

**REPORT ON 2019 FINANCIAL RESULTS AND USE OF PROCEEDS FROM THE PRIVATE PLACEMENT OF ORDINARY SHARES OF VINGROUP JOINT STOCK COMPANY****Respectfully submitted to: THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

In 2019, Vingroup Joint Stock Company (“**Vingroup**”) had a successful year with encouraging key financial indicators for the financial year ended 31 December 2019, as shown in the 2019 audited consolidated financial statements as follows:

**1. Assets**

- Current assets increased by VND 62.0 trillion to VND 197.4 trillion in 2019, or an increase of 46% year-on-year, mainly due to a surge in Inventories since real estate mega projects had started construction but the units in these projects were not yet delivered, and Inventories from manufacturing activities increased significantly. 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, in which:
  - o Fixed assets increased by VND 58.8 trillion to VND 108.3 trillion in 2019 due to the completion of the VinFast automobile and VinSmart manufacturing plants.
  - o Investment properties increased by 27% compared to 31 December 2018, to VND 33.9 trillion due to the expansion of Vincom Retail’s nationwide retail network as it launched 13 new shopping malls.
  - o **Construction in progress decreased by VND 10.5 trillion in 2019 due mainly to assets being recorded in Fixed assets when the construction is completed and the equipment are out into use.**

**2. Borrowings and Owners’ Equity****2.1. Sources of borrowings in 2019**

- Total liabilities as of 31 December 2019 were VND 283.2 trillion, increasing VND 94.2 trillion compared to 31 December 2018, mainly due to the increases in Short-term advances from customers and in working capital to finance manufacturing activities.
- Vingroup’s Total debts as of 31 December 2019 reached VND 127.7 trillion. Total debts are mainly comprised of syndicated loans (47%), domestic bonds (34%), and exchangeable bonds (8%).

**2.2. Net increase in Owners’ Equity**

- Owners’ equity increased by 22% from VND 99.2 trillion to VND 120.6 trillion at the end of 2019 mainly because Vingroup issued additional shares via private placement and re-issued treasury shares.

**3. Consolidated revenue and profit growth**

- Net revenue reached VND 130.0 trillion, increased by VND 8.1 trillion, or 7% year-on-year.
- 2019 Gross profit was VND 37.6 trillion, an increase of 30% compared to that of 2018, mainly attributed to 37% increase year-on-year in Gross profit from the sale of inventory properties as Vingroup implemented the bulk strategy at the mega projects while bulk sales typically has higher profit margins than retail sales. Average gross profit margin in 2019 reached 29%.
- Profit before tax reached VND 15.6 trillion and Profit after tax reached VND 7.7 trillion, representing year-on-year increases of 12% and 24% respectively.

**4. Report on use of proceeds from the 2019 private placement of ordinary shares**

Management respectfully submits to the General Meeting of Shareholders the Report on use of proceeds from the private placement of ordinary shares audited by UHY Audit & Advisory Services Ltd (“UHY”). UHY confirm that the report reflected the Report on use of proceeds as at 31 December 2019 gives a true and fair view, in all material respects, the use of proceeds from the issuance in accordance with the above purposes and as registered with the State Securities Commission, and in accordance with the accounting policies applied on the notes to the report.

Kindly submit for AGM for consideration and endorsement.

Thank you.

**VINGROUP JOINT STOCK COMPANY**

**Chief Executive Officer**

*To:*

*- As stated above;*

*- Vingroup archives.*

**(signed)**

**NGUYEN VIET QUANG**

*Note: Vingroup's 2018 Financial Statements were audited by Ernst & Young Viet Nam Ltd., and are published on the Company's official website: <http://vingroup.net/en-us/home.aspx>*