,574			
Lenders of the syndicated loan No.2	USD400,000,000	9,027,649	From April 2020 to April 2023	Fixed interest rate of 9.15% per annum under the swap contract with Vietnam Technological and Commercial Joint Stock Bank with interest paid quarterly	(vi)
In which: current portion	USD60,000,000	1,382,880			
Lenders of the syndicated loan No.3	USD202,500,000	4,542,883	From January 2020 to July 2021	Fixed interest rate of 9.25% per annum under the swap contract with Vietnam Technological and Commercial Joint Stock Bank with interest paid quarterly	(vii)
In which: current portion	USD60,000,000	1,368,300			

Lender/credit arranger	Ending balance		Maturity date	Interest rate	Collateral
	Original currency	VND million			
Lenders of the syndicated loan No.4	USD360,000,000	8,259,973	March 2022	Fixed interest rate of 7.6% per annum under the swap contract with Vietnam Technological and Commercial Joint Stock Bank with interest paid quarterly	(viii)
Lenders of the syndicated loan No.5	USD310,000,000	6,869,546	November 2024	The 3-month LIBOR plus (+) 3.35% per annum with interest paid quarterly	(ix)
Lenders of the syndicated loan No.6	USD265,000,000	6,018,432	December 2024	The 3-month LIBOR plus (+) 3.05% per annum with interest paid quarterly	(x)
Lenders of the syndicated loan No.7		9,980,417	From December 2020 to December 2027	The 12-month interest paid-in-arrears saving rate for individuals plus (+) 3% per annum interest paid quarterly	(xi)
In which: current portion		344,827			
TOTAL		65,884,862			
In which:					
Long-term loans		61,760,749			
Current portion of long-term loans		4,124,113			

- (i) These loans are secured by a portion of assets and beneficial rights associated to insurance contracts attached to these assets belonging to a resort located in the Northern of Vietnam (“the North”);
- (ii) This loan is secured by a hospital located in the Central of Vietnam (“the Central”);
- (iii) This loan is secured by capital contribution of a subsidiary in another subsidiary of the Group;
- (iv) This loan is secured by an extended clinic located in the North;
- (v) This loan is from Credit Suisse AG - Singapore Branch and The Hongkong and Shanghai Banking Corporation Limited. This loan is secured by the Debt Service Reserve Account at the offshore account management bank which is Credit Suisse AG - Singapore Branch and the Revenue Account at Vietnam Technological and Commercial Joint Stock Bank with outstanding balance and accumulated other related benefits arising from such account, and a number of shares of a subsidiary held by the Company and associated benefits attached to these shares;
- (vi) This loan is from Credit Suisse AG - Singapore Branch, Bank of China (Thai) Public Company Limited, Bank of China Limited - Singapore Branch, Industrial and Commercial Bank of China Limited - Hongkong Branch, Maybank International - Labuan Branch, The Hongkong and Shanghai Banking Corporation Limited and Taipei Fubon Commercial Bank Co., Limited - Foreign Branch. This loan is secured by a number of shares of a subsidiary held by the Company and another subsidiary of the Group;
- (vii) This loan is from Credit Suisse AG - Singapore Branch, Industrial and Commercial Bank of China Limited - Hanoi Branch, Maybank International - Labuan Branch and Taipei Fubon Commercial Bank - Foreign Branch. This loan is secured by a number of shares of a subsidiary held by the Company;

- (viii) This loan is from Deutsche Bank AG - Singapore Branch, Mega International Commercial Bank Co Limited - Foreign Branch, Taipei Fubon Commercial Bank Co Limited - Foreign Branch, Maybank International - Labuan Branch, KEB Hana Bank - Singapore Branch. This loan is secured by a number of shares of a subsidiary held by the Company and associated benefits attached to these shares;
- (ix) This loan is from Maybank International - Labuan Branch, The Hongkong and Shanghai Banking Corporation Limited – Singapore Branch, Taipei Fubon Commercial Bank, Deutsche Bank AG - Singapore Branch and Union Bank of Taiwan. This loan is secured by a number of shares of a subsidiary held by the Company;
- (x) This loan is from Deutsche Bank AG – Singapore Branch, Taipei Fubon Commercial Bank, The Hong Kong and Shanghai Banking – Singapore Branch, Maybank International – Labuan Branch, Union Bank of Taiwan, Bank of China (Hongkong), Bank of China – Singapore Branch, Cathay United Bank, China construction Bank Corporation – Seoul Branch, Hua nan Commercial Bank – Foreign Branch, Taishin International Bank, Taiwan Cooperative Bank - Foreign Branch, Taichung Commercial Bank – Foreign Branch, Shinhan Bank – Hongkong Branch, Cimb Bank Berhad – Lubuan Branch, Mega International Commercial Bank – Foreign Branch, Sunny Bank, First commercial Bank – Foreign Branch, Taiwan Business Bank – Foreign Branch. This loan is secured by a number of shares of a subsidiary held by the Company; and
- (xi) This loan is from the Investment and Development of Vietnam - Ha Thanh Branch, Vietnam Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ba Dinh Branch and Joint Stock Commercial Bank Vietnam Industry and Trade - Hanoi Branch. This loan is secured by real estate properties, machinery, main equipment of a manufacturing project located in the North of a subsidiary of the Group; land use rights and assets associated to land area of certain resort projects located in the Central of a subsidiary of the Group and a number of shares of another subsidiary held by the Company.

26.3 Corporate Bonds

Underwriter	Ending balance (VND million)	Maturity date	Interest rate	Collateral
Vietnam Bank for Industry and Trade Securities Joint Stock Company	2,598,095	March 2022	The 12-month interest paid-in-arrears VND saving rate plus (+) 3% per annum with interest paid semi-annually	(i)
Techoom Securities Company Joint Stock Company	38,458,226	From January 2020 to February 2026	The 12-month interest paid-in-arrears VND saving rate plus (+) 2.9% to 4.5% per annum and fixed interest rate from 7.75% to 10% per annum with interest paid quarterly and semi-annually	(ii)
In which: current portion	21,173,677			
KB Securities Vietnam Joint Stock Company	2,787,047	From November 2021 to December 2022	The 12-month interest paid-in-arrears VND saving rate plus (+) 3.3% per annum with interest paid semi-annually	(iii)
TOTAL	43,843,368			
In which:				
Long-term bonds	22,669,691			
Current portion of long-term bonds	21,173,677			

- (i) The bond is secured by land use rights and assets attached to land areas of a number of shopping malls located in the South and the Central and assets attached to the land areas of other shopping malls located in the South and the North;
- (ii) These bonds are secured by an eco-tourism area and a cultural park project located in the Central; a number of hotel projects located in the Central and the South of subsidiaries of the Group; a real estate project and a number of shares of a subsidiary held by the Company and another subsidiary of the Group. The payment obligations of certain bonds are guaranteed by a trusted fund of the Asian Development Bank; and
- (iii) These bonds are secured by asset rights associated to the build-transfer contract of the overhead road project along the Ring Road No.2; assets and associated rights of a functional urban area project located in the North and a number of shares of a subsidiary held by the Company.

27. Exchangeable Bonds

Exchangeable bonds amounting to USD450 million were issued in June and October 2018 with a term of 5 years. These bonds are unsecured and bear interest at a fixed rate of 3.5% per annum.

Management assesses that there is no equity component in these exchangeable bonds (since there is not known fixed number of shares to be exchanged) and as a result, has recognised the entire exchangeable bonds as long-term debts.

Following the terms of these exchangeable bonds, the bondholders have the right to exchange the bonds into ordinary shares of the Company at the price which is subject to adjustments made after 12, 22, 36 and 48 months from the issuance date starting from 14 June 2019. The principal balance of these bonds as at 31 December 2019 is following:

	Beginning balance	Movement during the year		Ending balance
		New issuance	Exchanged to shares Due but not yet exchanged	
Value (USD)	450,000,000	-	-	450,000,000

Currency: VND million

	Current year	Previous year
Initial recognition of exchangeable bonds	10,205,665	10,060,202
Equity component	-	-
Liability component at initial recognition	10,205,665	10,060,202
Add: Accumulated amortisation of bond issuance cost		
Beginning balance	26,113	-
Amortisation during the year	55,800	26,113
Ending balance	81,913	26,113
Add: Unrealised foreign exchange (gain)/loss arising from revaluation	(2,250)	119,350
Liability component at the end of the year	10,259,215	10,205,665

28. Provisions

Currency: VND million

	Ending balance	Beginning balance
Short-term:		
Warranty provision	242,220	215,965
Others	6,114	10,012
TOTAL	248,334	225,977
Long-term:		
Warranty provision	164,873	91,761
Others	17,191	32,348
TOTAL	182,064	124,109

29. Owners’ Equity

29.1 Increase and Decrease in Owners’ Equity

Currency: VND million

Previous year	Issued share capital	Share premium	Other owners’ capital	Treasury shares	Other funds belonging to owner’s equity	Undistributed earnings	Non-controlling interest	Total
- Beginning balance	26,377,079	2,651,165	-	(2,974,924)	37,845	5,583,085	20,882,760	52,557,010
- Issuance of preference shares	840,000	8,276,981	-	-	-	-	-	9,116,981
- Net profit for the year (Restated)	-	-	-	-	-	3,823,739	2,414,154	6,237,893
- Distribution to other funds	-	-	-	-	5,000	(5,000)	-	-
- Stock dividends	5,539,133	-	7,235,206	-	-	(12,774,339)	-	-
- Acquisition of new subsidiaries (Restated)	-	-	-	-	-	-	3,653,680	3,653,680
- Disposal of subsidiaries	-	-	-	-	-	-	(240,503)	(240,503)
- Change of equity interest in existing subsidiaries without loss of control	-	514,755	-	-	-	8,515,523	4,247,919	13,278,197
- Capital contribution by non-controlling interest	-	-	-	-	-	-	15,786,278	15,786,278
- Dividend declared to non-controlling interest	-	-	-	-	-	-	(1,222,822)	(1,222,822)
Ending balance (Restated)	32,756,212	11,442,901	7,235,206	(2,974,924)	42,845	5,143,008	45,521,466	99,166,714

Currency: VND million

Current year	Issued share capital	Share premium	Other owner’s capital	Treasury shares	Exchange rate differences	Other funds belonging to owner’s equity	Undistributed earnings	Non-controlling interest	Total
- Beginning balance (Restated)	32,756,212	11,442,901	7,235,206	(2,974,924)	-	42,845	5,143,008	45,521,466	99,166,714
- Share issuance (i)	1,552,928	15,505,305	-	-	-	-	-	-	17,058,233
- Reissuance of treasury shares (i)	-	3,316,770	-	690,865	-	-	-	1,672,306	5,679,941
- Net profit for the year	-	-	-	-	-	-	7,545,915	170,698	7,716,613
- Distribution to other funds	-	-	-	-	-	10,000	(7,847)	(2,153)	-
- Acquisition of new subsidiaries	-	-	-	-	-	-	-	483,660	483,660
- Disposal of subsidiaries	-	-	-	-	-	-	(1,722,598)	(1,469,197)	(3,191,795)
- Change of equity interest in existing subsidiaries without loss of control (ii)	-	3,731,392	-	-	-	-	(3,731,961)	5,166,823	5,166,254
- Repurchase of subsidiaries’ shares by these subsidiaries (iii)	-	-	-	-	-	-	(4,106,759)	(3,397,428)	(7,504,187)
- Capital contribution by non-controlling interest (iv)	-	-	-	-	-	-	-	1,417,968	1,417,968
- Dividend declared to non-controlling interest (v)	-	-	-	-	-	-	-	(2,193,685)	(2,193,685)
- Decrease in preference shares of subsidiaries (vi)	-	-	-	-	-	-	-	(3,093,749)	(3,093,749)
- Others	-	-	-	-	(11,784)	-	-	(105,594)	(117,378)
Ending balance	34,309,140	33,996,368	7,235,206	(2,284,059)	(11,784)	52,845	3,119,758	44,171,115	120,588,589

(i) On 25 March 2019, the General Shareholders of the Company approved the Resolution No. 01/2019/NQ-DHDCD-VINGROUP on the plan of private offering. On 16 May 2019, the Company privately issued 154,314,159 ordinary shares and transferred 51,438,053 shares of the Company held by Vincommerce JSC, a subsidiary of the Group up to 31 December 2019, to SK Investment Vina. II PTE. LTD (“the Investor”). Thereby, the Company collected VND22,755 billion (net of issuance cost) after this transaction. The Investor has the pre-emptive right, together with the Company, to buy or invest in certain qualified companies in accordance with agreements signed between the Investor and the Company;

According to the conversion notice of preference shareholders dated 4 October 2019 followed by the Resolution No. 07/2019/NQ-DHDCD-VINGROUP of the Company’s General Shareholders Meeting on 30 October 2019, preference shareholders converted a portion of preference shares into ordinary shares of the Company on 2 December 2019; and

During the year, a subsidiary completed its demerger, as a result, 16,667,411 treasury shares representing the non-controlling interest in such subsidiary are presented as a deduction to treasury shares of the Group;

- (ii) Transactions resulting in change of equity interest in existing subsidiaries without loss of control mainly include:
- Transfer of 81.51% và acquisition of 99.21% voting shares in Vinpearl Joint Stock Company (“Vinpearl JSC”) between subsidiaries within the Group;
 - Acquisition of 100% equity interest in Vinpro Business and Trading Service LLC between subsidiaries within the Group;
 - Transfer of 10% voting shares in Vinsmart Joint Stock Company (“Vinsmart JSC”) to counterparties;
 - Transfer of 29% voting shares in OneID Joint Stock Company (previously known as VinID Joint Stock Company) (“OneID JSC”) to a counterparty; and
 - Acquisition and transfer of 16.26% voting shares in VCM Services and Trading Development Joint Stock Company (“VCM JSC”) to counterparties.

The accumulated impact of these transactions results in a decrease in the undistributed earnings in the consolidated balance sheet.
- (iii) Acquisition of 60 million shares issued by Vinhomes Joint Stock Company (“Vinhomes JSC”) and 56.5 million shares issued by Vincom Retail Joint Stock Company (“Vincom Retail JSC”) for total consideration of VND5,550 billion and VND1,954 billion respectively;
- (iv) The increase mainly includes additional capital contribution by non-controlling interest to OneID JSC and Vinsmart JSC;
- (v) Dividends declared to non-controlling interest in the year mainly include cash dividend paid by Vincom Retail JSC, Vinhomes JSC and Vietnam Investment JSC to non-controlling interest of these companies; and
- (vi) In 2019, Vinpearl JSC repurchased its entire number of preference shares owned by Continental Pacific Investment Co., Ltd at consideration of VND3,094 billion.

29.2 Contributed Share Capital

Currency: VND million

	Ending balance		Beginning balance	
	Total	Ordinary shares	Preference shares	Total
Issued share capital	34,309,140	33,685,755	623,385	32,756,212
Share premium	33,996,368	25,729,173	8,267,195	11,442,901
Treasury shares	(2,284,059)	(2,284,059)	-	(2,974,924)
TOTAL	66,021,449	57,130,869	8,890,580	41,224,189
				9,116,981

29.3 Capital Transactions with Owners

Currency: VND million

	Current year	Previous year
Issued share capital		
Beginning balance	32,756,212	26,377,079
Increase	1,552,928	840,000
Stock dividends	-	5,539,133
Ending balance	34,309,140	32,756,212

29.4 Dividends

Currency: VND million

	Current year	Previous year
Dividend declared and paid during the year		
	-	5,539,133
Stock dividend per ordinary share in 2018: 1,000:210	-	5,539,133
Dividends declared after the date of reporting year and not yet recognised as liability as at the 31 December	-	-

29.5 Ordinary Shares and Preference Shares

	Shares	
	Ending balance	Beginning balance
Authorised shares	3,430,914,022	3,275,621,230
Issued shares	3,430,914,022	3,275,621,230
Ordinary shares	3,368,575,556	3,191,621,230
Preference shares	62,338,466	84,000,000
Shares in circulation	3,280,143,542	3,056,745,286
Ordinary shares	3,217,805,076	2,972,745,286
Preference shares	62,338,466	84,000,000
Treasury shares	150,770,480	218,875,944
Ordinary shares	150,770,480	218,875,944

The par value of outstanding share: VND10,000 per share (2018: VND10,000 per share).

Preference shares are not entitled to vote, restricted for transfer within one year and convertible into ordinary shares of the Company at the conversion price specified in the contract at any time after the issuance date. The Company has the right to redeem a portion or entire of these preference shares during a period of 5.5 years to 6.5 years from the issuance date.

29.6 Treasury Shares

As at 31 December 2019, the number of shares of the Company held by subsidiaries is 150,770,480 shares, of which 6,200,000 shares are used as collateral for a loan of a corporate counterparty of the Group.

30. Revenues

30.1 Revenue from Sale of Goods and Rendering of Services

Currency: VND million		
	Current year	Previous year
Gross revenue	130,161,398	121,971,751
In which:		
Sale of inventory properties	64,504,850	83,271,632
Sale of goods in supermarkets, convenience stores and retail outlets	29,743,388	19,333,129
Manufacturing activities	9,259,382	567,185
Rendering of hotel services, amusement park services and related services	8,555,321	7,409,514
Leasing activities and rendering related services	6,791,611	5,558,631
Rendering of hospital services and related services	3,025,286	2,630,637
Rendering of education services and related services	2,063,081	1,449,885
Others	6,218,479	1,751,138
Less sales deduction	(125,384)	(77,350)
Net revenue	130,036,014	121,894,401
In which:		
Sale of inventory properties	64,504,850	83,271,632
Sale of goods in supermarkets, convenience stores and retail outlets	29,702,243	19,325,680
Manufacturing activities	9,201,038	556,462
Rendering of hotel services, amusement park services and related services	8,548,983	7,366,496
Leasing activities and rendering related services	6,791,611	5,558,631
Rendering of hospital services and related services	3,025,286	2,630,637
Rendering of education services and related services	2,063,081	1,449,885
Others	6,198,922	1,734,978
In which:		
Sale to others	125,223,288	121,064,868
Sale to related parties (Note 37)	4,812,726	829,533

30.2 Revenue and Expense Relating to Investment Properties

Currency: VND million		
	Current year	Previous year
Rental income from investment properties	6,342,763	5,125,711
Direct operating expenses of investment properties that generated rental income during the year	(2,725,857)	(2,323,016)

30.3 Finance Income

Currency: VND million		
	Current year	Previous year
Gains from disposal of subsidiaries and other investments (i)	11,299,238	5,211,088
Interest income from loans and deposits	2,475,618	1,907,203
Others	226,033	360,259
TOTAL	14,000,889	7,478,550

(i) Mainly includes gains from disposal of subsidiaries with loss of control (Note 4).

31. Cost of Goods Sold and Services Rendered

Currency: VND million		
	Current year	Previous year (Restated)
Inventory properties sold	29,986,659	58,123,335
Goods sold in supermarkets, convenience stores and retail outlets	25,519,168	17,275,724
Manufacturing activities	14,239,688	802,017
Rendering of hotel services, amusement park services and related services	8,904,029	8,596,421
Leasing activities and rendering related services	3,138,052	2,720,446
Rendering of hospital services and related services	2,965,732	2,698,670
Rendering of education services and related services	1,754,895	1,369,404
Others	5,976,574	1,357,709
TOTAL	92,484,797	92,943,726

32. Finance Expenses

Currency: VND million		
	Current year	Previous year
Interest expenses	7,147,357	3,939,282
Issuance costs	377,825	344,083
Foreign exchange losses	151,244	252,532
Loss from revaluation of investment at its fair value	-	250,054
Others	504,945	122,999
TOTAL	8,181,371	4,908,950

33. Selling Expenses and General and Administrative Expenses

Currency: VND million

	Current year	Previous year
Selling expenses		
- External service expenses	7,651,830	6,208,932
- Labour costs	4,596,982	2,656,343
- Depreciation and amortisation of fixed assets	1,041,151	773,205
- Others	958,485	473,809
TOTAL	14,248,448	10,112,289
General and administrative expenses		
- Labour costs	5,002,408	2,325,634
- External service expenses	2,750,953	1,959,497
- Depreciation and amortisation of fixed assets and goodwill	2,006,510	1,399,114
- Subsidy and charity expenses	1,284,513	400,848
- Tax and other fees	430,963	200,236
- Others	1,202,091	1,082,510
TOTAL	12,677,438	7,367,839

34. Other Income and Expenses

Currency: VND million

	Current year	Previous year (Restated)
Other income	832,187	778,971
Disposal of fixed assets	99,598	227,184
Penalty received	176,005	255,177
Others	556,584	296,610
Other expenses	951,169	493,550
Disposal of fixed assets	320,337	196,281
Penalty paid	275,002	181,467
Others	355,830	115,802
NET OTHER (LOSS)/PROFIT	(118,982)	285,421

35. Production and Operating Costs

Currency: VND million

	Current year	Previous year
Development costs of inventory properties	52,004,001	50,295,269
Raw materials	21,297,152	4,233,450
External service expenses	19,166,515	9,670,660
Labour costs	16,542,696	10,000,782
Depreciation and amortisation	8,337,680	5,155,271
Others (excluding finance expenses)	7,098,920	5,580,138
TOTAL	124,446,964	84,935,570

36. Corporate Income Tax

- The current statutory corporate income tax (“CIT”) rate applicable to the Group and its subsidiaries is 20%, except for the following entities:
- Vinmec JSC and Vinschool LLC (for income from social service activities) apply the incentive tax rate of 10%;
 - Some subsidiaries operating in the agricultural sector apply the incentive tax rate of 15% for agricultural activities;
 - Some projects of Vinpearl JSC - Nha Trang Branch apply the incentive tax rate of 10% in the first 15 years commencing from the first year in which revenue is generated, and CIT exemption for 4 years commencing from the first year in which taxable profit is earned (or commencing from the fourth year from the first year in which revenue is generated if no taxable profit is earned for the first 3 years), and a 50% reduction of CIT for the subsequent 9 years for projects in Hon Tre island; and
 - VinFast LLC, Vinsmart JSC and certain subsidiaries operating in technology business apply the incentive tax rate of 10% in the first 15 years commencing from the first year in which revenue is generated, CIT exemption for 4 years commencing from the first year making taxable profit is earned (or commencing from the fourth year from the first year in which revenue is generated if no taxable profit is earned for the first 3 years), and a 50% reduction of CIT for the subsequent 9 years for manufacturing activities.

The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

36.1 CIT Expenses

Currency: VND million

	Current year	Previous year
Current tax expenses	8,286,824	7,273,130
Deferred tax (income)/expenses	(366,013)	389,626
TOTAL	7,920,811	7,662,756

Reconciliation between CIT expenses and the accounting profit multiplied by applicable CIT rate is presented below:

Currency: VND million

	Current year	Previous year (Restated)
Accounting profit before tax	15,637,424	13,900,649
At CIT rate applied to the Company and its subsidiaries	3,127,485	2,780,130

	Current year	Previous year (Restated)
<i>Increases:</i>		
Gain/loss from equity transactions in the consolidated financial statements	1,416,923	2,529,887
Losses of subsidiaries	2,469,517	989,609
Goodwill allocation in the consolidated financial statements	232,498	179,003
Losses ineligible for offsetting against taxable income	54,673	318,076
Others	2,103,038	558,298
<i>Decreases:</i>		
Income/expenses from equity transactions in the consolidated financial statements resulting from acquisitions of group of assets and business combination	(490,691)	1,850,886
Tax losses carried forward	(603,781)	(1,306,555)
Reversal of provisions for investments in subsidiaries	(385,351)	(188,042)
Dividend income	(3,500)	(48,536)
Estimated CIT expenses	7,920,811	7,662,756

36.2 Current Tax

The current CIT payable is based on taxable income for the current year. The taxable income of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

36.3 Deferred Tax

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
<i>Deferred tax assets</i>				
Unrealised profit from inter-company transactions within the Group	57,772	158,011	(12,495)	(57,525)
Selling expenses allowable for capitalisation for tax purpose during the year	214,203	71,262	142,940	36,115
Fair value adjustments from merger of subsidiaries	68,205	158,904	(90,699)	160,172
Others	305,313	226,050	(26,831)	148,326
<i>Deferred tax liabilities</i>				
Fair value adjustments from acquisition of subsidiaries	(466,107)	(801,336)	335,228	(680,347)
Others	(3,916)	(23,324)	17,870	3,633
Net deferred tax assets/(liabilities)	175,470	(210,433)		
Net deferred tax credit/(charged) to the consolidated income statement			366,013	(389,626)
<i>Presented on the consolidated balance sheet</i>				
Deferred tax assets	645,493	614,227		
Deferred tax liabilities	(470,023)	(824,660)		
Net deferred tax assets/(liabilities)	175,470	(210,433)		

36.4 Unrecognised Deferred Tax

Loss Carry Forward from Previous Year

The Group is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Group had aggregated accumulated tax losses of VND19,699 billion available for offset against future taxable profits (31 December 2018: VND10,530 billion). These are estimated accumulated tax losses as per the CIT declarations of Company and its subsidiaries, which have not been finalised by the local tax authorities as of the date of these consolidated financial statements. No deferred tax assets have been recognised in respect of these accumulated tax losses because future taxable profit cannot be ascertained at this stage.

37. Transactions With Related Parties

Significant transactions with related parties in current year and prior year were as follows:

Currency: VND million

Related parties	Relationship	Transactions	Current year	Previous year
Kind Heart Foundation	Under common owners	Charity expenses incurred during the year	1,200,000	180,000
		Cash transferred to Kind Heart Foundation	180,000	1,494,612
		Receivables from rendering hospital services	153,576	505,394
		Collection from rendering hospital services	258,724	538,244
Phu Quoc Tourism JSC	Associate	Cash collection from Kind Heart Foundation	1,134,000	360,612
		Receivables from rendering general contractor management service	4,567,438	-
		Cash collection under business co-operation contract	249,112	700,000
		Receivables from selling goods and rendering services	124,206	120,715
		Gains from rendering general contractor management service	-	86,695
		Payment for deductible value-added tax collected on behalf	-	299,917
		Income from disposal of asset for associates	-	201,032
		Payables for purchase of assets	-	441,432
		Cash paid for purchasing assets	441,432	-
		Payables for office rental and lunch meal to employees	66,778	75,424
Vietnam Investment Group JSC	Under common owners	Receivables from selling goods and rendering services	44,791	38,343
		Capital contribution in cash	74,000	-
VinFast-An Phat Plastic Auto Part Company Limited	Jointly controlled entity	Capital contribution in cash	188,906	-
VinFast Lithium Battery Pack LLC	Jointly controlled entity	Receivables from disposal of assets	403,988	-
		Cash received from disposal of assets	205,399	-
Hon Mot Tourism JSC	The legal representative of company is a key management personnel of the subsidiary	Gain from disposal of a subsidiary	-	2,041,191
Other individuals	Key management personnel	Receivables from transferring shares of subsidiaries	-	85,671

Terms and Conditions of Transactions with Related Parties:

During the year, the Group sold/purchased goods and services to/from related parties based on the price stated in contracts.

During the year, the Group has not made provision for doubtful debts relating to amounts due from related parties (31 December 2018: nil). This assessment is undertaken each financial year through the examination of the financial position of the related parties and the market in which the related parties operate.

Amounts due to and due from related parties at the balance sheet date were as follows:

Currency: VND million

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade receivables (Note 7.1)				
Kind Heart Foundation	Under common owners	Receivables from rendering hospital service	23,501	128,649
Phu Quoc Tourism JSC	Associate	Receivables from selling goods, rendering advisory services and general contractor management service	4,567,438	117,311
VinFast Lithium Battery Pack LLC	Jointly controlled entity	Receivables from disposal of assets	198,589	-
Other related parties	Under common owners and key management personnel	Other receivables	-	10,343
			4,789,528	256,303
Other receivables (Note 9)				
Phu Quoc Tourism JSC	Associate	Receivables from shared profit under business co-operation contract	-	249,112
Kind Heart Foundation	Under common owners	Receivables from payment on behalf	-	1,134,000
			-	1,383,112
Short-term trade payables (Note 21.1)				
Phu Quoc Tourism JSC	Associate	Payables for purchase of assets	-	441,432
Other related parties	Under common owners and key management personnel	Payables for goods and service	168	2,115
			168	443,547
Unearned revenue (Note 24)				
Phu Quoc Tourism JSC	Associate	Unearned revenue from disposal of fixed assets and rendering services	769,867	774,490
			769,867	774,490
Other short-term payables (Note 25)				
Kind Heart Foundation	Under common owners	Charity expense payables	1,200,000	180,000
			1,200,000	180,000

Transactions with Other Related Parties

Remuneration to members of the Board of Directors and the management of the Company:

Currency: VND million

	Current year	Previous year
Salaries and bonus	46,723	55,253
TOTAL	46,723	55,253

38. Earnings per Share

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) after tax attributable to ordinary shareholders of the Group (after adjusting for dividend on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Currency: VND million

	Current year	Previous year (Restated)
Net profit after tax attributable to ordinary shareholders	7,545,915	3,823,739
Distribution to bonus and welfare fund	-	-
Net profit after tax attributable to ordinary shareholders for basic earnings	7,545,915	3,823,739
Dividend of convertible preference shares	-	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	7,545,915	3,823,739

Unit: shares

	Current year	Previous year
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,101,191,565	2,972,745,653
Effect of dilution due to:		
Convertible preference shares	65,154,820	31,750,516
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	3,166,346,385	3,004,496,169

Currency: VND

	Current year	Previous year (Restated)
Basic earnings per share (*)	2,433	1,286
Diluted earnings per share (*)	2,383	1,273

There are exchangeable bonds issued by Vinpearl JSC, a subsidiary, which could potentially dilute basic earnings per share in future but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the current year.

The convertible preference shares issued by the Company are assumed to be converted which dilute basis earnings per share for current year. Preference shares are not entitled to vote, are restricted for transfer within one year and have the right to convert into ordinary shares of the Company at the conversion price specified in the contract at any time after the issuance date.

39. Commitments and Contingencies

Capital Expenditure Commitments Relating to On-Going Real Estate Projects

The Group has entered into number of contracts relating to the development of certain real estate projects and other operating activities of the Group. The remaining commitment on these contracts as at 31 December 2019 is approximately VND27,497 billion (as at 31 December 2018: VND37,007 billion).

The Group has signed Build-Transfer contracts with the State authorities to commit on investment cost of the new administration centre project in Thanh Hoa city, the overhead road project along the Ring Road No.2 from Vinh Tuy bridge to Nga Tu So, the park and eco-lake located at the southern and extended northern areas of Mai Dich Cemetery, Hanoi, and the park and eco-lake located at the land lot CV1, Cau Giay urban area, Hanoi).

Commitment under Operating Leases Where the Group Is a Lessor

The Group, as lessor, lets out office, retail, factories and mixed-use spaces under operating lease agreements. The future minimum rental receivables under these agreements are as follows:

Currency: VND million

	Ending balance	Beginning balance
Less than 1 year	5,164,395	3,307,861
From 1-5 years	9,472,514	6,671,942
More than 5 years	7,375,359	5,972,336
TOTAL	22,012,268	15,952,139

Under the business co-operation contract signed between certain subsidiaries of the Group and Thien Huong Investment JSC (“Thien Huong JSC”) regarding the school operation in Vinhomes Riverside and Vinhomes Royal City projects, the Group is entitled to the share of Thien Huong JSC’s revenue, which is equal to 15% of revenue and can be adjusted according to the business co-operation contract. The duration of the business co-operation contract is from February 2012 to the end of August 2043.

Commitment under Operating Leases Where the Group Is a Lessee

The Group, as lessee, entered into certain operating lease agreements with the minimum lease commitments under these agreements are as follows:

Currency: VND million

	Ending balance	Beginning balance
Less than 1 year	234,035	1,052,542
From 1-5 years	891,656	2,960,626
More than 5 years	9,500,088	6,347,223
TOTAL	10,625,779	10,360,391

Other Commitments

Commitment under the Contract to Purchase Shares of VEFAC JSC

According to the Share Transfer Contract for strategic investor signed between the Company and VEFAC One Member LLC dated 13 March 2015, the Company committed to raising 100% financing sources for the development of National Exhibition Center Project following the approved master plan.

Commitment under the Contract to Purchase Shares of Berjaya VFC LLC

According to the capital transfer contract between Vinhomes JSC, a subsidiary, and a corporate counterparty signed on 25 May 2018, Vinhomes JSC and Can Gio JSC commit to purchase 32.5% charter capital of Berjaya VFC LLC. The remaining commitment of this contract as at 31 December 2019 is VND503.7 billion.

Commitment Related to Acquire of Shares in a Real Estate Project

On 25 June 2019, Metropolis LLC, a subsidiary, entered into a co-operation contract with corporate counterparties for developing a real estate project. Accordingly, Metropolis LLC deposited to a counterparty for acquiring shares of this counterparty in the project. The remaining commitment of this contract as at 31 December 2019 is VND172.5 billion.

Commitment Related to the Business Co-operation for a Potential Real Estate Project in Hanoi

Under the business co-operation contract dated 23 November 2017 between Royal City JSC and a corporate counterparty, Royal City JSC commits to contributing 100% investment capital in a potential real estate project in Hanoi. The total estimated investment capital is VND790 billion. The remaining commitment of this agreement as at 31 December 2019 is VND782 billion.

Guarantee for Payment Obligation of Bonds Issued by Phu Quoc Tourism JSC, an Associate of the Group

Under guarantee agreements signed among Phu Quoc Tourism JSC, Techcom Securities Joint Stock Company and Vinpearl JSC, a subsidiary, Vinpearl JSC commits to guarantee payment obligations of Phu Quoc Tourism JSC relating to certain secured bonds issued by this company.

Commitments Related to Future Loans Relating to Credit Line Contracts

In accordance with a number of credit line contracts signed among the Group, a number of subsidiaries and commercial banks, the Group commits to use inventories and a number of shares of subsidiaries held by the Company to secure for these contracts. As at 31 December 2019, the Group did not incur any outstanding balance arising from these credit line contracts.

Guarantee Payment Obligations under Loan Contracts of Vincommerce JSC and VinEco LLC

On 31 December 2019, the Group commits to guarantee payment obligations under certain loan contracts of Vincommerce JSC and VinEco LLC. The guarantee limit as at 31 December 2019 is VND3,500 billion. Simultaneously, the Group uses certain shares of a listed company, hospital facilities and equipment machineries in some hospital projects of a subsidiary as collaterals for these obligations.

Commitments Related to Business Co-operation and Leasing Contracts of South Vincom Retail LLC

Under the business co-operation contract and lease contracts of a number of shopping malls between South Vincom Retail LLC, a subsidiary, and corporate counterparties in Dong Nai and Ho Chi Minh City, South Vincom Retail LLC commits to transferring buildings and fixed equipment attached to the existing structures to the lessors or these counterparties without any additional conditions at the end of contract terms.

Commitment Related to Transferring a Certain Part of Vincom Ba Trieu Tower A&B

On 31 July 2006, the Company had transferred certain parts of the Vincom City Towers to a corporate counterparty. According to the Transfer Agreement, the Group has committed to transferring the ownership of the following investment properties to this corporate counterparty on 20 July 2052:

- The ownership of half of the commercial area (from 1st floor to 6th floor of Vincom City Towers (“the towers”), except for the reception and elevator waiting area of 160m2 on the 1st floor); and
- The ownership of half of the basement No.1 and basement No.2 of the towers.

Commitments under Interest Support Agreements to Buyers of Apartments, Villas at the Group's Projects

According to three-party interest support agreements among the investors, buyers of the inventory properties of the Group's projects and certain banks, the investors commit to supporting the buyers in settling the interest in committed period in accordance with loan contracts signed between buyers and these banks.

Commitments Related to Program of Management and Properties Leasing Services

The Group provided management and leasing services to customers who bought villas and condotels at real estate projects of Vinpearl JSC and South Vincom Retail LLC. Accordingly, for the first 10 years from the date of villas being handed over and for the first 5 years from the date of the condotels being handed over, customers are guaranteed to receive committed profit under signed agreements between customers and these entities.

Commitments Related to a Co-operation Contract of Grand Prix LLC

A subsidiary of the Group has signed a co-operation contract with a corporate counterparty relating to organisation of F1 racing championship in Hanoi, Vietnam. Accordingly, Grand Prix LLC commits to pay a fixed annual fee for the period from 2020 to 2024, and a fee that is subject to negotiation between two parties to be made before 30 June 2023 for the period from 2025 to 2029.

40. Segment Information

For the management purpose, the operating businesses are organised and managed separately according to the nature of the products and services provided, and consist of business segments as follows:

- Sales of inventory properties: including developing and trading properties at real estate projects of the Group as well as other investment activities in real estate sector;
- Leasing investment properties and related services: including leasing of office and retail areas and rendering related services at investment properties owned by the Group;
- Hospitality, entertainment and related services: including provision of hotel and related services at the hotels and resorts owned by the Group;
- Health care and related services: including provision of health care and related services at Vinmec International General Hospitals;
- Education and related services: including provision of education and related services at Vinschool system of the Group;
- Retail services: including provision of retailing and supermarket, convenience stores and retail outlets;
- Manufacturing activities: including manufacturing and trading automotive vehicles, mobile phones and other related products; and
- Others: including provision of construction services, security services, agriculture and other services.

The Group monitors each segment's performance for the purpose of making decisions on resource allocation and performance assessment. The performance of each segment is assessed based on profit and loss and is determined in a consistent manner with the Group's profit and loss on the consolidated financial statements. However, the Group's financing activities (including financial expenses and financial revenue) are monitored on a centralised basis and not allocated to segment.

Transaction price between segments are determined on the basis of the same contractual agreement as transactions with third parties. Revenue, costs and profit/loss of the segment include transactions between segments. These transactions are eliminated in the consolidated financial statements.

The following tables present revenue and profit and certain asset and liability information regarding the Group's business segment as at 31 December 2019 and for the year then ended:

Currency: VND million										
	Sale of inventory properties	Leasing investment properties and related services	Hospitality, entertainment and other services	Health care and related services	Education and related services	Retail services	Manufacturing activities and related services	Others	Adjustment and elimination	Total
Net revenue										
Net sales to external customers	64,504,850	6,791,611	8,548,983	3,025,286	2,063,081	29,702,243	9,201,038	6,198,922	-	130,036,014
Net inter-segment sales	-	1,953,489	293,748	56,185	-	2,183,218	155,617	2,757,081	(7,399,338)	-
Net total revenue	64,504,850	8,745,100	8,842,731	3,081,471	2,063,081	31,885,461	9,356,655	8,956,003	(7,399,338)	130,036,014
Results										
Depreciation and amortisation (including amortisation of goodwill)	514,567	1,624,570	1,970,875	662,694	145,688	826,945	2,307,626	284,715	-	8,337,680
Share of profit/(loss) of associates and jointly controlled entity	-	-	(758,983)	-	-	391	(12,023)	82,172	-	(688,443)
Segment net profit/(loss) before tax	28,666,021	3,442,811	(3,347,855)	(1,428,777)	(217,194)	(6,097,969)	(9,913,086)	(1,159,409)	(7,655)	9,936,887
Unallocated income										5,700,537
Assets and liabilities										
Segment assets	140,072,432	42,800,809	38,401,950	9,329,663	8,080,754	2,585,191	96,228,764	7,445,707	-	344,945,270
Unallocated assets										58,795,483
Segment liabilities	108,122,633	3,046,184	6,064,491	791,302	1,572,476	439,521	13,775,757	3,136,157	-	136,948,521
Unallocated liabilities										146,203,643
Other segment information										
Investment in associates and jointly controlled entity	-	-	1,183,665	-	-	6,340	283,424	674,039	-	2,147,468
Capital expenditure	5,730,677	5,735,740	3,654,541	1,960,640	2,466,762	651,693	45,003,618	906,234	-	66,109,905

The following tables present revenue and profit and certain assets and liability information regarding the Group’s business segment as at 31 December 2018 and for the year then ended (Restated):

Currency: VND million									

Currency: VND million

Code	Items	31 December 2018 (Previously presented)	Restatement	31 December 2018 (Restated)
CONSOLIDATED INCOME STATEMENT				
11	Cost of goods sold and services rendered	(92,971,051)	27,325	(92,943,726)
20	Gross profit from sale of goods and rendering of services	28,923,350	27,325	28,950,675
30	Operating profit	13,587,903	27,325	13,615,228
31	Other income	759,285	19,686	778,971
40	Other profit	265,735	19,686	285,421
50	Accounting profit before tax	13,853,638	47,011	13,900,649
60	Net profit after tax	6,190,882	47,011	6,237,893
61	Net profit after tax attributable to shareholders of the parent	3,776,728	47,011	3,823,739

Currency: VND

Code	Items	31 December 2018 (Previously presented)	Restatement	31 December 2018 (Restated)
70	Basic earnings per share	1,270	16	1,286
71	Diluted earnings per share	1,257	16	1,273

Currency: VND million

Code	Items	31 December 2018 (Previously presented)	Restatement	31 December 2018 (Restated)
CONSOLIDATED CASH FLOW STATEMENT				
01	Accounting profit before tax	13,853,638	47,011	13,900,649
05	Profits from investing activities	(6,683,400)	(19,686)	(6,703,086)
08	Operating profit before changes in working capital	17,042,572	27,325	17,069,897
10	Decrease in inventories	4,875,332	(27,325)	4,848,007

43. Off Balance Sheet Items

Details of foreign currencies:

	Ending balance	Beginning balance
Foreign currencies:		
- United States dollar	4,179,721	81,442,888
- Australian dollar	3,388	4,050
- Singapore dollar	5,460	100
- Hong Kong dollar	-	1,000
- Euro	12,080,343	6
- Korean Won	349,342,638	67,000
- Japanese Yen	315,789	414,000
- Thai Baht	-	8,920
- Sterling	911	440
- Russian Ruble	3,305,341	-

Details of overdue receivables which have been written off as management assesses that these receivables are irrecoverable:

Currency: VND million

Debtor	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Continuum Power Solutions	29,291	29,291	-	-
Ocean Group JSC	22,000	22,000	22,000	22,000
Others	3,468	3,468	3,468	3,468

44. Events after the Balance Sheet Date

Except for the events after the balance sheet date as presented in other notes of the consolidated financial statements, the Group also has following events after the balance sheet date:

On 10 January 2020, Green City JSC, a subsidiary, signed a deposit agreement with counterparties for acquiring shares of a real estate company with total deposit amount of VND1,800 billion.

In January 2020, a subsidiary of the Group issued an additional number of bonds arranged by Techcom Securities Joint Stock Company with total amount of VND4,738 billion. These bonds are unsecured and mature in December 2022.

In January 2020, the Company issued additional 13,855,034 shares to exchange for the entire shares of Sai Dong JSC, a subsidiary, owned by non-controlling shareholders resulting an increase in equity interest held by the Company in this company to 100%.

In March 2020, the Group completed the acquisition of 10,000,000 shares representing 100% ownership of Huong Hai Quang Ngai Joint Stock Company (“Huong Hai Quang Ngai JSC”) from counterparties with total consideration of VND450 billion. Accordingly, Huong Hai Quang Ngai JSC became a subsidiary of the Group.

In February 2020, the Prime Minister of the Socialist Republic of Vietnam officially announced a pandemic of acute respiratory infections caused by Coronavirus (Covid-19). Since then, the complication of the Covid-19 situation has significantly affected the production and business activities for most of the Group's subsidiaries. Therefore, due to the Covid-19 Pandemic, the Group’s subsidiaries have performed certain activities to remedy the situation as follows:

- On 5 March 2020, Vinpearl JSC announced a temporary closure of some operating hotels for the purpose of maintenance;
- On 5 March 2020, Vincom Retail JSC announced a support package amounting to VND300 billion to support tenants renting spaces in its entire operating system; and
- On 13 March 2020, Grand Prix LLC, a subsidiary, announced the suspension of holding F1 Racing Championship of which this company is the organiser until the subsequent notice.

The Group has developed a general solution in order to cut costs and streamline its business operations during the Covid-19 Pandemic event. The Group is in the progress of making assessment over the financial impact of Covid-19 Pandemic on its business operation in 2020.

There is no other matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.




Van Thi Hai Ha
Preparer

Hanoi, Vietnam
30 March 2020



Nguyen Thi Thu Hien
Chief Accountant



Mai Huong Noi
Deputy Chief Executive Officer

Appendix 1 – List of Subsidiaries

As at 31 December 2019

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
1	Vincom Retail JSC	Vincom Retail JSC	60.33	56.86	Vinhomes Riverside ⁽ⁱ⁾	Investing, developing and trading real estate properties and leasing real estate properties
2	South Vincom Retail LLC	South Vincom Retail LLC	100.00	56.86	No.72, Le Thanh Ton street and No.45A Ly Tu Trong street, Ben Nghe ward, district 1, Ho Chi Minh city, Vietnam	Investing, developing and trading real estate properties and leasing real estate properties
3	North Vincom Retail LLC	North Vincom Retail LLC	100.00	56.86	No.72A, Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi, Vietnam	Investing, developing and trading real estate properties and leasing real estate properties
4	Suoi Hoa Construction and Investment JSC	Suoi Hoa JSC	97.27	55.31	Km1 + 200, Tran Hung Dao street, Suoi Hoa ward, Bac Ninh city, Bac Ninh province, Vietnam	Investing, developing and trading real estate properties
5	Times Trading Investment and Development One Member LLC	Times Trading LLC	100.00	100.00	No.72, Le Thanh Ton street and No.45A Ly Tu Trong street, Ben Nghe ward, district 1, Ho Chi Minh city, Vietnam	Investing, developing and trading real estate properties
6	Royal City Real Estate Development & Investment JSC	Royal City JSC	97.85	78.41	No.72A, Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi, Vietnam	Investing, developing and trading real estate properties
7	Vinhomes JSC	Vinhomes JSC	73.66	73.66	No.458, Minh Khai street, Vinh Tuy ward, Hai Ba Trung district, Hanoi, Vietnam	<ul style="list-style-type: none">• Investing, developing and trading real estate properties• Leasing office, apartments and rendering real estate management services• Residential and civil constructions• Architecture activities and technical consultancy
8	Saidong Urban Development and Investment JSC	Sai Dong JSC	89.50	89.50	Vinhomes Riverside ⁽ⁱ⁾	Investing, developing and trading real estate properties
9	Xavinco Land JSC	Xavinco JSC	96.44	96.22	No.191, Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam	Investing, developing and trading real estate properties
10	Xalivico LLC	Xalivico LLC	74.00	71.20	No.233 Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi, Vietnam	Investing, developing and trading real estate properties
11	Vietnam Exhibition Fair Centre JSC	VEFAC JSC	83.32	83.32	No.148 Giang Vo street, Giang Vo ward, Ba Dinh district, Hanoi, Vietnam	Investing, developing and trading real estate properties
12	Metropolis Hanoi LLC	Metropolis LLC	100.00	73.66	HH land area, Pham Hung street, Me Tri ward, Nam Tu Liem district, Hanoi, Vietnam	Investing, developing and trading real estate properties
13	Viet Nam Books JSC	Savina JSC	65.33	65.33	No.44, Trang Tien street, Trang tien ward, Hoan Kiem district, Hanoi, Vietnam	Trading books
14	Cangio Tourist City Corporation	Can Gio JSC	99.89	73.79	No.72, Le Thanh Ton street, Ben Nghe ward, district 1, Ho Chi Minh city, Vietnam	Investing, developing and trading real estate properties
15	Central Park Development LLC	Central Park LLC	100.00	89.50	Room 900, 9th floor, IPH Tower, No.241 Xuan Thuy street, Dich Vong Hau ward, Cau Giay district, Hanoi, Vietnam	Investing, developing and trading real estate properties

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
16	Ecology Development and Investment JSC	Ecology JSC	100.00	73.83	No.191, Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam	Investing, developing and trading real estate properties
17	Gia Lam Urban Development and Investment LLC	Gia Lam LLC	85.00	62.76	Vinhomes Riverside ⁽¹⁾	Investing, developing and trading real estate properties
18	Vietnam Investment and Consulting Investment JSC	Vietnam Investment JSC	70.00	51.76	No.191, Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam	Investing, developing and trading real estate properties
19	Tay Tang Long Real Estate LLC	Tay Tang Long LLC	90.00	66.29	No.72, Le Thanh Ton street, Ben Nghe ward, district 1, Ho Chi Minh city, Vietnam	Investing, developing and trading real estate properties
20	Thang Long Real Estate Trading Investment JSC	Thang Long Real Estate JSC	73.00	70.37	Vinhomes Riverside ⁽¹⁾	Investing, developing and trading real estate properties
21	Berjaya Vietnam International University Town LLC	Berjaya VIUT LLC	97.90	73.66	20A Floor, Dong Khoi Vincom Center, No.72 Le Thanh Ton Street, Ben Nghe ward, District 1, Ho Chi Minh city, Vietnam	Investing, developing and trading real estate properties
22	Lang Van Development and Investment JSC	Lang Van JSC	100.00	74.28	No.07, Truong Sa street, Hoa Hai ward, Ngu Hanh Son district, Da Nang city, Vietnam	Investing, developing and trading real estate properties
23	Berjaya Vietnam Financial Centre LLC	Berjaya VFC LLC	67.50	50.78	20A Floor, Dong Khoi Vincom Center, No.72 Le Thanh Ton Street, Ben Nghe ward, District 1, Ho Chi Minh city, Vietnam	Investing, developing and trading real estate properties
24	Hanoi Southern City Development and Trading LLC	Hanoi Southern LLC	100.00	100.00	Vinhomes Riverside ⁽¹⁾	Investing, developing and trading real estate properties
25	Millenium Trading Investment and Development LLC	Millenium Trading LLC	100.00	73.66	20A Floor, Dong Khoi Vincom Center, No.72 Le Thanh Ton Street, Ben Nghe ward, District 1, Ho Chi Minh city, Vietnam	Investing, developing and trading real estate properties and leasing real estate properties
26	Thai Son Development and Investment JSC	Thai Son JSC	100.00	75.23	Vinhomes Riverside ⁽¹⁾	Investing, developing and trading real estate properties
27	GS Cu Chi Development JSC	GS Cu Chi JSC	100.00	73.59	20A Floor, Dong Khoi Vincom Center, No.72 Le Thanh Ton Street, Ben Nghe ward, District 1, Ho Chi Minh city, Vietnam	Investing, developing and trading real estate properties
28	Ha Thanh Real Estate Development and Investment JSC	Ha Thanh JSC	100.00	56.86	Vinhomes Riverside ⁽¹⁾	Investing, developing and trading real estate properties
29	Phuc An Tourism Development and Investment JSC	Phuc An JSC	95.00	95.00	Vinhomes Riverside ⁽¹⁾	Rendering short-term accommodation services
30	An Thinh Trading and Commercial Development JSC	An Thinh JSC	100.00	77.58	20A Floor, Dong Khoi Vincom Center, No.72 Le Thanh Ton Street, Ben Nghe ward, District 1, Ho Chi Minh city, Vietnam	Investing, developing and trading real estate properties
31	Green City Development JSC	Green City JSC	100.00	75.24	No.72 Le Thanh Ton, Ben Nghe ward, district 1, Ho Chi Minh city, Vietnam	Investing, developing and trading real estate properties
32	Delta JSC	Delta JSC	100.00	73.73	No. 110 Dang Cong Binh, Hamlet 6, Xuan Thoi Thuong Commune, Hoc Mon District, Ho Chi Minh City, Vietnam	Investing, developing and trading real estate properties
33	P&S Business Investment and Trading LLC	P&S LLC	100.00	100.00	Vinhomes Riverside ⁽¹⁾	Investing, developing and trading real estate properties
34	Vinpearl JSC	Vinpearl JSC	100.00	99.97	Hon Tre island, Vinh Nguyen ward, Nha Trang city, Khanh Hoa province, Vietnam	Investing, developing and trading hospitality services

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
35	Nha Trang Port JSC	Nha Trang Port JSC	91.94	91.90	No.5 Tran Phu, Vinh Nguyen ward, Nha Trang city, Khanh Hoa province, Vietnam	Loading goods, leasing warehouse
36	Co.Co International Co., Ltd	Co.Co International Ltd	69.99	69.96	No.14 Thuy Khue street, Thuy Khue ward, Tay Ho district, Hanoi, Vietnam	Investing, developing and trading real estate properties
37	VINDFS JSC	VINDFS JSC	80.00	79.97	CC-1 (zone KT-A), Bien An Vien urban area, Vinh Nguyen ward, Nha Trang city, Khanh Hoa province, Vietnam	Retails in specialised stores
38	Vinpearl Travel LLC	Vinpearl Travel LLC	100.00	99.97	Vinhomes Riverside ⁽¹⁾	Travel agency
39	Vinpearl Air Aviation JSC	Vinpearl Air JSC	80.00	79.97	2nd Floor, Almaz Market, Hoa Lan street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam	Operations and aviation services
40	Vinpearl Travel Ru LLC	Vinpearl Travel Ru LLC	100.00	80.00	Ne 24 Building, Timur Frunze St., Moscow, Russian Federation	Travel agency
41	Vinpro Business and Trading Service LLC	Vinpro LLC	100.00	100.00	Vinhomes Riverside ⁽¹⁾	Retailing in audio-visual equipment, computers, software and telecommunication equipment
42	One Mount Group JSC	OMG JSC	51.22	51.22	B1 floor, T26 building, Times City urban area, 458 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi City	Agency, broker, goods auction
43	Vinmec International General Hospital JSC	Vinmec JSC	100.00	100.00	No.458, Minh Khai street, Vinh Tuy ward, Hai Ba Trung district, Hanoi, Vietnam	Healthcare, medical and related services
44	Vinschool One Member LLC	Vinschool LLC	100.00	100.00	Vinhomes Riverside ⁽¹⁾	Rendering education services
45	VinAcademy Education and Training LLC	VinAcademy LLC	100.00	99.37	Vinhomes Riverside ⁽¹⁾	Rendering education services
46	Vincom Security Service LLC	Vincom Security LLC	100.00	100.00	Vinhomes Riverside ⁽¹⁾	Rendering security services
47	VinFast Trading and Production LLC	VinFast LLC	51.15	51.15	Dinh Vu - Cat Hai economic zone, Cat Hai island, Cat Hai town, Cat Hai district, Hai Phong City, Vietnam	Producing of motor vehicle
48	VinFast Germany GmbH	VinFast Germany GmbH	100.00	51.15	106 ResCowork 04, Frankfurt, Alte Oper, Bockenheimer Landstraße 17/19, 60325 Frankfurt am Main, Germany	Trading, import and export of equipment, components and spare parts for motorbikes and related goods
49	VinFast Leasing JSC	VinFast Leasing JSC	99.00	50.64	Vinhomes Riverside ⁽¹⁾	Leasing motor vehicle
50	VinFast Commercial and Service Trading LLC	VinFast Trading LLC	100.00	51.15	Vinhomes Riverside ⁽¹⁾	Retails in automotive
51	VinFast Engineering Australia Pty Ltd	VinFast Australia LLC	100.00	51.15	1 Liney Avenue, Clemton Park NSW 2206, Australia	Designng automotive; collaborating in technological research, importing and distributing goods
52	VINFA JSC	VINFA JSC	59.39	59.39	Vinhomes Riverside ⁽¹⁾	Retails in medicine
53	Vinsmart Research and Manufacture JSC	Vinsmart JSC	62.03	62.03	Lot CNI-06B-1&2, Hi-tech Industrial Park 1, Hoa Lac Hi-tech Park, Ha Bang Commune, Thach That District, Hanoi, Vietnam	Mobile production
54	Mundo Reader S.L.	Mundo Reader LLC	51.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Mobile production

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
55	Luarna Ediciones S.L.	Luarna Ediciones	100.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Retails in department stores
56	Marcha Technology S.L.	Marcha Technology	60.00	24.48	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Developing 3D Printing products
57	lot & Mobility Y Commerce. S.L.	lot & Mobility Y Commerce	100.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Retails in department stores
58	Inteligencia Operacional Para La Ingeniería. S.L.	Inteligencia Operacional Para La Ingeniería	100.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Engineering and IT. Digital transformation
59	Deep Technology & Engineering Services. S.L.	Deep Technology & Engineering Services	100.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Product design
60	Contact Services For Satisfaction. S.L.	Contact Services For Satisfaction	100.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Customer care services
61	Educación Y Robótica S.L.	Educación Y Robótica	100.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Developing education products
62	3D Printing & Printers	3D Printing & Printers	100.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	3D Printing Manufacturing
63	BQ-Mundo Rader, Unipessoal Lda	BQ-Mundo Rader, Unipessoal Lda	100.00	40.80	Avenida D, João II, Número 46, 4 A. Lisboa, freguesia de Parque das Nações, concelho de Lisboa, Portugal	Retails in department stores
64	Mundo Reader France S.A.R.L.	Mundo Reader France	100.00	40.80	5, Rue Lesseps, 75020 Paris, France	Retails in department stores
65	Mundo Reader Gmbh	Mundo Reader Gmbh	100.00	40.80	Hanauer Landstrabe 126-128 60314 Frankfurt am Main, Germany	Retails in department stores
66	Mundo Reader S.R.L.	Mundo Reader S.R.L	100.00	40.80	Via Monti n 8 Milano. Italia	Retails in department stores
67	Smart European Devices Limited	Smart European Devices	100.00	40.80	16/F RYDAKAN CAPITAL TOWER, Hoy Bun Road, Kwun Tong, Hong Kong	Retails in department stores
68	Xibantronics Trading Company Ltd	Xibantronics Trading	100.00	40.80	E Maoye ShiDai Building, No.2 HaiDe Road, - WenXin Road - NanShan - Shenzhen - China	Retails in department stores
69	Electronic 2 Trade	Electronic 2 Trade	100.00	40.80	16/F Rykadan Capital Tower,135 Hoi Bun Road, Kwun Tong, Hong Kong	Retails in department stores
70	Fundación Para La Educación Y El Desarrollo Tecnológico	Fundación Para La Educación Y El Desarrollo Tecnológico	100.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Development Fund
71	Vingroup Global Pte. Ltd.	Vingroup Global	100.00	62.03	120 Lower Delta Road #-2-00, Cendex Centre, Singapore	Import and distribution of goods
72	Vingroup Ru Co., Ltd	Vingroup Ru	100.00	80.00	2nd floor, Room 4, Building 7, 1-ST Kazachiy Lane, Moscow City, Russian Federation	Wholesale of household electrical goods
73	VinTech Technology Development JSC	VinTech JSC	80.00	80.00	Vinhomes Riverside ⁽¹⁾	Research and experimental development of natural sciences and technology
74	Vingroup USA Co., Ltd	Vingroup USA	100.00	80.00	850 New Burton Road, Suite 201, Dover, Delaware 19904, County of Kent, USA	Technology research
75	Vingroup Japan Research Co., Ltd (previously known as VinTech Japan Godo Kaisha)	Vingroup Japan	100.00	80.00	Arte Otemachi, 8F 1-5-16, Uchikanda, Chiyoda-ku, Tokyo, Japan	Technology research
76	VANTIX Technology Solutions and Services LLC	Vantix LLC	100.00	84.00	Vinhomes Riverside ⁽¹⁾	Activities of information technology services and other services related to computers

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
77	OneID JSC (previously known as VinID JSC)	OneID JSC	99.95	51.22	Vinhomes Riverside ⁽¹⁾	Other monetary intermediation activities
78	VinID Pay JSC	VinID Pay JSC	100.00	60.97	Vinhomes Riverside ⁽¹⁾	Other monetary intermediation activities
79	Adayroi Trading Service Development JSC	Adayroi JSC	99.95	51.22	Vinhomes Riverside ⁽¹⁾	Retail by phone and internet
80	Vietnam Grand Prix LLC	Grand Prix LLC	100.00	100.00	Vinhomes Riverside ⁽¹⁾	Organise and promote events, exhibitions, conferences and seminars
81	Vinbus Ecology Transport Services LLC	VinBus LLC	100.00	100.00	Vinhomes Riverside ⁽¹⁾	Providing transportation services
82	VINCSS Internet Security Services LLC	VINCSS LLC	100.00	80.00	Vinhomes Riverside ⁽¹⁾	Scientific research and technology development
83	VinWonder JSC (previously known as VinConnect Solutions and Technology Services LLC)	VinWonder JSC	100.00	100.00	Vinhomes Riverside ⁽¹⁾	Activities of information technology services and other services related to computers
84	HMS Software Production and Trading LLC	HMS LLC	100.00	80.00	Vinhomes Riverside ⁽¹⁾	Software production
85	Vinhomes Industrial Zone Investment JSC (previously known as Vingroup Ventures JSC)	VHIZ JSC	90.00	90.00	Vinhomes Riverside ⁽¹⁾	Consultancy and investment activities
86	Vinsoftware software system development LLC	Vinsoftware LLC	100.00	80.00	Vinhomes Riverside ⁽¹⁾	Software production
87	Vintech Ventures Development LLC	Vintech Ventures LLC	100.00	80.00	Vinhomes Riverside ⁽¹⁾	Consultancy and investment activities
88	Vinbrain Automatic Management Solutions Consulting LLC	Vinbrain LLC	100.00	80.00	Vinhomes Riverside ⁽¹⁾	Activities of information technology services and other services related to computers
89	MV Viet Nam Real Estate Trading JSC	MV Viet Nam JSC	99.82	89.84	4th floor, Vincom Megamall Thao Dien, 161 Hanoi highway, Thao Dien Ward, District 2, Ho Chi Minh city, Vietnam	Investing, developing and trading real estate properties
90	Phu Gia Real Estate Trading LLC	Phu Gia LLC	98.00	72.36	No.63 Hang Ga street, Hang Bo ward, Hoan Kiem district, Hanoi, Vietnam	Investing, developing and trading real estate properties
91	Vingroup Korean Co., Ltd	Vingroup Korean	100.00	80.00	Sindang-dong, E&C Inobiz Tower, 209-ho 559 Dalseo-Daero, Sindang-dong, Dalseo-gu, Daegu, South Korea	Technology research

(1) Full registered office address: No.7, Bang Lang 1 street, Vinhomes Riverside Eco-urban area, Viet Hung ward, Long Bien district, Hanoi.

(*) The voting right is also the ownership of the Group in these subsidiaries.



A Pioneering Mission

Vingroup Joint Stock Company

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