

IMPORTANT NOTICE

NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the offering circular (the “Offering Circular”) attached to this e-mail. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information as a result of such access. You acknowledge that the access to the Offering Circular is intended for use by you only and you agree you will not forward or otherwise provide access to any other person.

None of this e-mail, the Offering Circular or anything contained in it or them shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. None of the Joint Lead Managers (as defined in the Offering Circular) nor its affiliates nor any other person accepts any liability or responsibility whatsoever for any loss howsoever arising from any use of this e-mail or the Offering Circular or their respective contents or otherwise arising in connection therewith.

Restrictions: nothing in this electronic transmission constitutes an offer of securities for sale in the United States or any jurisdiction where it is unlawful to do so. The Bonds (as defined below) and the Exchange Shares (as defined below) issuable upon conversion of the bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States or other jurisdiction and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws.

THE ATTACHED OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE JOINT LEAD MANAGERS (AS DEFINED HEREIN) AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. UNDER NO CIRCUMSTANCES SHALL THIS OFFERING CIRCULAR CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL.

Confirmation of Your Representation: You have accessed the attached Offering Circular on the basis that you have confirmed to Vingroup Joint Stock Company (the “Issuer”) and the Joint Lead Managers that: (1) you are not located in the United States, (2) the e-mail address that you gave the Issuer and to which this e-mail has been delivered is not located in the United States, (3) you consent to delivery of this document and any amendments or supplements by electronic transmission and (4) to the extent you purchase the securities in the attached Offering Circular you will be doing so pursuant to Regulation S under the Securities Act. Recipients of the attached Offering Circular who intend to subscribe for or purchase the Bonds are reminded that any subscription or purchase may only be made on the basis of the information contained in this Offering Circular.

The Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Issuer nor the Joint Lead Managers nor any of their affiliates, directors, officers, employees, representatives, agents and each person who controls any of them accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Circular distributed to you in electronic format or any difference between the Offering Circular distributed to you in electronic format and the hard copy version. The Issuer will provide a hard copy version to you upon request. You are reminded that the attached Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver this Offering Circular electronically or otherwise, to any other person and, in particular, to any person or address in the U.S. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Joint Lead Managers or any affiliate of a Joint Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the Securities.

You are reminded that you have accessed the Offering Circular on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located.

Actions that you may not take: If you receive the Offering Circular by e-mail, you should not reply by e-mail to this electronic transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



VINGROUP JOINT STOCK COMPANY

(a shareholding company incorporated under the laws of the Socialist Republic of Vietnam)

US\$500,000,000 3.00% Exchangeable Bonds due 2026
exchangeable into Shares of



VINHOMES JOINT STOCK COMPANY

(a shareholding company incorporated under the laws of the Socialist Republic of Vietnam)

Issue price: 100%

The US\$500,000,000 3.00% Exchangeable Bonds due 2026 (the “**Bonds**”) to be issued by Vingroup Joint Stock Company (the “**Issuer**”), will be constituted pursuant to a trust deed (the “**Trust Deed**”) dated 14 April 2021 between the Issuer and The Bank of New York Mellon, London Branch as trustee for the holders of the Bonds (the “**Trustee**”). The issue price of the Bonds will be 100.00% of the aggregate principal amount of the Bonds. Interest on the Bonds will be payable semi-annually in arrear on 20 April and 20 October of each year (each an “**Interest Payment Date**”). The first interest payment will be made on 20 October 2021.

Subject to the rights of the Issuer to make a cash election and as otherwise provided in the terms and conditions of the Bonds (the “**Conditions**”), Bondholders have the right to exchange their Bonds into ordinary shares in the capital of Vinhomes Joint Stock Company (“**Vinhomes**”) (the “**Exchange Shares**”) at any time during the Exchange Period (as defined in the Conditions). The price at which Exchange Shares will be delivered upon exchange (the “**Exchange Price**”) will initially be VND 123,000 per Exchange Share, but will be subject to adjustment in the manner provided in the Conditions. Further, a Bondholder has the right to exercise exchange rights upon the occurrence of a Change of Control (as defined in the Conditions). The Exchange Price is subject to adjustment in the circumstances described under “*Terms and Conditions of the Bonds—Exchange—Adjustments to Exchange Price*”. The Exchange Shares are listed on the Ho Chi Minh City Stock Exchange (the “**HSX**”). The closing price of the Exchange Shares on the HSX on 13 April 2021 was VND 102,500 per Exchange Share.

Unless previously redeemed, exchanged, purchased and cancelled, the Bonds will be redeemed on the Maturity Date at 105.47% of their principal amount, together with accrued but unpaid interest calculated in accordance with the Conditions. The Bonds may be redeemed in whole (but not in part), at the option of the Issuer at any time after 4 May 2024, subject to satisfaction of certain conditions, at the Early Redemption Amount (as defined in the Conditions) together with accrued but unpaid interest to the date fixed for such redemption if the Closing Price (as defined in this Offering Circular) of the Exchange Shares on each of 20 consecutive Trading Days (as defined in the Conditions), the last of which occurs not more than 30 days prior to the date upon which notice of such redemption is published, (translated into U.S. dollars at the Prevailing Rate) was at least 130% of the Early Redemption Amount as at each of such Trading Days for a Bond with a principal amount of US\$200,000 divided by the Exchange Ratio in effect on each of such Trading Days. The Bonds may also be redeemed in whole (but not in part) at any time at the option of the Issuer at the Early Redemption Amount together with accrued but unpaid interest to the date fixed for such redemption (i) if at least 90% in principal amount of the Bonds originally issued (which, for this purpose, shall be the aggregate of the principal amount of the Bonds and the principal amount of any further bonds issued pursuant to the Conditions) have already been exchanged, redeemed or purchased and cancelled or (ii) in the event of certain changes in the laws and regulations relating to taxation in Vietnam. Holders of the Bonds will have the right to require the Issuer to redeem the Bonds (i) at the Early Redemption Amount together with accrued but unpaid interest on the Relevant Event Redemption Date (as defined in the Conditions), in the event that the Exchange Shares cease to be listed and/or admitted to trading or trading in the Exchange Shares is suspended for a period equal to or exceeding 20 Trading Days on the HSX, or if applicable, the Alternative Stock Exchange (as defined in this Offering Circular), or a Change of Control has occurred or (ii) at 103.15% of their principal amount together with accrued but unpaid interest on 20 April 2024.

Approval-in-principle has been obtained for the Bonds to be listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission of the Bonds to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, Vinhomes, their respective subsidiaries and associates, or the Bonds and the Exchange Shares. Approval has also been obtained from the State Securities Commission of Vietnam (the “**SSC**”) for the listing of the Bonds on the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of US\$200,000 for so long as the Bonds are listed on the SGX-ST.

Investing in the Bonds and the Exchange Shares involves certain risks. See “*Risk Factors*” beginning on page 13 for a discussion of certain factors to be considered in connection with an investment in the Bonds and the Exchange Shares.

The Bonds will be represented by a single Global Certificate (as defined in the Conditions) in registered form, deposited with a common depository for, and registered in the name of a nominee of, Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”) on or about 20 April 2021 (the “**Closing Date**”), for the accounts of their respective accountholders.

Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected through, records maintained by Euroclear and Clearstream. Except as described in this Offering Circular, definitive Certificates representing individual Bonds will not be issued in exchange for interests in the Global Certificate.

The Bonds and the Exchange Shares to be delivered upon exchange of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and, subject to certain exceptions, may not be offered or sold within the United States of America (the “**United States**”) or the “**U.S.**”). The Bonds and the Exchange Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. For a description of certain restrictions on resale or transfer, see “*Subscription and Sale*”.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the “**MAS**”). Accordingly, the Bonds and the Exchange Shares may not be offered or sold, nor may the Bonds and the Exchange Shares be the subject of an invitation for subscription or purchase, nor may this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Bonds and the Exchange Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Joint Lead Managers



Morgan Stanley

The date of this Offering Circular is 13 April 2021

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IMPORTANT INFORMATION

The Issuer confirms that: (i) all statements of fact with respect to the Issuer, Vinhomes and each other member of the Group (as defined below), the Exchange Shares and the Bonds contained in this Offering Circular are true and accurate in all material respects and not misleading and all opinions, intentions and expectations contained herein are honestly held after due and proper consideration and are based on facts known to, or reasonable assumptions of, the Issuer or Vinhomes (as the case may be); (ii) this Offering Circular does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (iii) without limitation to the generality of the foregoing, this Offering Circular contains all information with respect to the Group, taken as a whole, and to the Exchange Shares and the Bonds which is material in the context of the issue and offering of the Bonds (including the information which is required by the listing rules of the SGX-ST and applicable laws of Vietnam and Singapore and which, according to the particular nature of the Issuer, Vinhomes, the Exchange Shares and the Bonds, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of Vinhomes and of the rights attaching to the Exchange Shares and the Bonds). Each of the Issuer and Vinhomes accepts responsibility for the information contained in this Offering Circular.

This Offering Circular is highly confidential and has been prepared by the Issuer solely for use in connection with the issuance and offering of the Bonds described herein. Credit Suisse (Singapore) Limited, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Morgan Stanley Asia (Singapore) Pte. (the “**Joint Lead Managers**”), reserve the right, for any reason, to reject any offer to subscribe for the Bonds, in whole or in part, or to sell less than all of the Bonds offered hereby. You should read this Offering Circular before making a decision whether to purchase the Bonds.

This Offering Circular is intended solely for use in connection with the issuance and offering of the Bonds described herein, and does not purport to summarize all of the terms, conditions, covenants and other provisions contained in the Trust Deed and other transaction documents described herein. The information provided is not all-inclusive.

The distribution of this Offering Circular and the offering, sale or delivery of the Bonds in certain jurisdictions may be restricted by law. Persons who acquire this Offering Circular are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. See the section entitled “*Subscription and Sale*” for a description of certain restrictions on the offer and sale of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions. Nothing contained in this Offering Circular is or shall be relied upon as a promise or representation, whether as to the past or the future.

This Offering Circular is not a prospectus for the purposes of the European Union’s Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) as implemented in member states of the European Economic Area.

You should rely only on the information contained in this Offering Circular. No person has been authorized to give any information or to make any representation other than those included in this Offering Circular in connection with the issuance or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, Vinhomes, the Joint Lead Managers, the Trustee or the Agents (each as defined in the Conditions). The information in this Offering Circular is given only as of the date of this Offering Circular. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the Issuer’s, Vinhomes’ or our Group’s affairs or that there has been no adverse change in the Issuer’s, Vinhomes’ or our Group’s financial position since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the Offering Circular containing the same. None of the Joint Lead Managers, the Trustee or the Agents undertake to review the financial condition and affairs of the Issuer, Vinhomes or our Group following the date of this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents.

This Offering Circular is personal to the prospective investors to whom it has been delivered by the Joint Lead Managers and does not constitute an offer to any other person or to the public generally to subscribe for or

otherwise acquire Bonds. Investors may not reproduce or distribute this Offering Circular, in whole or in part, and investors may not disclose any of the contents of this Offering Circular or use any information herein for any purpose other than considering an investment in the Bonds. Distribution of this Offering Circular to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited.

By accepting delivery of this Offering Circular, the prospective investor agrees to the foregoing and to make no photocopies or other reproduction of this Offering Circular.

None of the Joint Lead Managers, the Trustee and the Agents or any of their respective affiliates, advisers, directors, employees, agents or representatives make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Circular and investors should not rely on anything contained in this Offering Circular as a promise or representation by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, advisers, directors, employees, agents or representatives. None of the Joint Lead Managers, the Trustee and the Agents or any of their respective affiliates, advisers, directors, employees, agents or representatives has independently verified any of such information and, to the fullest extent permitted by law, assumes no responsibility for its accuracy or completeness. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee and the Agents or any of their respective affiliates, advisers, directors, employees, agents or representatives in connection with its investigation of the accuracy of such information or its investment decision. To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee and the Agents accept any responsibility for the contents of or any omission from this Offering Circular or for any statement made or purported to be made by it or on its behalf with respect to the Issuer, Vinhomes or the offering and issuance of the Bonds. Each of the Joint Lead Managers, the Trustee and the Agents accordingly disclaims any and all liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular. The appointment of the Trustee and the Agents is subject to internal approvals by the entities named as such in this Offering Circular.

Neither this Offering Circular nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, Vinhomes, the Joint Lead Managers, the Trustee or the Agents that any recipient of this Offering Circular, or any other information supplied in connection with the offering of the Bonds, should purchase the Bonds. Each person contemplating making an investment in the Bonds must make its own investigation and analysis of the Issuer's, Vinhomes' and our Group's creditworthiness and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. No person should construe the contents of this Offering Circular as legal, business or tax advice and each person should be aware that it may be required to bear the financial risks of any investment in the Bonds for an indefinite period of time. Each person should consult its own counsel, accountant and other advisers as to legal, tax, business, financial and related aspects of an investment in the Bonds.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Lead Managers or any affiliate or representative of any of the Issuer, Vinhomes or the Joint Lead Managers to subscribe for or purchase, any Bonds in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorized or to any person to whom it is unlawful to make such offer, invitation or solicitation. None of the Issuer, Vinhomes, the Joint Lead Managers, the Trustee, the Agents, or any of their respective affiliates, advisers, directors, employees, agents or representatives is or are making any representation to any investor regarding the legality of an investment in the Bonds by such investor under applicable laws. Investors should not consider any information in this Offering Circular to be legal, business and tax advice regarding an investment in the Bonds. See the section entitled "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Issuer, Vinhomes and the Joint Lead Managers are relying on the exemption from registration under the Securities Act provided by Regulation S for offers and sales of securities made outside the United States. The Bonds have not been registered under the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may be offered or sold only in transactions that are exempt from or not subject to, the registration requirements of the Securities Act and any other applicable laws.

Each purchaser of the Bonds must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Bonds or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Bonds under the

laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales and none of the Issuer, Vinhomes, the Trustee or the Joint Lead Managers shall have any responsibility therefor.

The contents of this Offering Circular have not been reviewed by any regulatory authority in any jurisdiction. You are advised to exercise caution in relation to the offering of the Bonds. If you are in any doubt about any of the contents of this Offering Circular, you should obtain independent professional advice. Information on our website or any website directly or indirectly of any of our related corporations or other entities in which we may have an interest is not incorporated by reference into this Offering Circular and should not be relied upon.

PRIIPs Regulation/Prohibition of sales to EEA retail investors—The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II (as amended, the “**Insurance Distribution Directive**”); or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs Regulation/Prohibition of sales to UK retail investors—The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) no 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore—In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on our management’s current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe,” “expects,” “may,” “will,” “could,” “should,” “shall,” “risk,” “intends,” “estimates,” “aims,” “targets,” “plans,” “predicts,” “continues,” “assumes,” “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology. They appear in a number of places throughout this Offering Circular. Such projections, estimates and forecasts are highly subjective in nature and based on management’s assessment of current market conditions and trends and performance, and current timetables for development, sales and delivery of projects, taking into account similarities and differences in markets and project characteristics such as size, location, quality, offerings and competition. Such projections, estimates and forecasts are presented only as a guide about future possibilities and do not represent actual amounts or assured events. Forward-looking statements further include all matters that are not historical facts. In particular, various statements under “*Summary*,” “*Risk Factors*,” “*Description of our Group*,” and “*Corporate Governance and Management*” regarding our strategy and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Offering Circular regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing us, including:

- the impact of the present COVID-19 pandemic;
- our exposure to multiple business lines;
- fluctuations in our cash flows and the availability of funding from external sources;
- our ability to execute our business strategies, including our strategy to grow our Group across multiple business lines, some of which are new to us;
- our ability to identify in a timely manner and effectively respond to consumer preferences or expectations;
- domestic and global conditions and, in particular, economic and real estate market conditions in Vietnam;
- changes in applicable laws and regulations;
- restrictions arising from the terms of our indebtedness;
- our ability to protect our brand and reputation;
- our ability to adequately protect or enforce our intellectual property rights;
- the success of our research and development efforts;
- the success of our acquisitions and strategic alliances as part of our strategy;
- changes in interest rates and foreign exchange rates;
- our ability to retain the services of our senior management team;
- our ability to maintain adequate insurance coverage;
- disruptions in our supply chain;
- conflicts between the interests of our principal shareholder and those of Bondholders;
- our ability to protect our information technology systems from failures or security breaches;
- adverse litigation judgments or settlements;
- natural disasters, epidemics, acts of war, terrorist attacks and other events;
- development risks relating to our projects, including the performance of third-party service providers such as planning, design and construction contractors and delays in securing governmental approvals;
- our ability to complete pending acquisitions of projects and land bank and to acquire projects and land bank in the future;
- the performance of the property market in Vietnam;
- our ability to compete, particularly in markets with established players and in which we are a recent entrant that is less familiar with the legal and regulatory landscape;
- our dependence on our manufacturing facilities;
- product liability exposures;
- our reliance on third party dealers, franchisees, distributors and sales agents in Vietnam and globally;
- our ability to comply with applicable laws and regulations in Vietnam;
- political, economic and legal conditions in Vietnam; and
- other risks, uncertainties and factors set forth in this Offering Circular, including under “*Risk Factors*.”

Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

These forward-looking statements speak only as of the date of this Offering Circular. Save for its obligations under the SGX-ST Listing Manual, the Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Offering Circular to reflect any change in our Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

CERTAIN DEFINED TERMS AND CONVENTIONS

In this Offering Circular, references to the terms the “**Issuer**” and “**Vingroup**” are to Vingroup Joint Stock Company; references to the term “**Vinhomes**” is to Vinhomes Joint Stock Company; and references to the terms “**we**,” “**us**,” “**our**” and “**Group**” are to Vingroup Joint Stock Company and its consolidated subsidiaries (including Vinhomes). In this Offering Circular, references to a subsidiary of Vingroup means, as the context requires, such subsidiary individually or such subsidiary and its consolidated subsidiaries collectively.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “**Vietnam**” are references to the Socialist Republic of Vietnam and all references to the “**U.S.**” and “**United States**” are references to the United States of America. All references to “**Government**” are references to the government of Vietnam. All references to “**Vietnamese dong**” and “**VND**” are to the lawful currency of Vietnam and all references to “**U.S. dollars**” or “**US\$**” are to the lawful currency of the United States of America.

The English names of the Vietnamese nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Vietnamese names and are included for identification purposes only. In the event of any inconsistency, the Vietnamese name prevails.

The information on our websites or any website directly or indirectly linked to such websites or the websites of any of our related corporations or other entities in which we may have an interest is not incorporated by reference into this offering document and should not be relied on. Vingroup has its shares listed on the Ho Chi Minh City Stock Exchange (“**HSX**”) and is required to make certain public filings and/or disclosure pursuant to the rules of the HSX. None of such public filings and/or disclosure is incorporated by reference into this Offering Circular and should not be relied on.

Real Estate Defined Terms

All references to Vinhomes’ “**Completed Projects**” are to residential projects or the residential components of mixed used projects that have (i) been constructed and put into operation, (ii) at least 95.0% of units under contracts for sale and (iii) at least 80.0% of all units delivered to customers.

All references to Vinhomes’ “**Launched Projects**” are to residential projects or the residential components of mixed used projects, other than Completed Projects, for which Vinhomes has obtained land use rights and construction permits from the relevant Vietnamese authorities and commenced early site works and pre-sale marketing or solicitation of interests has begun.

All references to Vinhomes’ “**Pipeline Projects**” are to fully or partially planned and designed residential projects or the residential components of mixed used projects in respect of which we have entered into, or been appointed to be an investor under, a land grant contract with, or obtained a land transaction confirmation letter from, the relevant Vietnamese authorities but land use rights and/or construction permits have not been obtained.

All references to “**pre-sales**” are to the sale of residential units in Vinhomes’ real estate projects in advance of completion of the unit and handover to the purchaser.

All references to “**unbilled contractual sales**” are to amounts that pre-sale purchasers of Vinhomes’ residential properties have committed to pay for their units and that Vinhomes will recognize as revenue at the time that the units are handed over to the purchasers.

All references to “**occupancy rate**” are to the percentage of net leasable area in our Vincom Retail malls that under lease or the level of utilization of our Vinpearl hotels’ available capacity, as applicable. In our hospitality business, occupancy rate is sometimes discussed in terms of “**room nights sold**,” which is the number of rooms sold for one night.

We have included in this Offering Circular the site area of our commercial real estate projects. We determine site area generally by reference to areas that can be developed by us. We have included in this Offering Circular the gross floor area (“**GFA**”) and/or the net saleable area (“**NSA**”) of our projects, which we use to describe the area available for sale in our projects. We determine GFA generally by reference to the built-up area of the project excluding basement car park space. For pipeline projects, the GFA is based on our estimation by reference to, among other things, construction plans, which may change and in certain cases is subject to final verification by survey and regulatory approval. We determine NSA generally by reference to area in a project that is available to be sold to customers, excluding common areas.

All references to a “**key**” are to a hotel room or beach villa.

Land Bank

We have included in this Offering Circular information regarding our land bank, which comprises land for buildable residential projects and land attributable to infrastructure, greeneries and non-residential components, including commercial, retail, hospitals, schools and hospitality and entertainment.

We consider land to be part of our land bank when the relevant authority (for example, the prime minister or the municipal government) has granted us (or, in certain cases, the current project developer(s) from whom we acquire the project(s) or with whom we co-operate under the economic business corporation contracts to gain economic interests distributed from certain residential portions of relevant project(s) (the “**Transferor**”)) (i) an in-principle investment decision or an investment registration certificate which records us or the Transferor as the developer of the project which will be implemented on the relevant project land; or (ii) a document approving the selection of us or the Transferor as the project developer in the case of competitive bidding or acknowledging the land use right auction result in case of land use right auction process; or (iii) a document approving the investment proposal submitted by us or the Transferor (which document could be in the form of a decision or a planning or an official letter issued by the relevant state authority), which recognizes us or the Transferor as the developer of the relevant project and allows us or the Transferor to carry out further procedural works to obtain an in-principle investment decision or an investment registration certificate to develop such project. The land use right fee for buildable residential components is paid upon completion of the land clearance process and receipt of a land hand-over approval, which takes place prior to construction and may be staged for multi-phased developments; while the land rental for the remaining commercial component will mostly be paid through annual land leases.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains the audited consolidated financial statements of the Issuer and its subsidiaries as of and for the years ended 31 December 2018, 2019 and 2020 (the “**Group Financials**”), which were prepared 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 in Vietnam (“**VAS**”). In addition, this Offering Circular contains the audited consolidated financial statements of Vinhomes and its subsidiaries as of and for the years ended 31 December 2018, 2019 and 2020 (the “**Vinhomes Financials**”), which were prepared in accordance with VAS. The Group Financials and the Vinhomes Financials have been audited by Ernst & Young Vietnam Limited (“**Ernst & Young**”) and the audit has been conducted in accordance with Vietnamese Standards on Auditing.

The Group Financials and Vinhomes Financials each include disclosures of significant acquisitions and disposals during the relevant year, the application of different tax rates owing to changes in tax regulations and changes to the types of products and services provided comprised in a segment of our Group’s business. For more information, please see Notes 4, 36 and 40 to the audited consolidated financial statements of the Issuer and its subsidiaries as of and for the years ended 31 December 2018, 2019 and 2020, Notes 4, 33 and 36 to the audited consolidated financial statements of Vinhomes and its subsidiaries as of and for the years ended 31 December 2018 and 2019 and Notes 4, 34 and 37 to the audited consolidated financial statements of Vinhomes and its subsidiaries as of and for the years ended 31 December 2020.

For these and other reasons, the year-to-year comparison of our operating results for the years ended 31 December 2018, 2019 and 2020 may not be meaningful and you should not use such comparisons as a basis for your investment or to predict our future performance.

In this Offering Circular, where information has been presented in thousands, millions or billions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained in this Offering Circular due to rounding.

The information on our websites or any website directly or indirectly linked to such websites or the websites of any of our related corporations or other entities in which we may have an interest is not incorporated by reference into this offering document and should not be relied on. Vingroup and Vinhomes are listed on the HSX and are required to make certain public filings and/or disclosure pursuant to the rules of the HSX. None of such public filings and/or disclosure is incorporated by reference into this Offering Circular and should not be relied on.

MARKET AND INDUSTRY INFORMATION

This Offering Circular includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they

contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While we believe that the third party information and data contained in this Offering Circular are reliable, we cannot ensure the accuracy of the information or data, and we, the Trustee, the Joint Lead Managers and any of our or their affiliates or advisers have not independently verified this information or data or ascertained the underlying assumptions relied upon therein.

SUMMARY

This summary highlights information contained elsewhere in this Offering Circular. This summary is qualified in its entirety by more detailed information and financial statements, including notes thereto, appearing elsewhere in this Offering Circular. For a discussion of certain matters that you should consider in evaluating an investment in the Bonds, see “Risk Factors.” You should read this entire Offering Circular carefully, including the consolidated financial statements of the Group and Vinhomes and related notes contained therein.

OVERVIEW

Vingroup is the largest company listed on the HSX, with a market capitalization of US\$15.8 billion as of 31 December 2020. We are a leading conglomerate with market leading, fast-growing businesses that span the industrials and technology, real estate and social services sectors. We have a long operating history and strong track record spanning over two decades. Vingroup, and our listed subsidiaries, Vinhomes and Vincom Retail, are three of the top 13 listed companies on the HSX and together comprise approximately 18% of the Vietnam Ho Chi Minh Stock Index, as of 31 December 2020. Vingroup was named by Forbes Vietnam as one of the Top 50 Listed Companies (2020) and our listed subsidiaries, Vinhomes and Vincom Retail, were each named one of Forbes Vietnam’s Top 10 most valuable brands (2020).

In the industrials and technology sectors, we launched our mobility and smart phone manufacturing companies, VinFast and VinSmart, in October 2017 and December 2018, respectively. VinFast is an advanced and scalable smart mobility platform that manufactures electric motorcycles and cars equipped with smart electric vehicle technology with the support of its automated manufacturing facility and reputable industry partners. Meanwhile, VinSmart’s “Vsmart” is the first homegrown brand for smart phones and other smart devices in Vietnam. We also engage in technology research and development through One Mount Group and VinTech, in order to enhance the Vingroup ecosystem and invest in technology start-ups globally. Our subsidiary, One Mount Group, is an integrated digital ecosystem operating across multiple platforms with the goal of developing an expansive and fast-growing online-to-offline network that offers meaningful product solutions to customers and business in the retail, real estate and financial services sectors. One Mount Group provides digital financial services, retail services, and real estate products through its subsidiaries, 1MG Housing JSC and OneID JSC. Specifically, One Mount Group provides financial services through VinID, a customer loyalty program and e-wallet operated by OneID JSC, retail offerings through VinShop, an e-commerce platform operated by OneID JSC, and real estate products and services through OneHousing, a platform operated by 1MG Housing.

In the real estate sector, we are the largest integrated real estate developer, owner and operator of residential, commercial and hospitality properties in Vietnam. We operate our residential, commercial office and industrial real estate development and leasing business through Vinhomes, while our commercial retail real estate development and leasing business is operated through Vincom Retail. We operate our hospitality business through Vinpearl and our entertainment business through VinWonders, which are leading integrated hospitality and entertainment platforms in Vietnam.

In the social services and others sector, we operate hospitals through Vinmec, and provide a comprehensive K-12 educational system through Vinschool and university level education through VinUni.

Vingroup’s suite of offerings covers a wide range of consumer spending, ranging from real estate (residential, commercial office and industrial real estate, hospitality and entertainment, retail malls) to retail, healthcare and education, to industrials (mobility, smart phones and smart devices) and technology. From our established position as the dominant integrated real estate developer, we have gradually and steadily diversified as an operator across the retail, commercial and hospitality sectors, providing a comprehensive ecosystem of facilities and services which result in a readily accessible customer base for our businesses. We develop large, mixed-use projects that integrate our residential real estate projects with a wide range of facilities and amenities to create planning, design and construction synergies which allow us to offer our customers a unique “live, shop, work, play” ecosystem via diversified product offerings, including VinFast mobility products, VinSmart smart devices, Vincom Retail malls, Vinmec hospitals, VinOffice, Vinschool, VinUni, Vinpearl hotels and resorts and VinWonders amusement parks. Our vision is to create a sustainable ecosystem of quality products and services to improve the lives of Vietnamese people and elevate the position of the Vingroup brand globally.

We have a proven track record of establishing strategic partnership with well-known international parties. Since 2013, we have raised strategic equity capital through strategic partnerships with SK Group, Hanwha, GIC, KKR and Warburg Pincus, which serve to validate the attractiveness of our business portfolio and operating capabilities.

RECENT DEVELOPMENTS

In February 2021 and March 2021, Vingroup issued a total of VND 4,375 billion in bonds due 2024 through two issuances. The bonds bear an interest rate of 9.7% per annum in the first year and are subject to a floating interest rate in subsequent years, calculated as the average of the 12-month term interest rate of certain commercial banks plus margin. The net proceeds from the bond issuances were used by Vingroup to increase its capital investment in certain of its subsidiaries.

In March 2021, Vingroup acquired a 56% equity interest in a foreign company for a total consideration of US\$11.4 million.

Potential Fundraising Transactions and Investments

We continually evaluate different fundraising alternatives and investments, and may decide to enter into new fundraising transactions or investments from time to time, including following the pricing of this offering or within a short time period following the Closing Date of the Bonds (the “Potential Fundraising Transactions”). In particular, VinFast is considering certain fund raising opportunities and these may include an equity investment, an initial public offering, a business combination with a special purpose acquisition company or other transactions. Any potential fundraising transaction will be subject to different factors, such as market conditions, and be made at our discretion.

SUMMARY OF THE OFFERING

The following is a general summary of the Conditions. This summary is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of the Conditions and the Trust Deed relating to the Bonds. The Conditions and the Trust Deed will prevail to the extent of any inconsistency with the terms set out in this summary. Capitalized terms used in this Offering Circular and not otherwise defined have the respective meanings given to such terms in the Conditions.

Issuer	Vingroup Joint Stock Company.
Legal Entity Identifier	254900MJ9C1503O1V757
The Bonds	US\$500,000,000 3.00% Exchangeable Bonds due 2026.
Issue Price	The Bonds will be issued at 100.00% of their principal amount.
Closing Date	On or about 20 April 2021.
Maturity Date	20 April 2026.
Rate of Interest	The Bonds will bear interest at the rate of 3.00% per annum.
Interest Payment Dates	Interest will be payable semi-annually in arrear on 20 April and 20 October in each year commencing on 20 October 2021.
Status of the Bonds	The Bonds will constitute direct, unsubordinated, unconditional and (subject to the negative pledge discussed below) unsecured obligations of the Issuer and will at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge discussed below, at all times rank at least equally with all of its other present and future senior, unsecured and unsubordinated obligations.
Negative Pledge	The Bonds will be subject to a negative pledge provision. See “ <i>Terms and Conditions of the Bonds—Negative Pledge</i> ”.
Exchange Right	Subject to the Conditions and the rights of the Issuer to make a cash election as discussed below, the Bonds are exchangeable by holders into Shares at any time (subject to any applicable fiscal or other laws or regulations as provided in the Conditions) on or after 31 May 2021 up to the close of business (at the place where the Certificate evidencing such Bonds is deposited for exchange) on the tenth business day prior to the Maturity Date (both days inclusive), or, if such Bonds shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on the date no later than 10 business days prior to the date fixed for redemption thereof or, if notice requiring redemption has been given by the holder of such Bonds pursuant to Conditions 8(d) or 8(e), then up to the close of business (at the place aforesaid) on the business day prior to the giving of such notice, unless previously redeemed, exchanged, or purchased and cancelled. If the final date on which the Exchange Right may be exercised is not a business day at the place aforesaid, then the period for the exercise of the Exchange Right by Bondholders shall end on the immediately preceding business day at the place aforesaid.

The Exchange Price (subject to adjustment in the manner provided in the Conditions) will initially be VND 123,000 per Share, with a fixed rate of exchange of VND 23,071 per US\$1.00.

If, following the occurrence of a Change of Control of Vinhomes, Exchange Rights are exercised during the Change of Control Exchange Period (as defined in the Conditions), the Exchange Price

applicable to any such exercise of Exchange Rights shall be adjusted as described in “*Terms and Conditions of the Bonds—Exchange*”.

Final Redemption Unless previously redeemed, exchanged, or purchased and cancelled in the circumstances referred to in the Conditions, the Issuer will redeem each Bond at 105.47% of its principal amount, together with accrued but unpaid interest on the Maturity Date.

Redemption at the Option of the

Issuer At any time after 4 May 2024, the Issuer may redeem all but not some only of the Bonds for the time being outstanding at the Early Redemption Amount as at the relevant date of redemption together with accrued but unpaid interest to the date fixed for such redemption, if the Closing Price of the Shares on each of 20 consecutive Trading Days, the last day of which occurs not more than 30 days prior to the date upon which notice of such redemption is published, (translated into U.S. dollars at the Prevailing Rate) was at least 130% of the Early Redemption Amount as at each of such Trading Days for a Bond with a principal amount of US\$200,000 divided by the Exchange Ratio in effect on each of such Trading Days.

The Issuer may at any time redeem all but not some only of the Bonds at the Early Redemption Amount as at the relevant date of redemption together with accrued but unpaid interest to the date fixed for such redemption provided that prior to the date upon which notice of such redemption is published, at least 90% in principal amount of the Bonds originally issued have already been exchanged, redeemed or purchased and cancelled.

See “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption at the Option of the Issuer*”.

Redemption for Taxation Reasons In the event of certain changes affecting taxation in Vietnam, the Issuer may, subject to certain conditions being satisfied, give notice to redeem the Bonds in whole, but not in part, at the Early Redemption Amount as at the relevant date of redemption, together with accrued but unpaid interest to the date fixed for redemption. See “*Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation—Redemption for Taxation Reasons*”.

If the Issuer gives such a tax redemption notice, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the tax gross-up referred to in “*Terms and Conditions of the Bonds—Taxation*” shall not apply in respect of any payments to be made in respect of such Bond(s) which falls due after the relevant tax redemption date. See “*Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation—Bondholders’ Tax Option*”.

Redemption at the Option of the

Bondholders On 20 April 2024, the holder of each Bond will have the right, at such Bondholder’s option, to require the Issuer to redeem all or some of the Bonds held by such Bondholder at 103.15% of their principal amount together with accrued but unpaid interest to the date fixed for redemption. See “*Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation—Redemption at the Option of the Bondholders*”.

Redemption for Delisting or Change of

Control Put Right A Bondholder shall have the right, at such Bondholder’s option, to require the Issuer to redeem all or some only of such Bondholder’s Bonds at the Early Redemption Amount as at the Relevant Event Redemption Date (as defined herein) together with accrued but

unpaid interest to the Relevant Event Redemption Date upon the Shares ceasing to be listed and/or admitted to trading or trading in the Shares being suspended for a period equal to or exceeding 20 Trading Days on the HSX or, if applicable, the Alternative Stock Exchange, or on the occurrence of a Change of Control of the Issuer or Vinhomes. See “*Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation—Redemption for Delisting or Change of Control*”.

Cash Alternative Election Upon the delivery of an Exchange Notice by a Bondholder, the Issuer may make a Cash Election by giving notice to the relevant Bondholders by not later than the Cash Election Exercise Date, to satisfy the exercise of the Exchange Right in respect of the relevant Bonds in whole or in part by making payment to the relevant Bondholder of the Cash Alternative Amount in respect of such Bonds, together with any other amounts payable by the Issuer to such Bondholder pursuant to the Conditions in respect of, or relating to, the relevant exercise of Exchange Rights, including any interest payable pursuant to Condition 5 and, in the case of a Cash Election made in part, by delivering such number of Shares (if any) as is specified in the relevant Cash Election notice as corresponds to the proportion of the relevant Bond(s) in respect of which the Cash Election is not made. Such notice by the Issuer shall, if the Cash Election is made in part, specify the number of Shares (if any) that are to be delivered in respect of the relevant exercise of Exchange Rights and the number of Shares in respect of which the Cash Alternative Amount is to be paid to the relevant Bondholder, and so that the aggregate of such Shares to be delivered and the number of Shares in respect of which the Cash Alternative Amount is to be paid shall equal the number of Shares (rounded down, if necessary, to the nearest whole number) determined by dividing the principal amount of Bonds the subject of the relevant exercise of Exchange Rights by such Bondholder by the Exchange Price in effect on the relevant Exchange Date.

The Issuer will pay the Cash Alternative Amount, together with any other amount as aforesaid, by not later than the Cash Alternative Payment Date.

Form and Denomination of the Bonds . . The Bonds will be issued in registered form in denominations of US\$200,000 each and integral multiples thereof. The Bonds will be represented on issue by a Global Certificate which will be deposited on or about the Closing Date with a common depositary on behalf of Euroclear and Clearstream (together, the “**Clearing Systems**”) and registered in the name of a nominee for the common depositary. The Global Certificate will be exchangeable for definitive Certificates only in the limited circumstances described in “*The Global Certificate*”.

Further Issues The Issuer may, from time to time, without the consent of Bondholders, create and issue further Bonds having the same terms and conditions as the Bonds in all respects (save for the date of issue and except for the first payment of interest on them) so that such further Bonds shall be consolidated and form a single series with the Bonds.

Clearance The Bonds will be cleared through the Clearing Systems. Each of the Clearing Systems holds securities for their customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders.

Global Certificate For as long as the Bonds are represented by the Global Certificate and the Global Certificate is held by a nominee for the Clearing Systems,

payments of principal and interest in respect of the Bonds represented by the Global Certificate will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Certificate to or to the order of the Principal Agent for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System.

Cross-Default and other Events of

Default The Bonds may be accelerated in the event of, among other things, a default relating to the Issuer or any of the Principal Subsidiaries in respect of present or future indebtedness (whether actual or contingent) which equals or exceeds US\$75,000,000 or its equivalent in any other currency (as determined on the basis of the middle spot rate for the relevant currency against the Vietnamese dong on the relevant date as quoted by any leading bank selected by the Trustee). For a description of certain other events that will permit acceleration of repayment of principal and accrued interest of the Bonds, see “*Terms and Conditions of the Bonds—Events of Default*”.

Taxation All payments of principal and interest made by the Issuer will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Vietnam or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable by them had no such deduction or withholding been required, except in the circumstances specified in “*Terms and Conditions of the Bonds—Taxation*”.

Selling Restrictions There are restrictions on the offer, sale and transfer of the Bonds in, among others, the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, the People’s Republic of China and Vietnam. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see “*Subscription and Sale*”.

Listing and Trading of the Bonds Approval-in-principle has been obtained for the Bonds to be listed on the SGX-ST and approval has been obtained from the SSC for the listing of the Bonds on the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of US\$200,000 for so long as the Bonds are listed on the SGX-ST. So long as the Bonds are listed on the SGX-ST and if the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying, exchange and transfer agent in Singapore, where the Bonds may be presented or surrendered for exchange, payment or redemption. In the event that the Global Certificate is exchanged for definitive Certificates representing individual Bonds, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the paying, exchange and transfer agent in Singapore.

Listing and Trading of the Shares The Shares are listed on the HSX.

Trustee The Bank of New York Mellon, London Branch.

Principal Agent, Exchange Agent and Paying Agent	The Bank of New York Mellon, London Branch.
Registrar and the Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch.
ISIN	XS2332809412
Common Code	233280941
Governing Law	The Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England.
Lock-up	<p>The Issuer has undertaken that no member of our Group nor any person acting on any of their behalf will, without the prior written consent of the Joint Lead Managers, (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a) or (b) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Joint Lead Managers between the date hereof and the date which is 90 days after the Closing Date, except for:</p> <ul style="list-style-type: none"> (a) the Bonds and the delivery of the Shares on an exchange of the Bonds; (b) issuances of Shares to the Issuer's or Vinhomes' employees or directors of up to 5.0% of the total issued and outstanding share capital of Vinhomes as of 13 April 2021 (or the equivalent amount of stock acquisition rights) pursuant to any Employee Share Scheme (as defined in the Conditions); (c) issuances of Shares for stock splits or free share distributions; (d) transfers of Shares required by applicable law or regulation or by a competent authority; (e) acceptance of general or public tender offers made in accordance with the relevant public takeover rules, the provision of an irrevocable undertaking to accept such an offer, a sale to an offeror (or potential offeror) which is named in a public announcement of a firm intention to make an offer (or possible intention to make such an offer) or a sale of Shares to an offeror (or potential offeror) during an offer period (as defined by the relevant public takeover rules); (f) transfers of Shares pursuant to any scheme of compromise or arrangement providing for the acquisition by any person or persons acting in concert for 50% or more of the equity share capital of Vinhomes or any disposal of Shares in connection

with a scheme of reconstruction under laws applicable to Vinhomes;

- (g) transfers of Shares pursuant to any offer by Vinhomes to repurchase Shares, provided that such offer is being made on a pro rata basis to all shareholders of Vinhomes;
- (h) existing and future mortgages, charges, release or pledges over Shares to any third party as collateral, or the transfer of such Shares on enforcement of any such security;
- (i) issuance or transfer of Shares, other instruments convertible or exchangeable into Shares, other derivatives over Shares or other equity instruments to a strategic purchaser or strategic investor of the Issuer and/or the Company not exceeding 7.5% of share capital of the Company, provided that the Company shall procure that such strategic purchaser or strategic investor, as the case may be, agrees to a substantively similar lock-out between the date of such issuance or transfer and the date which is 90 days after the Closing Date; or
- (j) any agreement, undertaking or commitment to do any of the actions in (a) to (i) above.

See “*Subscription and Sale*”.

The net proceeds from the issue of the Bonds (after the deduction of fees, commissions and expenses) are expected to be approximately US\$488.04 million. The net proceeds will be used by the Issuer to refinance our existing facilities, fund our capital expenditures and for general corporate purposes.

See “*Use of Proceeds*”.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The following tables present the summary consolidated financial information of the Group and should be read in conjunction with the auditors' report and with the audited consolidated financial statements of the Group and notes thereto contained in this Offering Circular and the sections entitled "Capitalization and Indebtedness", "Presentation of Financial Information," "Summary Consolidated Financial Information of Vinhomes," and "Risk Factors" included elsewhere in this Offering Circular.

The summary consolidated financial information of the Group presented below as of and for the years ended 31 December 2018, 2019 and 2020 was derived from the Group Financials, prepared in accordance with VAS and audited by Ernst & Young in accordance with Vietnamese Standards on Auditing. Please also refer to "Presentation of Financial Information" for a description of certain events affecting the comparison of the Group's results of operations for the years ended 31 December 2018, 2019 and 2020.

Summary Consolidated Income Statement

	For the year ended 31 December		
	2018 (restated)	2019	2020
	(Audited) (VND in billions, except as stated otherwise)		
Revenue from sale of goods and rendering of services	121,971.8	130,161.4	110,755.5
Deductions	(77.4)	(125.4)	(265.5)
Net revenue from sale of goods and rendering of services	121,894.4	130,036.0	110,490.0
Cost of goods sold and services rendered	(92,943.7)	(92,484.8)	(93,177.2)
Gross profit from sale of goods and rendering of services	28,950.7	37,551.2	17,312.8
Finance income	7,478.6	14,000.9	31,068.4
Finance expenses	(4,909.0)	(8,181.4)	(12,804.6)
Share of losses of associates, joint controlled entity	(424.9)	(688.4)	(265.3)
Selling expenses	(10,112.3)	(14,248.4)	(7,253.6)
General and administrative expenses	(7,367.8)	(12,677.4)	(13,403.1)
Operating profit	13,615.2	15,756.4	14,654.7
Other income	779.0	832.2	982.7
Other expenses	(493.6)	(951.2)	(1,694.8)
Other profit/(loss)	285.4	(119.0)	(712.1)
Accounting profit before tax	13,900.6	15,637.4	13,942.6
Current corporate income tax expense	(7,273.1)	(8,286.8)	(10,282.7)
Deferred tax (expense)/income	(389.6)	366.0	885.8
Net profit after tax	6,237.9	7,716.6	4,545.6
<i>Earnings per share (VND):</i>			
Basic earnings per share	1,286	2,433	1,691
Diluted earnings per share	1,273	2,383	1,658

Summary Consolidated Balance Sheet

	As of 31 December		
	2018	2019	2020
	(restated)	(Audited)	
	(VND in billions)		
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	13,557.1	18,447.0	29,403.7
Short-term investments	1,951.6	11,172.9	10,413.6
Current accounts receivable	50,075.4	63,871.8	52,395.9
Inventories	55,228.1	83,808.8	62,495.3
Other current assets	14,589.5	20,092.5	11,305.3
<i>Non-current Assets</i>			
Long-term receivables	360.5	1,464.4	7,379.6
Fixed assets	49,456.3	108,268.9	125,639.9
Investment properties	26,743.7	33,872.3	34,725.9
Long-term assets in progress	58,529.1	48,057.7	67,921.6
Long-term investments	6,068.2	3,950.9	7,413.8
Other long-term assets	11,567.7	10,733.7	13,409.1
TOTAL ASSETS	288,127.2	403,740.8	422,503.8
LIABILITIES			
Current liabilities	109,245.6	181,293.3	169,222.6
Non-current liabilities	79,714.8	101,858.9	117,428.4
TOTAL LIABILITIES	188,960.5	283,152.2	286,651.1
OWNERS' EQUITY			
Issued share capital	32,756.2	34,309.1	34,447.7
Share premium	11,442.9	33,996.4	35,412.0
Other owners' capital	7,235.2	7,235.2	7,235.2
Treasury shares	(2,974.9)	(2,284.1)	(2,284.1)
Foreign exchange differences reverse	—	(11.8)	(42.4)
Other funds belonging to owners' equity	42.8	52.8	67.8
Undistributed earnings	5,143.0	3,119.8	4,359.6
Non-controlling interests	45,521.5	44,171.1	56,656.8
CAPITAL	99,166.7	120,588.6	135,852.7
TOTAL LIABILITIES AND OWNERS' EQUITY	288,127.2	403,740.8	422,503.8

Summary Consolidated Cash Flow Statement

	For the year ended 31 December		
	2018	2019	2020
	(restated)	(Audited)	
	(VND in billions)		
Net cash flows (used in)/from operating activities	(9,983.7)	15,967.1	15,954.9
Net cash flows used in investing activities	(62,313.6)	(59,866.1)	(16,213.8)
Net cash flows from financing activities	77,719.8	48,789.4	11,216.3
Cash and cash equivalents at the beginning of the year	8,141.8	13,557.1	18,447.0
Impact of exchange rate fluctuation	(7.2)	(0.5)	(0.7)
Cash and cash equivalents at the end of the year	13,557.1	18,447.0	29,403.7

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF VINHOMES

The following tables present the summary consolidated financial information of Vinhomes and should be read in conjunction with the auditors' report and with the consolidated financial statements of Vinhomes and notes thereto contained in this Offering Circular and the sections entitled "Capitalization and Indebtedness", "Presentation of Financial Information," "Summary Consolidated Financial Information of the Group," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" included elsewhere in this Offering Circular.

The summary consolidated financial information presented below as of and for the years ended 31 December 2018, 2019 and 2020 was derived from the Vinhomes Financials, prepared in accordance with VAS and audited by Ernst & Young in accordance with Vietnamese Standards on Auditing. Please also refer to "Presentation of Financial Information" for a description of certain events affecting the comparison of Vinhomes' results of operations for the years ended 31 December 2018, 2019 and 2020.

Summary Consolidated Income Statement

	For the year ended 31 December		
	2018	2019	2020
	(Audited)		
	(VND in billions, except as stated otherwise)		
Revenue from sales of goods and rendering of services	38,664.3	51,626.9	71,546.7
Cost of goods sold and services rendered	(28,603.3)	(24,171.3)	(45,610.7)
Gross profit from sale of goods and rendering of services	10,061.1	27,455.6	25,936.1
Finance income	14,565.0	9,045.8	20,244.8
Finance expenses	(2,457.0)	(2,548.8)	(4,019.3)
Shares of profit of associates	0.2	—	18.5
Selling expenses	(1,381.1)	(2,080.7)	(2,680.8)
General and administrative expenses	(1,062.8)	(2,156.4)	(2,193.5)
Operating profit	19,725.4	29,715.5	37,305.8
Other income	100.9	185.7	221.4
Other expenses	(107.6)	(155.5)	(1,010.4)
Other (loss)/profit	(6.7)	30.2	(789)
Accounting profit before tax	19,718.7	29,745.7	36,516.8
Current corporate income tax expense	(4,630.1)	(5,766.2)	(8,778.1)
Deferred tax (expense)/income	(312.4)	339.6	467.8
Net profit after tax	14,776.3	24,319.1	28,206.5
Earnings per share (VND):			
Basic earnings per share	4,503	6,502	8,315
Diluted earnings per share	4,503	6,502	8,315

Summary Consolidated Balance Sheet

	As of 31 December		
	2018	2019	2020
	(Audited) (VND in billions)		
ASSETS			
<i>Current Assets:</i>			
Cash and cash equivalents	3,515.4	13,332.3	13,713.7
Short-term investments	1,009.4	360.6	2,054.2
Current accounts receivable	43,356.1	47,468.0	34,592.5
Inventories	36,858.4	60,296.8	42,983.7
Other current assets	6,463.2	18,097.3	8,968.1
<i>Non-current Assets</i>			
Long-term receivables	213.8	8,115.0	11,084.4
Fixed assets	128.2	690.3	5,906.6
Investment properties	5,828.9	6,626.6	8,699.6
Long-term assets in progress	18,363.0	28,212.5	32,361.4
Long-term investments	478.3	773.3	9,755.8
Other long-term assets	3,474.0	13,268.2	45,206.5
Total assets	119,688.8	197,241.0	215,326.4
LIABILITIES			
Current liabilities	42,872.3	121,556.9	103,385.3
Non-current liabilities	28,671.6	10,969.1	22,811.2
Total liabilities	71,543.9	132,526.0	126,196.5
OWNERS' EQUITY			
<i>Capital</i>			
Share capital	33,495.1	33,495.1	33,495.1
Share premium	295.0	295.0	295.0
Treasury shares	—	(5,549.9)	(5,549.9)
Other funds belonging to owners' equity	1,816.3	1,816.3	1,200.9
Undistributed earnings	7,627.0	26,039.7	56,259.4
Non-controlling interests	4,911.5	8,618.9	3,429.4
Total equity	48,144.9	64,715.0	89,129.9
TOTAL LIABILITIES AND OWNERS' EQUITY	119,688.8	197,241.0	215,326.4

Summary Consolidated Cash Flow Statement

	For the year ended 31 December		
	2018	2019	2020
	(Audited) (VND in billions)		
Net cash flows (used in)/from operating activities	(1,463.2)	51,928.4	24,882.0
Net cash flows used in investing activities	(17,842.0)	(27,319.8)	(22,419.6)
Net cash flows from/(used in) financing activities	21,258.9	(14,791.7)	(2,081.1)
Net increase in cash for the year	1,953.8	9,816.9	381.4
Cash and cash equivalents at the beginning of the year	1,561.6	3,515.4	13,332.3
Impact of exchange rate fluctuation	—	—	—
Cash and cash equivalents at the end of the year	3,515.4	13,332.3	13,713.7

RISK FACTORS

An investment in the Bonds involves a number of risks. Prospective investors should carefully take into account the risks described below, in addition to the other information contained in this Offering Circular, before investing in the Bonds. The occurrence of one or more of the events described below could have a material adverse effect on our or our Group's business, financial condition, results of operations and prospects. Additional risks, considerations and uncertainties not presently known to us, or which we currently deem immaterial, may also have a material adverse effect on our or our Group's business, financial condition, results of operations or prospects.

This risk factor discussion does not purport to disclose all of the risks and other significant aspects of investing in the Bonds. Investors should undertake independent research and study the trading of securities before commencing any trading activity. Investors should seek professional advice regarding any aspect of the Bonds such as the nature of risks involved in the trading of the Bonds, and specifically those of high-risk securities.

Risks Relating to our Group

The impact of the present COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has spread globally. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The COVID-19 pandemic has resulted in numerous deaths, travel restrictions and disruptions, disruption of and delays in healthcare service preparation and delivery, the imposition of widespread “work from home” measures, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The ongoing COVID-19 pandemic has had, and is expected to continue to have, a material adverse impact on local economies and also on the global economy, as commercial activity, the movement of supplies and goods and market sentiment are increasingly impacted by the spread or containment of the outbreak and government measures to address the pandemic.

In Vietnam, the COVID-19 pandemic has resulted in thousands of confirmed cases and less than 50 fatalities as of the date of this Offering Circular. Nationwide quarantines and other measures, including social distancing measures, border closures, cancellations of gathering and events and closures of universities, schools, restaurants, stores and other businesses were introduced by the Vietnamese government to control the spread of COVID-19. Several cities in Vietnam, including those in which we have significant business operations, were subject to the government-imposed COVID-19 travel restrictions. Businesses, including some of ours, have faced disruptions in light of these restrictions that have been put in place and that have resulted in reduced levels of commercial activities and production.

The COVID-19 pandemic and the resulting government-imposed restrictions impacted our business and financial performance in the first half of 2020, and in particular, our hospitality and retail leasing businesses. During that period, we experienced a decrease in tourists at our hotels and a decrease in footfall at our retail malls. For 2020, revenue from our hospitality business amounted to VND 4,869 billion, a 43% reduction from VND 8,549 billion in 2019. Revenue from our retail leasing operations amounted to VND 6,662 billion in 2020, a 2% reduction from VND 6,792 billion in 2019, with Vincom Retail providing tenants affected by the pandemic with a support package totalling VND 820 billion. While we have made a strong recovery in the third quarter of 2020 following the lifting of government-imposed lockdowns after almost a month of nationwide quarantines and COVID-19-related measures, the duration of the COVID-19 outbreak and its ultimate impact on us and the global economy in 2021 cannot be determined with certainty. The COVID-19 pandemic and its effects may last for an extended period of time, and could result in significant and continued market volatility, exchange trading suspensions and closures, declines in global financial markets, higher default rates, and a substantial economic downturn or recession. An escalation of the COVID-19 outbreak could further disrupt our operations if our employees or tenants are infected or alleged to be infected. We would need to incur additional expenses to disinfect the affected areas or temporarily shut down the affected facilities, further augmenting our operating costs. Any of the foregoing could disrupt our operations, adversely affect the value and liquidity of our investments and our ability to establish and implement business development plans, and negatively impact our performance and your investment in us. The extent to which COVID-19 will affect us will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19, the effectiveness of COVID-19 vaccines and the actions taken to further contain COVID-19. Given the significant economic and financial market disruptions associated with the COVID-19 pandemic, the valuation and performance of our investments could be impacted adversely. For a summary of the impact of COVID-19 on our business and our initiatives in response to the pandemic, please see “Description of the Group—Response to COVID-19.”

The impact that the COVID-19 pandemic will have on our business, consolidated results of operations, financial position and cash flows could exacerbate the risks identified in this “*Risk Factors*” section. The impact of the COVID-19 pandemic and other infectious illness outbreaks that may arise in the future could adversely affect our consolidated results of operations, financial position and cash flows in ways that cannot necessarily be foreseen.

Our Group’s corporate structure, which consists of a large number of companies in multiple business lines, exposes us to challenges not found in companies with a single business line.

Our Group consists of companies operating in multiple industries and includes several companies that are publicly listed in Vietnam. Due to the diverse characteristics of our subsidiaries, we face challenges not found in companies with a single business line. In particular:

- We are exposed to business, market and regulatory risks relating to different industries, which requires us to monitor multiple different operating environments so that we can react with appropriate strategies that fit the needs of each business line and affected portfolio company, in order to maintain our continued success and growth;
- The successful operation of our Group requires an effective management system, and this need for an effective management system will increase in importance as we continue to grow through the establishment and acquisition of businesses in an increasing number of different industries; and
- We depend on cash flows from our subsidiaries for our financial performance. Two of our subsidiaries, Vincom Retail and Vinhomes, are listed on the HSX. While we are able to exercise some control over these companies through the voting stock that we hold, transaction with these companies are governed by their respective corporate articles of association and applicable Vietnamese laws and regulations. Our ability to access the cash generated from the operations of these subsidiaries depends on their ability to make dividend payments, distributions or other payments, which must comply with the relevant corporate articles of association of each company and applicable Vietnamese laws and regulations.

Our Group operates in capital intensive industries and our ability to develop our business and to meet our current liabilities and obligations depends on our operating cash flows and the availability of funding from external sources.

Our Group’s ability to carry out our existing and future business plans and projects requires substantial capital and is dependent on our ability to obtain additional funding from external sources such as equity or debt financing, as well as recurring revenue from our existing businesses.

Cash flows generated by the operation of our existing business, together with the net proceeds from the offering of the Bonds, may not be sufficient to fund such capital intensive projects and plans, in which case we will need to find alternative sources of funding or may need to delay such project or plan. Our ability to obtain funding from external sources and the costs of such funding may be affected by many factors, including those beyond our control, such as changes in economic or other conditions, uncertainties related to market volatility and the illiquidity of our assets, including property investments, the cyclical nature of the property market, interest rates, credit availability from banks and other lenders, the need to comply with covenants in existing indebtedness, investor appetite, provisions of tax, foreign exchanges and securities laws which may be applicable to our efforts to raise capital, and political and economic conditions in Vietnam and internationally. Such lack of liquidity may also limit our ability to vary our portfolio in response to changes in economic or other conditions. There can be no assurance that we will be able to successfully manage the early-stage capital requirements for our new business or projects or that a new business or project will generate revenue in the manner and to the extent or within the timeframe that we expect or at all.

We are also undertaking capital intensive projects intended to develop our new businesses, further grow our market share and maintain our leading position in residential, commercial and hospitality real estate development through Vinhomes, Vincom Retail and Vinpearl, and in mobility through VinFast. We completed the construction of VinFast’s automobile manufacturing plant in June 2019 and expanded our research and development activities in our industrials businesses in 2020. We also plan to launch new VinFast smart electric car models in the third quarter of 2021 and 2022. The bulk of our initial cash requirements for property development arises out of in-project infrastructure development as well as land related costs (including land acquisition costs and land use fees) and land rental fees. We have in the past funded, and intend to continue funding, our development projects primarily through a combination of cash flows from pre-sales in accordance with applicable laws and regulations, recurring cash flows from existing projects, internal resources and external debts; however there is no assurance that we will be able to adequately cover our project costs in the future.

As of 31 December 2020, our Group's total indebtedness, which comprises short-term loans and debts, long-term loans and debts and exchangeable bonds, amounted to VND 129,787 billion. Vingroup's total secured debt amounted to VND 13,030 billion and our subsidiaries' total secured debt amounted to VND 89,204 billion. In addition, as of 31 December 2020, our Group's current assets and current liabilities were VND 166,014 billion and VND 169,223 billion, respectively. Existing funding obtained by our Group may not be sufficient to fund the completion of capital projects and plans, and obtaining additional funding from external sources may further increase our Group's total indebtedness.

There can be no assurance that financing from external sources will be available at the time, in the amounts or at a cost sufficient to meet our requirements. If we are unable to secure sufficient external funds to finance the completion of existing projects, other future projects, or development plans, on favourable terms or at all, our ability to undertake or complete those projects and plans may be significantly affected, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be unsuccessful in executing our business strategies or managing our growth successfully.

Our business strategies include growing our key business lines to drive our financial performance, continuing growing our recurring revenues, prudent balance sheet management and optimization of our capital structure to ensure long-term sustainability and expanding and strengthening the Vingroup ecosystem as a sustainable competitive advantage.

Our success in executing our business strategies and implementing our growth strategies is determined by, among other factors:

- the general condition of the global, regional and local economies in which we operate;
- the health and growth of the key growth industries in which we operate, including the real estate, hospitality, automotive, entertainment and industrial industries, and our ability to maintain our profitability and competitiveness in such sectors;
- our ability to maintain profit margins as we move into new business lines and sell our products domestically and overseas;
- our ability to collaborate with international and domestic partners;
- our ability to identify, invest in or acquire and integrate suitable growth targets into our businesses;
- the availability, terms and costs of any financing required to make an acquisition or complete development plans;
- our ability to optimize our asset portfolio;
- our ability to improve our operating, financial and internal control systems;
- our ability to recruit, train and retain experienced and skilled management staff; and
- our ability to comply with applicable laws and regulations in new markets we enter.

Our success in implementing our business and growth strategies also depends on our ability to compete successfully against our existing and future competitors. For example, we may not be able to accurately predict changes and trends in consumer preferences, and we may have to lower our prices, leasing rates or room rates and/or make substantial capital investments in our developments or businesses so as to maintain the attractiveness of our products and services to potential customers in the market segments where we face the keenest competition. Easing of laws or regulations in the sectors that we operate in various countries may also introduce new sources of competition from new market entrants. Our competitors in certain sectors have greater experience or resources than we do, particularly in sectors such as automotive manufacturing, mobile phones and smart devices where we compete with established players in Vietnam as well as globally.

These business and growth strategies may not be implemented successfully, and such failure or inadequacy could give rise to adverse impact on the growth and development of our asset portfolio and business performance and lead to losses, which may be significant. A number of our businesses are in their early development stage, including our VinFast automotive and VinSmart smart devices businesses, and there can be no assurance that these businesses will reach maturity or become profitable or successful within the timeframes or in the manner that we anticipate or at all.

Our movement into new businesses and markets and growth of current business operations involves a number of risks and challenges, including the substantial financial investments required to fund new businesses until they become profitable, the diversion of management's time and resources to focus on implementing the strategy and

managing a broader scope of businesses and risks inherent in making new investments. These new businesses and growth strategies will also require us to acquire and grow our expertise in sectors and geographies where our experience and track record (if any) may be more limited than our competitors, which could impact our growth rate or prospects. There is no assurance that we can successfully enter into and compete in the industries or markets that we desire to consolidate in or extend into. In the event that we are unable to successfully implement our growth strategies, there may be a material adverse effect on our business, financial condition, results of operations and prospects.

We may fail to identify in a timely manner, or effectively respond to, consumer preference, needs, expectations or trends, and we may not succeed in gaining market acceptance of our new products and services.

The success of our business depends on our ability to offer products and services that are comprehensive and responsive to the tastes of consumers and to identify, anticipate and respond in a timely manner to changing customer demands, preferences, expectations and needs. Market trends can change at a rapid pace and customer acceptance of new products and services can be affected by many factors, some of which are beyond our control. There can be no assurance that we will accurately foresee or be able to quickly adjust to general trends in consumer demands and preferences. The ability to adapt to evolving consumer trends is particularly pronounced in our automotive and smart phones businesses, which are characterized by changing technologies, consumer tastes and requirements and where popular product varieties or models often have limited lifespans before they are replaced in popularity by newer product varieties or models. Our success depends on our ability to continue developing new and competitive product offerings. If we are not able to do so, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our business may be affected by domestic and global conditions.

Our business depends to a large extent on the revenue generated from the sale of residential and commercial real estate, the renting of leasable space in our commercial office properties and retail malls to tenants and the operation of our hospitality, entertainment, healthcare and education businesses, all of which are located in Vietnam. We are also in the process of developing our automotive and smart phone and smart device manufacturing business within the Vietnam market. Accordingly, our results of operations are, and will continue to be, significantly affected by financial, economic, social and political developments in or affecting Vietnam, the domestic real estate market and the domestic and global markets generally.

Domestically, our revenue and business prospects may be materially and adversely affected by various factors, such as adverse changes in the level of consumer spending in Vietnam and exchange rate fluctuations, which can put downward pressure on our rent, footfall at our Vincom Retail malls and room rates and occupancy rates at our Vinpearl hospitality and entertainment properties, and require us to lease our properties under less favourable terms.

Meanwhile, as we continue to expand our business internationally, we also increase our exposure to global economic conditions. For example, the U.S.-China trade war has prompted many companies to begin shifting their manufacturing factories and processes from China to Vietnam, which is expected to increase Vietnam's exports to the U.S. and benefit the Vietnamese economy and domestic infrastructure. While such trends may benefit the Vietnamese economy in the near term, there can be no assurance that such favourable conditions will continue. Vietnam, like other countries in Asia, was adversely affected during past global financial crises, which resulted in weaker business conditions in Vietnam. Negative developments in the domestic or global economy in the future may have a material adverse effect on our business, financial condition and results of operations.

We are required to comply with applicable laws and regulations in carrying out our operations. Changes in laws and regulations may adversely affect us, and we may incur unanticipated costs related to compliance.

Because our Group consists of companies with shares listed on the HSX and companies operating in multiple industries, including heavily regulated industries that, we are subject to a wide range of laws and regulations in the course of our business operations. The regulations applicable to our businesses are subject to change from time to time. Changes in applicable laws, regulations or Government policies, or in the interpretation thereof, may materially and adversely affect our business operations and business plans.

Failure to comply with applicable laws and regulations could expose us to claims for damages, financial penalties, reputational harm, restrictions on our operations and other liabilities, which could negatively affect our business, financial condition, results of operations and prospects. We may also face difficulty in complying with certain laws and regulations in cases where such laws or regulations conflict with each other, or where our customers use our products and services improperly. While we implement rigorous measures to monitor user activities, these measures may not be adequate. The cost of compliance with such laws and regulations may be substantial and failure to comply with these laws can result in penalties or other sanctions.

Changes in applicable laws and regulations or the expansion of our business lines so as to subject us to additional laws and regulations, may result in additional expenditures to ensure compliance. We currently also benefit from certain favourable laws and regulations, including the attractive tax incentive schemes enjoyed by VinFast as a result of its production complex being situated in the Dinh Vu-Cat Hai economic zone. Should laws or regulations that are favourable to our business be discontinued, our business, results of operations and financial condition could be materially and adversely affected.

Laws and regulations may have a dampening effect on the industries in which we operate. For example, in the real estate industry, since 2014, the government has required developers to obtain bank guarantees in respect of their obligations to complete and hand over units sold to customers and to discharge all security over a unit before the unit can be sold. On 15 November 2019, the SBV issued Circular 22/2019/TT-NHNN (effective starting 1 January 2020, as amended from time to time) to closely regulate unsecured lending to Vietnamese consumers. Circular 22/2019/TT-NHNN effectively decreases the maximum ratio of short-term funds that lenders may use for medium- and long-term loans, with a phased decrease in such ratio from 1 January 2020 up until 1 October 2023, and imposes a requirement for lenders to maintain specified capital adequacy ratios. The new regulation further restricts banks' ability to provide mortgage loans to potential purchases in the mid- and high-end segments, which could dampen demand for our residential properties.

Various laws and regulations require us to obtain and hold regulatory approvals, licenses and permits issued by Government authorities and regulatory agencies in Vietnam. The continuation of our approvals, licenses and permits are, in certain cases, subject to conditions, such as annual examinations and/or random inspections by the relevant authorities. Although we have nationwide operations and a breadth of experience in handling the application and compliance with the regulatory requirements nationwide in Vietnam in certain sectors such as real estate, hospitality, industrials and technology, healthcare and education, there is no assurance that we will continue to successfully obtain the necessary regulatory approvals, licenses and permits on a timely manner or at all, particularly those applicable to new sectors in which we are less experienced, or be able to remain in compliance with the requirements and conditions of such regulatory approvals, licenses or permits. We may also experience delays on the part of the regulatory bodies in the review and grant of approvals, particularly when we attempt to obtain such regulatory approvals, licenses and permits in new cities. Failure to secure the necessary regulatory approvals, licenses and permits in a timely manner or at all could adversely affect our business, financial condition and cash flows. A material breach of or material non-compliance with the terms or conditions of our approvals, licenses and permits in the future could result in their suspension, withdrawal or termination, which in turn could result in the suspension or cessation of some or all of our operations. Moreover, there is no assurance that we will be able to renew our approvals, licenses and permits in a timely manner or at all or on equally favourable terms.

The terms of our indebtedness contain, and in the future may contain, restrictions that may affect our operational flexibility.

As of 31 December 2020, our total indebtedness, comprising short-term loans and debts, long-term loans and debts and exchangeable bonds amounted to VND 129,787 billion. We have granted collateral over certain of our assets to secure our obligations in respect of certain of our outstanding financing arrangements.

In the future, we may agree to amend the terms of the agreements governing our current indebtedness or enter into new financing arrangements on less favourable terms. The terms of such arrangements can have a material adverse effect on our business, financial condition, results of operations and prospects, if they include financial maintenance or other covenants that restrict our operational flexibility, such as limiting our ability to encumber or sell our properties. If we breach a covenants in any of such agreements, it could result in an event of default or trigger a cross-default on other indebtedness, regardless of our ability to cure the breach. For more information on our indebtedness, see "*Capitalization and Indebtedness.*"

We are dependent on the strength of our brand and reputation.

Over the years, our Group has developed distinctive brands for each of our business units, including "Vinhomes," "Vincom Retail," "VinID," "Vincom Center," "Vincom Mega Mall," "Vincom Plaza," "Vincom+," "Vinpearl," "Vinwonders," "VinFast," "VinSmart," "VSmart," "VinMec," "Vinschool," "VinUni," "VinTech," "VinBrain," "VinAI," "VanTix" and others sharing the same prefix "Vin," and product sub-brands such as "Lux," "Fadil," "Klara," "Joy," "Bee," "Star," "Live" and "ARIS." We rely on our reputation and customers' positive associations with our brand as a selling point to attract purchasers, customers and tenants. Brand value is largely based on subjective consumer perceptions, such as an association with quality products, good value and ethical conduct, and our continued success and growth depends to a large degree on our ability to protect and promote our brand in Vietnam. For information on the strength of our brand, see "*Business—Awards.*" However, adverse

developments that negatively affect our business, results of operations, financial condition or prospectus, or the perception or expectation of such developments, whether founded or unfounded, may adversely affect our brand and reputation.

We may be unable to adequately protect or enforce our intellectual property rights, and may be exposed to intellectual property infringement and/or claims by third parties that, if successful, could disrupt our business.

The success of our businesses, especially our automotive, smart phone and smart device businesses, depends on our ability to protect and enforce our patents, trademarks, copyrights, industrial designs, and all of our other intellectual property rights. While we have made efforts to protect our intellectual property rights, we may be subject to third party infringement of our patents, trademarks, copyrights and industrial designs. Third parties may produce lower quality counterfeits of our products, which may hurt our brand image. We may be unsuccessful in securing protection for, or stopping such infringements and we may need to resort to litigation to enforce our intellectual property rights against such parties.

We file patent applications on our innovations in both Vietnam and the United States and may in the future file more applications in international jurisdictions where we operate or plan to operate. However, certain innovations and brands may not be protectable as proprietary intellectual property. Save for copyrights, most intellectual property is territorial and must be filed in each country where protection is sought. Our patent or trademark application may be rejected in a country even if the patent or trademark had been successfully granted in Vietnam. Even if successfully granted, the scope of the protection gained may be insufficient or an issued patent, trademark, industrial design or copyright may be deemed invalid or unenforceable. In addition, given the cost, effort, risks and downside of obtaining patent protection, including requirements to ultimately disclose the invention to the public, we may choose not to seek patent protection for some innovations. There is no guarantee that none of our present or future intellectual property rights will lapse or be invalidated, circumvented, challenged, abandoned, or provide competitive advantages to us. In addition, our businesses, and in particular, our automotive and smart phone and smart device businesses, may be subject to claims by other parties asserting interests in intellectual property similar to ours. Existing intellectual property laws and regulations are evolving and subject to different interpretations, and various legislative or regulatory bodies may expand current or enact new laws or regulations. There is no assurance that we are not infringing or violating any third party intellectual property rights, or that we will not do so in the future. Intellectual property infringements or violations may lead to third party claims and costly litigation and affect our ability to manufacture or market our products as designed.

Our continued growth depends on our research and development capabilities and the timely development of new technologies, and our research and development efforts may not yield the anticipated benefits.

We continuously develop, test and introduce new products and services or enhance existing products and services so that we can compete for new customers and in new segments of the businesses in which we operate. The introduction of new products and services oftentimes requires the successful upgrade or development of new technology. VinTech was established to undertake technology research and development, with a focus on artificial intelligence, software development and next generation materials, among others. However, the research and development of new technology is time-consuming and costly, and we expect such costs to increase in the future as we expand our relatively new industrial and technology businesses. There can be no assurance that any research and development activities conducted or commissioned by VinTech will lead to the development of new technologies, that the research and development projects will be completed within the anticipated time frame or budget, or that the costs of such research and development activities can be fully or partially recovered.

Even if our research and development efforts culminate in a successful finding, we may fail to develop these new technologies into products or services that can be marketed profitably or apply them in a timely manner to take advantage of the opportunities presented in the market. Products developed by VinTech also have to pass regulatory hurdles. Due to the innovative nature of VinTech's business, it is uncertain what forms of governmental approvals may be needed. If our research and development activities do not result in the successful development of a new product, function or service for whatever reason, we will need to write off the relevant capitalized development costs, which could materially and adversely affect our financial position and result of operations and cause use to lose market share.

The level of economic benefit that can be derived from newly developed technologies, products or services may also be affected by the ability of our competitors to replicate such technologies, products or services or develop more advanced or cheaper alternatives. If our technologies, products or services are replicated, replaced or made redundant, or if the demand for our products or services is not as anticipated, the revenue we generate from such technologies, products or services may not offset the costs that we incur in developing such new technologies,

products or services. If any of the foregoing occurs, it may have a material adverse effect on our business, financial condition and results of operations.

Acquisitions and strategic alliances formed as part of our strategy may be unsuccessful.

We enter into strategic alliances and collaborations and acquire other companies in order to expand our product portfolio, accelerate the growth of our businesses and expand our geographical presence. For example, VinFast has entered into strategic partnerships with international leading designers, manufacturers and consultants including AVL, BMW, EDAG, General Motors, Bosch and Magna Steyr to leverage their technical expertise and develop and launch cars and electric motorcycles. In the future, we may not be able to complete these types of transactions or collaborative projects in a timely manner, on a cost-effective basis, or at all, and may not realize the expected synergies or benefits of any acquisitions, joint ventures or strategic alliances. Other companies may also compete with our Group for these opportunities. The success of any current and future strategic acquisitions, alliances or collaborations depends on various factors, including the resources, efforts and skills of the acquiree or partner. Disputes and difficulties in such relationships may arise, which may erode or eliminate the benefits of these alliances. For example, our ally or acquiree may fail to make available sufficient financial or other resources, fail to perform their respective obligations as expected, impose controls and commercial limitations on the marketing of co-developed products or encounter challenges during the development process. If our strategic acquisitions or strategic alliance is unsuccessful, our prospects, financial conditions and results of operations may be materially and adversely affected.

Changes in interest rates and foreign exchange rates may increase our financing costs.

As of 31 December 2020, VND 63,515.6 billion of our total borrowings is denominated in U.S. dollars and other foreign currencies. Approximately 59.1% of our interest-bearing borrowings have a floating interest rate and the average debt maturity is 3.56 years as of 31 December 2020. As such, we are exposed to fluctuations in interest rates, changing economic conditions, and the Vietnamese dong/U.S. dollar exchange rate with respect to our U.S. dollar loans and debts. We enter into interest rate and currency hedges or hedging arrangements with respect to our U.S. dollar borrowings from time to time. However, such arrangements may not adequately cover our exposure to interest rate or foreign exchange fluctuations.

We depend on, and may not be able to attract or retain, senior management and key personnel.

We believe that our track record of attracting and retaining talented professionals to join our management and operations teams has contributed to our growth. Retaining our senior management team and attracting and retaining qualified and experienced key employees is crucial to our success, particularly as we launch and grow our lines of business and introduce new product offerings. We anticipate employing additional key employees as we pursue our business and growth strategies. We may not succeed in recruiting such additional employees or retaining current key employees as the market for experienced employees is competitive and there is sometimes a shortage of appropriately qualified and experienced workers or managers in a particular area.

Efforts to retain or attract key employees may also result in additional expenses. Increases in operating costs due to labour costs, workers' compensation and healthcare-related costs could adversely affect our profitability. If we are unable to attract or retain senior management, or if one or more of our senior management team are unable or unwilling to continue in their present positions, or if they join a competitor or form a competing company, we may not be able to replace them readily. For further details about our senior management and senior consultants, see "Corporate Governance and Management."

Our insurance may not be adequate or may not cover incidents that arise.

We maintain insurance policies where practicable, covering both our assets and employees, in line with general business practices relative to each industry in which we operate, with policy specifications and insured limits which we believe are reasonable. Further, we maintain strict risk management policies and standard procedures to ensure that our employees conduct their assigned tasks responsibly and to reduce instances of work place accidents. Insured risks include fire, explosion, assets damage, business interruption and public liability.

Vietnam has experienced a number of major natural catastrophes over the years, including typhoons, tornadoes and flooding. These and similarly unforeseeable events, such as other acts of God or wars, that are not within our control, could potentially have significant effects on projects and our development projects and could adversely affect our business, financial condition, results of operations and prospects. There is no assurance that the occurrence of any such events will not materially disrupt our operations or that losses from such events will be fully covered by our insurance policies or at all. Our Group's insurance policies may not adequately compensate for all types of losses that we may incur, or provide compensation in a timely manner. Any uninsured loss may adversely affect our business, results of operations and financial position.

We are subject to risks arising from the price, supply and quality of our raw materials and other supplies and the availability of equipment and parts.

Our results of operations in our residential, commercial, hospitality and entertainment property development and industrial manufacturing segments are significantly influenced by the market prices for raw materials, parts and other supplies. Raw materials, parts and equipment are subject to domestic and international supply and demand, import and export tariffs and duties, domestic duties and various other factors beyond our control. The price of raw materials used for the production of our products is also affected by factors beyond our control, such as speculative movements in the raw materials or commodities markets and currency fluctuations. While certain of our supply contracts utilize fixed unit prices for raw materials and permit renegotiation of such prices upon the prices fluctuating beyond a specified threshold, any increases in input prices could have a material adverse effect on our financial condition and results of operations. No assurance can be given as to the future movements of the prices of the raw materials, parts and other supplies required by us.

In addition, we rely on third parties for the timely supply of raw materials, parts, equipment and other supplies, as well as maintenance services. Any failure to deliver such supplies on time or in accordance with our specifications could result in an increase in our operating expenses, delays to production timelines and inventory shortages, adversely affecting our ability to meet customer demand. Conversely, excessive supplies of raw materials, parts and other supplies may increase our holding costs and risk of inventory obsolescence. These factors may adversely affect our business, financial condition and results of operations.

The Group Financials and Vinhomes Financials included in this Offering Circular are prepared in accordance with VAS, which differs from International Financial Reporting Standards.

Vingroup and Vinhomes are both subject to financial reporting requirements of publicly listed companies in Vietnam that differ in significant respects from those applicable to companies in certain other countries, including the United States and the United Kingdom. The Group Financials and Vinhomes Financials presented in this Offering Circular are prepared in accordance with VAS, which differs in certain material respects from International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board, and as a result there may be material differences from such financial statements if prepared under IFRS. See “Summary of Certain Differences between VAS and IFRS.” The financial statements presented in this Offering Circular may not be comparable to the financial statements of companies prepared in accordance with IFRS.

One of Vingroup’s principal shareholders, Mr. Pham Nhat Vuong, can significantly influence our Group, and his interests may conflict with the interests of Bondholders.

As of 31 December 2020, Mr. Pham Nhat Vuong, directly or indirectly, together with his Affiliates, held approximately 61.26% of the outstanding shares of Vingroup. See “Principal Shareholders.”

As a result, Mr. Pham Nhat Vuong is able to control or exercise substantial influence over us, including in relation to major policy decisions such as our overall strategic and investment decisions, dividend plans, capital raisings and other financings, mergers and disposals, amendments to our Charter, election of members of Vingroup’s board of directors, appointment of our senior managers and other significant corporate actions. We cannot assure you that Mr. Pham Nhat Vuong will not cause us to take actions that might differ from the interests of Bondholders. Additionally, this concentration of ownership could delay, defer or make certain transactions more difficult or impossible to proceed without his support.

A significant reduction in Mr. Pham Nhat Vuong’s ownership interest in Vingroup may lead to a change of control in certain of our financing agreements and trigger an event of default and may trigger or accelerate our payment obligations under those agreements. As we have grown into a leading conglomerate in Vietnam under Mr. Pham Nhat Vuong’s ownership, our business, financial condition and results of operations may be materially and adversely affected should his ownership stake be reduced.

Failures or security breaches of our information technology systems could disrupt our operations and negatively impact our business.

Information technology is an important part of our business operations and we increasingly rely on information technology systems in various business functions. For example, we rely on information technology systems to manage our inventory, collect, manage, process and store business and financial data for internal reporting purposes and to comply with regulatory, legal and tax requirements and increase efficiencies in our manufacturing and distribution facilities. In addition, we depend on information technology for our customer loyalty program, digital marketing and e-commerce platform. As part of our business operations, we collect and

store confidential information of third parties with their consent, including customers, suppliers, service providers and strategic partners. In particular, through VinID, we have information belonging to our network of nearly 11 million members. Our information technology systems may be vulnerable to a variety of interruptions, including during the process of upgrading or replacing software, databases or components thereof, natural disasters, terrorist attacks, telecommunications failures, actions of third parties, computer viruses, cyber-attacks, hackers, unauthorized access attempts, employee error or malfeasance and other security or technical issues. We devote significant resources to enhance the effectiveness of our information technology systems. However, the standard operating procedures, internal controls, technology security initiatives and disaster recovery plans we have implemented to address these concerns may not be adequate. Any security breaches or incidents involving unauthorized access to or improper use of third party information could damage our reputation and brand and diminish our competitive position. In addition, the affected users or government authorities could initiate legal or regulatory action against us, which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices. Further, any significant failure of our systems, including failures that prevent our systems from functioning as intended, could cause transaction errors, processing inefficiencies, loss of customers and sales and have negative consequences on our employees and our business partners. Any of these events could have a material and adverse effect on our business, financial condition and results of operations or reputation.

Adverse litigation judgments or settlements resulting from legal proceedings in which we may be involved in the normal course of our business could reduce our cash flow, harm our financial position and limit our ability to operate our business.

As a real estate developer, owner and operator, and a manufacturer of cars, electric motorcycles, smart phones and other smart devices, we face the risk of litigation and other claims from property buyers, tenants, visitors, employees, contractors and consumers. We may be held responsible for latent or non-observable defects in our projects or products. Claims against us may arise for a variety of other reasons, including by purchasers for breaches of warranties under their lease or sales agreements or for damages or injuries arising from product defects, by visitors for accidents or injuries that they may suffer while on our projects, by contractors or workers for accidents or injuries which may result in the course of conducting routine cleaning and other services or renovation works at our projects, or by our tenants for our failure to perform any of our obligations. Disputes may also arise in connection with construction or other contracts or agreements entered into with contractors, purchasers, tenants or other third parties. Any of these claims could result in litigation or other disputes and could have a material adverse effect on our business, financial condition, results of operations and prospects, and we could also suffer reputational damage.

Natural disasters, epidemics, acts of war, terrorist attacks and other events could materially and adversely affect our business.

Events outside of our control may directly or indirectly affect our properties in Vietnam and significantly interrupt our business operations. Possible disruptions include, among others: earthquakes, fire, tsunami, floods, droughts, landslides, epidemics, pandemics, power loss, telecommunication failures, political instability, uncertainties arising from, or associated with, terrorist attacks or associated political instability, the economic consequences of terrorist activities and the effect of heightened security concerns on domestic and international travel and commerce, and other acts of God. International acts of violence (including terrorist and/or bomb attacks) in the past have resulted in substantial economic volatility and social unrest globally.

If a natural disaster occurs in areas where we operate our business, our business, financial conditions and operating results may be materially and adversely affected. Our hospitality, commercial and entertainment properties may be particularly vulnerable to, and adversely affected by any of the foregoing or similar events that have a significant impact on people's willingness to travel or purchasing power, which would materially and adversely affect our business, financial condition and results of operations.

Risks Relating to our Real Estate Businesses

We are exposed to various development risks relating to our projects.

The development and construction of our projects, which include residential properties, commercial office properties, industrial real estate properties, retail malls, hotels and resorts, entertainment properties and hospitals may be adversely affected by various factors, including unexpected cost increases in acquiring permits and approvals as well as construction risks, which may include delays in construction and cost overruns, claims by purchasers, visitors, contractors and workers, a shortage or increase in the cost of construction and building materials, inclement weather conditions, disease, unforeseen engineering, environmental or geological problems or defective materials or building methods.

Our operations require us to interact with regulatory bodies regarding matters such as land clearance, project approvals and construction matters. We may need to allocate additional resources and management time to our interactions with regulatory bodies, which could delay the timeline for our projects. Project delays may directly or indirectly affect our business, financial condition, results of operations and prospects. Under Vietnamese land and housing laws and regulations, the Government is responsible for clearing our project sites and relocating and compensating existing owners and tenants before allocating and leasing the land for us to develop our projects. We have no control over timing of the land clearance and resettlement process. Any delays in such process may prevent us from meeting project development milestones and increase the cost of our projects, which may in turn adversely affect our business, financial condition, results of operations and prospects.

We face risks associated with land and project acquisitions.

Our success depends on our ability to fulfil our obligations with respect to uncompleted acquisitions of land and projects, to develop our existing land bank and to continue to source quality land at competitive prices in the future. Until such time that the land use fee for a project has been paid, such fee is subject to change and may be increased, adversely affecting the economics of the project. We intend to pursue project and land acquisitions in the future. We may face difficulties in doing so, including difficulties in identifying and obtaining parcels of land of suitable size in locations at prices acceptable to us and unexpected increases in acquisition costs. Although we plan to pursue project and land acquisitions in areas where we have experience and utilize experienced project consultants and partners, our ability to fulfil our obligations with respect to existing and future land and project acquisitions and the success of such transactions in general are subject to a number of uncertainties and general investment risks associated with any real estate investment, including the following:

- we may not be able to obtain financing for acquisitions on favourable terms or at all;
- we may not be able to complete the acquisition of suitable sites on favourable terms or at all;
- acquired projects may fail to perform as expected;
- the actual costs of developing acquired projects or land may be higher than our estimates due to factors beyond our control;
- our pre-acquisition evaluation of the physical condition or legal status of a prospective investment may not detect various physical or legal risks, defects, liabilities (including warranty claims that we may be required to assume), quality control issues or other issues;
- statutory or regulatory deadlines for conversion of land titles and land clearance, and the ability to complete land clearance within our preferred timetables; and
- restrictive covenants in future acquisition agreements.

Such risks and uncertainties may also vary by the type of project or land bank that we seek to acquire. Our failure to manage these risks may adversely affect our business, financial condition, results of operations and prospects.

We are highly dependent on the performance of the property market in Vietnam, particularly in urban centers where the majority of our projects are located. Our real estate business is and will continue to be affected by economic and market conditions in Vietnam, which may in turn be affected by global macroeconomic conditions.

Our real estate business is based in Vietnam, and will continue to be significantly affected by financial and economic developments in or affecting the Vietnamese real estate market, in particular the Hanoi and Ho Chi Minh City (“**HCMC**”) markets, where a significant portion of our projects and land bank are located. Vietnam’s economy experiences cycles like any other economy and unfavourable economic conditions have in the past adversely affected the Vietnamese real estate market. The Vietnamese property market has experienced cyclicity and property values in Vietnam have been affected by, among other factors, the supply of and demand for comparable properties, the rate of economic growth in Vietnam and political and social developments and stability. A downturn in domestic economic conditions may, among other things, cause urbanization to slow and consumer disposable income to cease growing or decline, resulting in reduced demand for new property developments, weaker consumer purchasing power and an adverse shift in consumer spending patterns away from real estate.

Global macroeconomic conditions have in the past and may again in the future have an impact on the domestic property market in Vietnam. Volatility in global economic conditions may, in the future, have a material adverse effect on our real estate business. In the future, a trend of rapidly rising real estate prices in Vietnam or globally may represent a bubble, and real estate prices may not continue to rise or may decline significantly, particularly if

financing costs increase or consumer confidence erodes. Adverse changes in the Vietnamese or global economies or real estate markets may lower demand for, and the value of, real estate in Vietnam, result in excess inventory, make it more difficult for purchasers and tenants of our projects to meet their financial and lease obligations, increase the rate of defaults on purchases and leases of our real estate-related projects or make it more difficult for customers to obtain financing to purchase our real estate-related projects. These effects may be exacerbated if there is a lack of accommodative credit or financing policies in Vietnam to facilitate private mortgage lending among potential purchasers of private property. A lack of Government support for mortgage lending, together with limited availability of other sources of funding, may make it more difficult for customers to purchase our projects. Such conditions or developments related to general economic conditions or the Vietnamese real estate market may cause the results of our operations to fluctuate from period to period.

Our real estate business requires us to commit financial and other resources to a project before the project begins to generate cash flows. There can be no assurance that we will be able to successfully manage the early-stage capital requirements for our projects or that a project will generate revenue in the manner and to the extent that we expect or at all. For example, a project may reach the pre-sale or sales phase at a time when the property market is depressed or demand has shifted due to domestic or global economic conditions or conditions in the real estate market in Vietnam, each of which is beyond our control.

For the foregoing reasons, adverse conditions in the real estate market in Vietnam may materially and adversely affect our business, financial condition, results of operations and prospects.

There is no assurance that our cash flows from pre-sales and other funding sources will be sufficient to cover all project acquisition and development costs and additional financing may be required. The inability of customers to obtain financing for their purchases may also adversely affect us.

Our real estate business is capital intensive, and we expect to have significant funding needs to complete our planned and future projects and to grow our business, though land costs may vary by project size, location and infrastructure status. The bulk of our initial cash requirements for property development arise out of in-project infrastructure development, as well as land use and land rental fees. We have in the past funded, and expect to continue funding, our development projects primarily through a combination of cash flows from pre-sales in accordance with applicable laws and regulations and our internal resources. There is no assurance that we will be able to adequately cover our project costs through such sources in the future.

Pre-sales of Vinhomes' inventory properties are the primary source of financing for its residential property developments. For the years ended 31 December 2018, 2019 and 2020, payments from pre-sales of Vinhomes' properties, including projects under BCC with Vingroup or its subsidiaries, amounted to VND 52,157 billion, VND 97,475 billion and VND 79,066 billion, respectively. Pre-sale purchasers are required to pay a first instalment of approximately 30% of the total purchase price at or shortly after the time of contracting. Many purchasers of pre-sold apartments have made payments ahead of the payment schedules set out in their sale and purchase agreements, in most cases totaling 70.0% of their unit's purchase price. Vietnamese regulations prevent Vinhomes from requiring a purchaser to pay more than 70.0% of the purchase price of the unit while the relevant project is still under construction. If a purchaser decides, prior to handover, not to complete its purchase, Vinhomes is entitled to collect certain penalties and/or damages but must refund the remainder of the purchaser's payments. As such, increases in the number of purchase cancellations would reduce Vinhomes' cash flows from pre-sales, which could materially and adversely affect Vinhomes' business, financial performance and prospects. Moreover, if Vinhomes incurs additional development costs that exceed the amount collected through pre-sales, it may need to rely on other sources of financing to continue to develop such projects and continue certain of its real estate development operations.

Thus, we may need to obtain additional capital and secure external financing in the future. Future changes in laws, regulations or government policies that restrict or limit our ability to sell our projects on a pre-sale basis and finance our projects through cash flows from those pre-sales may require us to finance substantial portions of our projects through other sources, such as bank loans. Our ability to obtain adequate financing for land acquisition and property development on terms which will allow us to achieve a reasonable return is dependent on a number of factors that are beyond our control, such as general economic conditions, credit availability from financial institutions, market disruption risks, monetary policies in Vietnam and Vietnamese regulations relating to the real estate sector. We cannot assure you that financing will be made available on a timely basis or on commercially reasonable terms acceptable to us or at all, or that any additional financing will not be dilutive to our shareholders. Disruptions, volatility or uncertainty of the credit markets or capital markets could limit our ability to borrow funds or raise financing. We will incur interest expense on any indebtedness that we incur, and any indebtedness that we incur may reduce our financial flexibility. Uncertainties as to market demand or a decline in market demand after expenditures have been made for planning, design and construction are also risks that may affect us.

The inability of third parties, such as our customers, contractors or subcontractors, to obtain financing may also adversely affect us. Many of Vinhomes' customers rely on mortgage financing and other bank loans to finance their initial and other instalment payments under the terms of our pre-sales. Construction contractors and subcontractors also rely on loans or letters of credit to partially finance their operations. Thus, our business and the demand for our projects could be adversely affected by a number of factors beyond our control, including a decrease in consumer or commercial lending in Vietnam, an increase in interest rates, and changes in laws, regulations or bank lending policies that restrict access to mortgages which result in fewer customers being able to meet our instalment payment requirements or pre-pay larger portions of the purchase price. Such events could materially and adversely affect our cash flows, business, financial condition, results of operations and prospects.

Our revenue and results of operations in our real estate businesses are dependent on the timing of completion of projects.

We do not recognize revenue from our residential, commercial office, commercial retail projects or industrial real estate projects until such projects have been completed and handed over to the potential purchaser or tenant, as applicable. The majority of Vinhomes' residential units are pre-sold with upfront cash payment conditions. Consequently, our revenue from the sale of inventory properties and the leasing of commercial space depends in large part on the completion of such projects. Depending on the timing of project completion, if there are delays in the construction or completion of our projects, our revenue and our results of operations could fluctuate significantly and hamper our ability to fund other projects, which may have a material adverse effect on our business, financial condition and results of operations.

Further, failure to complete any of our real estate projects could result in liability to purchasers or tenants to whom we have pre-sold or pre-leased our projects. There can be no assurance that our ongoing and future development projects will be completed in a timely manner and in accordance with their projected timetables. If a pre-sold project is not completed on time, the purchasers of pre-sold units may be entitled to compensation for late delivery. If the delay extends beyond the contractually specified period, these purchasers may be entitled to terminate the pre-sale agreements and claim damages.

The tenants of our retail properties may not pay their rent in full, in a timely manner or at all, or may opt not to renew or to terminate their leases early and we may be unable to procure replacement tenants in a timely manner or on terms favourable to us or at all.

Our results of operations depend on our ability to lease space in our retail malls, including re-leasing spaces when the leases expire, optimizing our tenant mix and maximizing the rent we charge. We place emphasis on the tenant selection process, employing a set of criteria to assess and select suitable tenants whose business model and product would complement the desired tenant mix in our retail malls. If any of our tenants chooses to terminate or not to renew their leases, we may not be able to procure a replacement tenant in a timely manner or at all, and the terms of the new or renewed lease could be less favourable to us than those of the expired or terminated lease.

While we believe we are typically able to negotiate favourable lease renewal terms and secure suitable replacement tenants in order to maintain our desired tenant mix in our retail malls, we may fail to maintain an optimal tenant mix that reflects changing customer demands and preferences. This could materially and adversely affect footfall levels, rental income and/or occupancy rates at the affected retail malls, which could in turn have a material adverse effect on our business, results of operations, financial condition and prospects.

While we conduct periodic checks on our tenants' financial health and their ability to fulfil rental payment obligations on time, our tenants, particularly anchor tenants, may experience a downturn in business or, in extreme cases, experience financial distress such as bankruptcy or insolvency, and be unable to make rental payments in a timely manner. In such cases, we may pursue eviction proceedings against such tenants. It may be difficult to procure replacement anchor tenants in a timely manner and the absence of an anchor tenant in our retail malls could materially and adversely affect footfall at the relevant retail mall and result in decreased revenue.

We are exposed to illiquidity and general risks associated with the ownership and operation of residential, industrial, commercial, hospitality and entertainment real estate.

Real estate investments are generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash on short notice with the result that property assets may be required to be sold at a discount in order to ensure a quick sale. Such illiquidity limits the ability of Vinhomes, Vincom Retail and Vinpearl to manage their portfolio in response to changes in economy, real estate market or other conditions.

Vincom Retail is also subject to risks incidental to the ownership and management of retail malls including, among other things, competition for tenants, an oversupply of, or reduced demand for, commercial retail space, an inability to dispose of major investment properties for the values at which they are recorded, increased operating costs, increased costs in respect of leases where we are the lessee, and the need to renovate, repair and re-let space periodically and to pay the associated costs.

We are exposed to various risks relating to the development, construction, maintenance and enhancement of our real estate properties, which may disrupt the operations of such properties and collection of income.

We regularly develop or acquire new real estate properties, undertake redevelopment, expansion and asset enhancement of existing or acquired real properties, and these activities are subject to various risks. We also renovate or implement asset-enhancement works on our operating properties from time to time, which include office properties, resort and amusement park properties and retail malls, to retain their attractiveness to tenants and customers. The quality and design of our operating properties affect the daily operations of, demand for space in, and the rental rates of, such properties, as well as their ability to attract customers.

The implementation of a development project or asset enhancement initiative, as well as the time and costs required to complete a development project or asset enhancement initiative may be adversely affected by various factors, including:

- construction risks, which include, delays in construction and cost overruns whether from a shortage or increase in the cost of construction and building materials, equipment or labour, inclement weather conditions, unforeseen engineering, environmental or geological problems, work stoppages, strikes, accidents, among others;
- the need to make significant capital expenditures without receiving revenue from these properties until after they are completed;
- possible shortage of available cash or financing to fund construction and capital improvements; and
- uncertainties as to market demand or a decline in market demand by tenants and consumers for the office or mall space after construction work has begun, whether resulting from a downturn in the economy, a change in the surrounding environment of the project, including the location or operation of transportation hubs or population density.

We cannot assure you that any or all of our current or future development projects will be completed within the anticipated time frame or budget, if at all, whether as a result of the factors specified above or for any other reason. The inability to complete a major development project within the anticipated time frame and budget could have a material adverse effect on our business, results of operations, financial condition and prospects.

We rely on third party providers and consultants, over whom we have no direct oversight or control, in key phases of our real estate business. We engage third party consultants to assist with the master planning and project design, and subcontract development work to third party contractors. While third party contractors typically provide a temporary warranty on their workmanship, including structural defects, such issues could delay the completion of our projects and require us to devote additional management time and attention to resolving them. If a contractor defaults on its warranty, we may be unable to replace such defaulting contractor in a timely manner or at all and may not be able to recover the cost of such repair from the defaulting contractor, and replacement contractors may be procured on less favourable terms, which could increase our project development costs. While our construction contractors are generally required to provide performance guarantees to secure their performance, these guarantees do not require such contractors to complete their work and may not adequately cover our costs of replacing them. We may also be held liable by third parties for costs and injuries arising from latent design or construction defects in our properties, which could materially and adversely affect our business, reputation, financial condition, results of operations and prospects.

We also implement required and unforeseen *ad hoc* maintenance or repairs in our operating properties to remedy faults or problems that may develop. The costs of maintaining these operating properties and the risk of unforeseen maintenance or repair requirements tend to increase as a building ages over time. The business and operations of these properties may suffer some disruption and we may not be able to collect the full rate of any income from space affected by these renovation works.

Our hospitality and entertainment businesses are subject to seasonality.

The travel and hospitality industries are inherently seasonal. Sales and pricing of entertainment packages and services, hotel room revenues, occupancy levels and room rates will normally be higher for holiday seasons and lower for off-peak seasons. Higher revenues are normally generated during festive holidays, including without

limitation, New Year, Lunar New Year, Labour Day, Independence Day, Christmas, summer holiday and other national and international holidays, when more travellers tend to go on holidays. Our operating results may therefore be subject to fluctuations due to seasonality from time to time. The concentration of our revenue in key periods may make our financial performance more vulnerable to disruption.

We may face challenges of title to the land on which our projects are located.

Under the laws of Vietnam, ownership of land belongs to the Vietnamese people as a whole and the state administers land rights on their behalf. However, a right to use land is permitted and Vietnam has adopted a land use right registration system. Legitimate owners of land use rights and property or buildings constructed on land are entitled to obtain a “certificate of land use rights, and ownership of houses, and other assets attached to land” (an “LURC”). The land use right granted to any individual or organization and the ownership of property or buildings constructed on the land, as evidenced by an LURC, are protected and binding against any third party, except where compulsorily revoked by the Government under certain prescribed circumstances under the laws of Vietnam. We generally conduct extensive title searches before we acquire any parcel of land. While we have not, as of the date of this Offering Circular, had to defend ourselves against such third parties claims to land use rights, there have been cases in Vietnam where third parties have claimed the right to use land that was already legally registered in the name of others and there is no assurance that we will not become subject to such claims in the future. Any such challenges could have an adverse effect on our business and results of operations.

In addition, transferring land use rights and owning construction buildings in Vietnam both involve a series of registrations and filings, which may take a substantial amount of time to complete. As a result, we may in some instances occupy, operate or develop projects for which all formalities in respect of perfecting title have not yet been completed. While we believe that any such third-party challenges of title are unlikely to occur, there is no assurance they will not arise in the future and thereby adversely affect our business and results of operations. Please refer to “Other Vietnamese Laws and Regulations—Vietnamese Land Law” for more details.

Vinhomes does not yet own the title to all of the projects that are described in this Offering Circular as being in the process of being acquired. There is no assurance that Vinhomes will obtain such title.

Vinhomes’ interests in its projects are held in a variety of forms, including through Economic BCCs. Vinhomes has entered into acquisition agreements in respect of a number of projects which have not yet been completed subject to fulfilment of various conditions precedent, including the payment of remaining amounts outstanding under certain acquisition agreements and the satisfaction of certain development milestones and certain regulatory approvals.

Under the terms of the transfer agreements, generally, if the conditions are not satisfied and completion does not occur, Vinhomes will retain the economic interest in the projects through business cooperation or other arrangements. While Vinhomes will have operational control over the projects and its counterparties are subject to significant penalties if the transactions are not completed by the respective long stop dates, there is no assurance that we will be able to complete the asset acquisitions in a timely manner or at all and we may not be able to implement the economic transfer provisions, either of which may have a material adverse effect on our growth plans, business, financial condition, results of operations and prospects.

We may enjoy fewer competitive advantages in certain segments of the market in which we operate and we compete with other residential, industrial and office developers in these segments.

We compete with various other residential, industrial and office developers on certain key metrics, including location, facilities and supporting infrastructure, services and pricing. Our ability to compete effectively affects the demand for our residential projects and the land acquisition opportunities available to us. Although we maintain a dominant market share in the Vietnam real estate market, there can be no assurance that we will be able to compete successfully against our existing and future competitors, correctly gauge the market for our projects or identify and obtain parcels of land of suitable size in locations and at prices acceptable to us. For example, we may fail to accurately predict changes and trends in consumer preferences which could require us to lower our residential sale prices or increase our capital investment in the affected development so as to maintain its attractiveness to potential customers in the market segments where we face the keenest competition. An inability to compete effectively could adversely affect our business, financial condition, results of operations and prospects. Intensified competition among property developers may also result in, among other things, increased competition to acquire land bank or an oversupply of projects.

Risks Relating to our Industrial and Technology Businesses

We are a recent entrant into the automobile and smart device manufacturing businesses and face a variety of risks, including market fluctuations, competition from established players and legal and regulatory unfamiliarity.

We face a number of risks in relation to our strategy to expand into the automobile, smart phone and smart device manufacturing markets, as we had no experience in these markets prior to the founding of VinFast in 2017 and VinSmart in 2018. Such risks include the ability to obtain the necessary governmental or telecommunications carrier approvals for new product launches, the ability to attract potential customers in a market in which we do not have significant experience, execution risks, such as our ability to hire new employees and acquire raw materials, parts and other supplies and infrastructure at a reasonable cost and the large initial capital outlay involved, and our ability to compete with established regional players with strong brands and financial resources.

In addition, the Vietnamese manufacturing markets for automobiles, smart phones and other smart devices are in the early stages of development with few precedents for made-in-Vietnam automobiles, smart phones or other smart devices. While we intend to increase our electric motorcycle, automobile, smart phone and smart device production in the future, the receptivity of consumers towards VinFast cars and electric motorcycles, VinSmart smart phones and VinSmart smart devices remains uncertain. While Vinhomes and Vincom Retail are well-known and recognizable brands within their industries in Vietnam, customers in Vietnam and especially outside of Vietnam will at least initially be less familiar with VinFast and Vsmart brands and products. There is no assurance that our strategies to raise brand awareness will be successful. We may not be successful in managing the risks associated with these new businesses, which could have a material adverse effect on our revenue, earnings and financial condition.

We are dependent on our manufacturing facilities and are subject to the risks affecting operations at such facilities.

VinFast and VinSmart operate a total of two manufacturing facilities in Vietnam as of 31 December 2020. These facilities are subject to operating risks, such as industrial accidents, discharges or releases of hazardous substances or exposure to particulates, which could cause personal injuries, breakdowns or failure of equipment, power supplies or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters and the need to comply with new directives of relevant government authorities. We may need to carry out planned shutdowns of our various plants for routine maintenance, statutory inspections and testing and may need, from time to time, to shut down our various plants for capacity expansions and equipment upgrades.

Although we have taken precautions to minimize the risk of any significant operational problems at our manufacturing facilities, any failure to manage operating risks could result in the imposition of civil, administrative and criminal penalties, or the production of defective VinFast and VinSmart products. While VinFast and VinSmart have implemented quality assurance standards and inspection procedures, failure to maintain an effective or adequate quality control system due to lack of production expertise, operational problems or for any other reasons may result in the production of defective products that expose us to warranty claims which may result in the return, recall or replacement of our products, as well as other compensation and product liability claims. Any such claims, regardless of their success, could cause us to incur significant costs, harm our business reputation and result in significant disruption to our operations. Furthermore, if any such claims are ultimately successful, we could be required to pay substantial monetary damages or penalties.

There can be no assurance that VinFast's or VinSmart's business, results of operations and financial position will not be adversely affected by disruptions caused by operational problems at VinFast's or VinSmart's manufacturing facilities, which could have a material adverse effect on the productivity and profitability of a particular manufacturing facility and on our business, results of operations and financial position.

We are subject to product liability exposure which could harm our reputation and adversely affect our business, financial condition and results of operations.

Our products, such as electric motorcycles, automobiles and smart phones, can expose us to potential product liability claims if they fail to perform as expected, or are proven to be defective, or if their use causes, results in or is alleged to have caused or resulted in personal injuries, project delays or damage or other adverse effects. Any product liability claim, whether relating to personal injuries, project delays or damages or regulatory action could prove costly and time-consuming to defend and potentially harm our brand reputation. If successful, product liability claims may require us to pay substantial damages.

While we maintain product liability insurance covering certain liabilities arising from the use of select VinFast and VinSmart products, we may be unable to obtain sufficient product liability insurance coverage on

commercially reasonable terms, or at all. Our VinFast cars and electric motorcycles are sold with a warranty that may result in additional costs if amounts claimed under such warranties exceed the amounts insured or budgeted. Furthermore, certain product liability claims may be the result of defects in the parts and components purchased from third party suppliers. Such third party suppliers may not indemnify us for defects in such parts and components or may only provide us with limited indemnification that is insufficient to cover the damages resulting from the product liability claim.

Product liability claims, with or without merit, may result in significant negative publicity and thus materially and adversely affect the marketability of our products and our reputation, as well as our business, financial condition and results of operations. Moreover, a material design, manufacturing or quality-related failure or defect in one of our products or other safety issues could warrant a product recall and result in increased product liability claims or the imposition of fines on us.

If authorities in the jurisdictions in which we sell our products determine that our products fail to conform to applicable quality, safety and emissions requirements and standards, we could be subject to regulatory actions. In Vietnam, violation of Vietnamese product quality, safety and emissions requirements may subject us to monetary and injunctive penalties, including orders to recall the relevant products, suspend or cease manufacturing and sales of relevant products or to cease operations pending the required rectification. Furthermore, if the violation is determined to be serious in nature, our business licenses to manufacture or sell relevant products could potentially be temporarily suspended or, in the worst case, revoked.

We rely on dealers, franchisees, distributors and sales agents to build out a sales network and as such, we may not be able to successfully execute our sales strategies.

We sell products through third party dealers, franchisees, distributors and sales agents in Vietnam and globally. For example, our VinFast electric motorcycles and automobiles are sold through third party sales agents and dealers, in addition to our own distribution network. Our success depends on our ability to retain existing and attract new sales agents, dealers and distributors. There is no assurance we will be able to successfully renew existing agreements upon their expiration on favourable terms, or at all. Engaging new sales agents, dealers and distributors, maintaining relationships with existing ones and replacing them can be difficult, disruptive to our operations and time-consuming, which, in turn, could negatively affect our ability to effectively market our products to end-user customers, and materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, we may not be able to control the activities of the third party dealers, franchisees, distributors and sales agents. Such individuals may engage in improper or illegal actions, such as selling Vingroup's products outside their designated territory, failing to adequately promote our products or conducting their business in violation of the relevant laws or regulations in their respective jurisdictions. Our reputation, business or prospects could be adversely affected as a result of any improper or illegal actions taken by these individuals.

Risks Relating to our Social Services and Other Businesses

Vinmec's hospitals are subject to risks common to the healthcare industry.

Hospitals in Vietnam are generally subject to extensive governmental regulations on healthcare services, which can affect the pricing and availability of various services. Given the extensive regulatory oversight, Vinmec may be subject to malpractice claims and other litigation claims in connection with any malpractice or wrongdoings on the part of its doctors, nurses and other healthcare providers.

As patients have an extensive choice of doctors and healthcare service providers to choose from, Vinmec's business, financial results and operations will largely depend on its ability to attract and retain patients, which in turn, partly depends on Vinmec's ability to recruit and retain qualified doctors, nurses and other healthcare professionals. Vinmec competes with other healthcare providers in Vietnam in recruiting and retaining qualified doctors, nurses and other healthcare professionals. The inability to attract or retain sufficient numbers of qualified doctors, nurses and other healthcare professionals could have a material and adverse effect on Vinmec's business, financial position and results of operations.

The healthcare industry also undergoes rapid developments, with constant updates in medical devices and procedures, and increasing competition for new medical products or services. Vinmec's patients may select an alternative healthcare facility if Vinmec is unable to keep up with technological advances that render its current medical and surgical services obsolete. In addition, Vinmec's business may be affected by other events and factors, including doctors' confidence in its healthcare facilities, its management capabilities, competition with other hospitals, efforts by insurers to limit insurance claims, economic conditions and the cost and possible unavailability of malpractice insurance, as well as natural disasters, such as earthquakes and flooding, which can have a significant impact on Vinmec's business continuity and accessibility.

Vinmec has operated as a social enterprise since 2016, under which any profits made from Vinmec's hospitals are invested back into Vinmec to further its social impact. Any adverse changes in the financial performance of Vinmec may also increase our operational costs as we may be required to increase our investment in Vinmec to fund its operations.

The schools operated by Vinschool and the university operated by VinUni are subject to risks common to the education industry.

The education industry is subject to extensive Government regulations and oversight. There can be no assurance that the applicable regulations will not change in the future or that any such changes will not adversely affect Vinschool's or VinUni's business, financial condition and results of operations.

Vinschool's and VinUni's ability to recruit and retain qualified and experienced principals, teachers and other professionals also contribute to the successful operation of its schools and university. As the market for talented educational professions in Vietnam is highly competitive, there is no assurance that Vinschool and VinUni will be successful in recruiting or retaining such personnel. Efforts to retain or attract such personnel may also result in additional expenses. If Vinschool or VinUni are unable to attract or retain such personnel, their respective results of operations may be adversely affected.

Although we converted Vinschool into a social enterprise in 2016, a decline in Vinschool's results of operations could result in increased operational costs to us as we may have to increase our investment in Vinschool to fund its operations.

Risks Relating to Vietnam

Tax laws in Vietnam are subject to change.

All major tax laws and regulations in Vietnam (including value added tax, corporate income tax, personal income tax and royalty fees) have undergone significant changes in the past decade and may continue to be amended, supplemented and clarified as issues arise over interpretation or implementation. A number of amendments and reforms were also introduced with respect to tax laws in Vietnam. Any change in our tax status or the taxation legislation or different interpretations of tax laws and policies generally could adversely affect our performance and results of operations and increase the tax obligations imposed on us. The Ministry of Finance and its General Department of Taxation in practice have the final say on a company's tax obligations based on prevailing tax laws and regulations. Any change could have a material adverse effect on our business, financial condition, results of operations and prospects.

There are risks associated with investments in Vietnam, including in relation to political, economic and legal conditions.

We are incorporated in Vietnam and while we are taking steps to expand internationally, substantially all of our assets and operations are located in Vietnam. Investors should be aware that an investment in securities offered by Vietnamese companies may be subject to different or greater risks than an investment in securities offered by companies in more developed markets. Emerging economies such as Vietnam are subject to rapid change and the information set out in this Offering Circular, including this "Risk Factors" section, may become outdated relatively quickly. Prospective investors should exercise particular care in evaluating the risks involved in investing in the Bonds and must decide for themselves whether, in light of those risks, their investment is appropriate. When compared to many developed markets, the legal system in Vietnam may not be as developed or provide as sufficient protections to private businesses.

As a result, future political, economic, legal and social conditions in Vietnam, unforeseen events such as terrorist attacks, acts of violence or war, fires, typhoons, or other calamities, as well as certain actions and policies that the government may or may not take or adopt, could materially and adversely affect our business, financial condition, results of operations and prospects.

The performance and growth of our business is dependent on the health of the overall economy of Vietnam, and in particular, the real estate market and consumer demand. Vietnam's economy has been subject to significant fluctuations in the past, and any estimates or projections of future economic growth in Vietnam are subject to potential risks and uncertainties. For example, a failure by the government to adopt a clear macroeconomic policy that gives sufficient attention to economic stability could force it to adopt drastic measures that would disrupt projected economic growth. Although many economies around the world, including Vietnam, have adopted various policies and measures to prevent economic recession and to stimulate domestic or regional economies, there is no assurance that the global and regional economies will remain in their current states or meet expectations for growth. In addition, past quantitative easing measures adopted by many developed

economies have resulted in surplus liquidity which indirectly causes inflation in many emerging markets and weakens the buying power of local currencies. The Vietnamese economy may also be adversely affected by external factors, including the United States Federal Reserve's decision to taper quantitative easing and gradually increase interest rates in the United States, which may indirectly and adversely affect the Vietnamese economy. We cannot predict whether the current economic policies and measures will lead to more fluctuations or another downturn in the future, each of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

The laws and regulatory apparatus affecting the Vietnamese economy are evolving with continuing improvements and increasing transparency but are still not as well established as the laws and regulatory apparatus of regions such as Western Europe and the United States. Certain laws and regulations may be interpreted and enforced differently in different provinces across Vietnam. Policy changes and interpretations of applicable laws may produce unexpected consequences, which could have an adverse effect on domestic business operators. Although in recent years, the legal system in Vietnam has been moving towards increasingly sophisticated, transparent access for investors, with amendments to the Civil Code, the Commercial Law, the Law on Foreign Trade Management and the Law on Securities, the Law on Investment and the Law on Enterprises, which impact related regulations and accordingly business activities, corporate government and shareholders' rights, uncertainties and limitations remain in Vietnam in relation to the interpretation and enforcement of laws. As Vietnam's legal system develops, inconsistencies and uncertainties in its laws and regulations are likely to be addressed as new laws are interpreted and refined and older laws are repealed or updated. It is difficult to predict when Vietnam's legal system will obtain the level of certainty and predictability of other jurisdictions with more developed legal systems. In particular, anti-bribery and corruption laws and regulations in Vietnam may not be as stringent as in other jurisdictions with more developed legal systems, and instances of bribery, fraud, accounting irregularities and other improper, illegal or corrupt practices may interfere with our ability to protect our legal rights in Vietnam.

Investors may face difficulties enforcing foreign court judgments against us.

Both the Issuer and Vinhomes are organized under the laws of Vietnam. Substantially all of our Group's assets are located in Vietnam. It may be difficult for investors to effect service of process outside Vietnam upon the Issuer with respect to other claims pertaining to the Bonds and/or the Exchange Shares. Moreover, it may be difficult for investors to enforce against us judgments obtained from courts outside Vietnam with regard to any actions pertaining to the Bonds, the Exchange Shares or otherwise. In addition, the majority of the Issuer's directors and officers are residents of Vietnam, and the majority of the assets of such persons are located in Vietnam. As a result, it may be difficult for investors to effect service of process upon Vietnam-resident directors and officers, or to enforce against them judgments obtained in courts outside Vietnam predicated upon the laws of jurisdictions other than Vietnam. Vietnam is a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and a few bilateral treaties relating to the recognition and enforcement of foreign courts' judgments but not to any other multinational treaty in this regard. Vietnam's Civil Procedure Code provides that a civil judgment or decision of a foreign court is enforceable in Vietnam only if there is a treaty in this regard between Vietnam and such foreign country or on a reciprocal basis or if permitted by Vietnamese laws. Vietnam's Civil Procedure Code also sets out several grounds for Vietnamese courts to refuse the recognition and enforcement of foreign judgments, decisions or even foreign arbitral awards.

Under Vietnam's Civil Procedure Code, a judgment of a foreign court will not be recognized and enforced in Vietnam where, among others, the competent Vietnamese court in which the recognition and enforcement is requested determines that the recognition and enforcement of such judgment in Vietnam is contrary to the "fundamental principles of the laws of Vietnam," as determined at the discretion of the relevant Vietnamese court.

The Government may take over our business in the event of war, insurrection, public calamity or national emergency.

The Vietnamese Constitution and the Law on Requisition provide that the Government may purchase or expropriate assets where there is extreme necessity to use the assets (in the absence of other forms of mobilization) in the event of war or national defence emergency; where national security is threatened or needs to be strengthened and protected in accordance with the laws on national defence and security; when dealing with risk of or overcoming natural disasters or large-scale epidemic diseases; or where there is serious threat to the life, health and assets of the people of Vietnam. There is no assurance that our operations will not be disrupted or other assets or property temporarily taken over in the future or that in such event, we would be adequately compensated for the use of our assets.

Risks Relating to the Bonds and the Exchange Shares

The Bonds may not be a suitable investment for all investors.

The Bonds are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or distribution payments is different from the potential investor's currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks.

There has been no prior market for the Bonds, an active trading market for the Bonds may not develop, and the trading price of the Bonds could be materially and adversely affected.

The Bonds are a new issue of Bonds for which there is currently no trading market. The Bonds are listed and quoted on the SGX-ST. Approval in-principle has been obtained from the SGX-ST for the listing of the Bonds on the Official List of the SGX-ST. Approval has also been obtained from the SSC for the listing.

We cannot assure you that we will be able to maintain such listing or that a liquid trading market will develop for the Bonds. Even though the Bonds may be listed on an exchange, we cannot assure you that an active market will develop for the Bonds. If an active market does develop, future trading prices of the Bonds will depend on many factors, including, but not limited to:

- prevailing interest rates and interest rate volatility;
- the market for similar bonds;
- the market and price of the Exchange Shares;
- the Issuer's and the Company's operating and financial results;
- the publication of earnings estimates or other research reports and speculation in the press or the investment community;
- changes in the Issuer's and the Company's industry and competition; and
- general market, financial and economic conditions.

Bondholders have no security interest in the Exchange Shares and the covenants imposed on the Issuer in connection with the Exchange Shares are not a pledge.

There is no security interest in relation to the Exchange Shares and the covenants imposed on the Issuer in connection with the Exchange Shares are not a pledge. The Trust Deed does not create any security interest in favour of the Bondholders either to secure the payment obligations arising under the Bonds or to secure the performance of the Exchange Rights thereunder. Accordingly, in the event of any insolvency of the Issuer, the Bondholders will rank on a *pari passu* basis with all other unsecured and unsubordinated creditors of the Issuer and will have no preference in respect of the Exchange Shares.

Bondholders will be subordinated to obligations owed to creditors of our subsidiaries and to our secured creditors.

Vingroup holds many of its assets in, and conducts material business through, subsidiaries and associates, including Vinhomes and Vincom Retail, both of whose shares are listed on the HSX. We therefore depend on

cash from the receipt of dividends and other payments from our subsidiaries for a significant portion of our cash flow, including cash to make other payments to the Issuer for which the Issuer depends to satisfy its obligations under the Bonds. The ability of our subsidiaries to pay dividends or make other advances and transfers of funds will depend on any local law restrictions on declaration and payment of dividends.

The Bondholders will have no direct claims as to the assets of our subsidiaries and our obligations as the Issuer will be effectively subordinated to obligations of our subsidiaries and associates. Our obligations as the Issuer will be subordinated to any of our obligations which are secured over our assets to the extent of the value of the collateral securing such obligations.

No member of our Group will guarantee the Bonds. Our subsidiaries form a substantial portion of our total assets and contribute significantly to our business. Various assets of our subsidiaries and associates may be secured to repay lenders to those subsidiaries and associates, particularly where lending has been for the purpose of funding specific property development projects. Borrowings under our credit facilities are secured by security interests in our assets. As of 31 December 2020, we had VND 102,234 billion of secured indebtedness and VND 27,553 billion of unsecured indebtedness outstanding. If we become insolvent or are liquidated, or if payment under the credit facilities or any other secured indebtedness is accelerated, the secured creditors and holders of other secured indebtedness (or an agent on their behalf) will be entitled to exercise the remedies available to a secured creditor under applicable law and remedies available under documents pertaining to our credit facilities. Unless we have made an intercompany loan to a subsidiary, we only have a shareholder's claim on the assets of such subsidiary. This shareholder's claim is junior to the claims that creditors of any such subsidiary have against it. The Bondholders will only be our creditors, and not a creditor of our subsidiaries. In addition, the Bondholders will not have the benefit of any security interest over the shares of our subsidiaries or any security interest over the assets of our subsidiaries. As a result, liabilities of any of our subsidiaries, including any claims of trade creditors and preferred stockholders, will be effectively senior to the Bonds. Any of these subsidiaries may in the future have other liabilities, including contingent liabilities, which may be significant.

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer will ensure that none of the Non-Listed Subsidiaries will, create or have outstanding any Encumbrance upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee of, or indemnity in respect of, any Relevant Indebtedness (other than any guarantee of, or indemnity in respect of, any Relevant Indebtedness of the Issuer or any Non-Listed Subsidiary of the Issuer where the guarantor(s) of such guarantee or the obligor(s) of such indemnity, as the case may be, (1) is rated by any Rating Agencies on the issue date of such Relevant Indebtedness as Investment Grade and (2) is not a member of the Group), without at the same time or prior thereto taking any and all action necessary to ensure that the Issuer's obligations under the Bonds and the Trust Deed (a) are secured equally and ratably, or (b) have the benefit of such other security, indemnity or other arrangement in the event that it or any of its Subsidiaries create or permit to subsist such other guarantee, indemnity or arrangement as either the Trustee in its absolute discretion shall deem to be not materially less beneficial to the interests of the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders. See *"Terms and Conditions of the Bonds – Negative Pledge."* However, this does not apply in respect of (i) domestic corporate bonds denominated in VND and governed by Vietnamese law and (ii) any asset backed securities offered or issued by the Issuer, any Subsidiaries of the Issuer for distribution solely in Vietnam that are backed by or collateralized against assets of our Group, comprised solely of residential property assets to which such securities are linked.

If an investor holds bonds which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding.

The Issuer will pay principal and premium on the Bonds in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **"Investor's Currency"**) other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the U.S. dollar would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency equivalent market value of the Bonds.

We may not be able to convert Vietnamese dong into U.S. dollars or remit funds offshore in a timely manner.

The Bonds are denominated and payable in U.S. dollars. We generate a significant portion of our revenue in Vietnamese dong, which is generally not freely convertible into other currencies. The exchange of Vietnamese

dong into foreign currencies and the remittance of funds outside of Vietnam must be conducted at licensed credit institutions in Vietnam and subject to applicable regulations on foreign exchange control.

Due to currently applicable Vietnamese currency (including conversion and remittance of currency), tax and export restrictions, there is no assurance that the Issuer will be able to timely and fully convert Vietnamese dong from its cash flows in order to service its obligations under the Bonds.

Any delay in conversion may increase our exposure to depreciation of the Vietnamese dong against the U.S. dollar. In the event that we are unable to timely and fully convert Vietnamese dong into U.S. dollars (or other currencies that can be converted into U.S. dollars) and remit the funds outside of Vietnam, we may be unable to meet our foreign currency payment obligations under the Bonds.

A decline in the value of the Vietnamese dong relative to other currencies may have a material adverse effect on the value of the Exchange Shares deliverable upon exchange of the Bonds in other currencies.

The Exchange Shares deliverable upon exchange of the Bonds are listed on the HSX, where securities are quoted and traded in Vietnamese dong. If there are payments received in respect of such Exchange Shares, these payments will be paid in Vietnamese dong. A decline in the value of the Vietnamese dong relative to other currencies may affect, among other things, the value (in other currencies) of the proceeds that a holder receives upon a sale of such Exchange Shares or in respect of any other payments made and received on such Exchange Shares.

Our intended use of the proceeds of the Offering may not come to fruition.

We intend to use the proceeds due to us from the Offering for the purposes and in the manner set out in “Use of Proceeds.” We do not currently have definite and specific commitments for the entire proceeds due to us from the Offering, and our current intentions may not materialize and may be prohibited. As a result of the number and variability of factors that determine our use of the proceeds due to us from the Offering, the actual uses may vary substantially from our current intentions. In such event, as we have broad discretion in the way we invest or spend the proceeds due to us from the Offering, there can be no assurance that we will invest or spend the proceeds in ways with which you agree or which you believe will have the most beneficial effect on our profitability.

Foreign Bondholders may be required to adhere to certain Vietnamese law requirements, including but not limited to the obtaining of securities trading code and opening of Vietnamese securities accounts and Vietnamese dong-denominated indirect investment capital account in order to receive Exchange Shares on the exchange of their Bonds and to receive any related income or proceeds relating to such exchanged Exchange Shares or to remit the proceeds of a subsequent sale or transfer of such Exchange Shares outside Vietnam.

When a Bondholder seeks to exercise its exchange rights under its Bonds and exchange such Bonds into Exchange Shares in accordance with the provisions of the Conditions, such Bondholder will be required to obtain a securities trading code from the VSD. Such securities trading code is typically granted upon the submission of the relevant supporting documentation or information required by the VSD.

Although the VSD does not have the authority under Vietnamese law to refuse to grant a securities trading code upon the submission of the requisite supporting documentation or information, there is no assurance that a Bondholder will, among other things, be able to successfully obtain a securities trading code from the VSD.

Further, the Bondholder is required to open the requisite securities depository account, securities trading account and a Vietnamese dong-denominated indirect investment capital account and be in a position under Circular No. 123/2015/TT-BTC dated 18 August 2015 of the Ministry of Finance, to receive the Exchange Shares and any related income or proceeds relating to the Exchange Shares or to remit the proceeds of any subsequent sales or transfers of such Exchange Shares outside Vietnam. There is no assurance that a Bondholder will be able to complete any of the foregoing in a timely manner.

The length of time taken for a foreign Bondholder to complete these procedures may have an impact on the liquidity of the Bonds in the secondary market or may impact the ability of the Bondholder to exchange its Bonds into Exchange Shares on short notice if the requisite procedures are not completed in advance.

The trading price of the Exchange Shares has been, and may continue to be, volatile.

The trading price of the Exchange Shares listed on the HSX has been, and may continue to be, subject to large fluctuations. The price of the Exchange Shares may increase or decrease in response to a number of events and factors, including:

- quarterly variations in operating results;

- changes in financial estimates and recommendations by securities analysts;
- the operating and stock price performance of other companies in the real estate industry;
- developments affecting Vinhomes, its customers or its competitors;
- differences between Vinhomes' actual financial operating results and those expected by investors and analysts;
- the liquidity in the market for the Exchange Shares;
- changes in government regulation;
- changes in general economic conditions;
- changes in accounting policies;
- other events or factors described in this Offering Circular; and
- Vinhomes' pre-sales and/or lease agreements being directly or indirectly referenced to U.S. dollars, and its ability to convert these into Vietnamese dong-denominated contracts.

Many investors in exchangeable securities seek to hedge their exposure in the underlying equity securities, often through short selling of the underlying equity securities or similar transactions. Any short selling or similar hedging activity could place significant downward pressure on the market price of the Exchange Shares, thereby having a material adverse effect on the market value of the Exchange Shares owned by an investor as well as on the trading price of the Bonds. This volatility may adversely affect the price of the Exchange Shares regardless of Vinhomes' operating performance.

Vinhomes may from time to time raise additional capital through such means and in such manner as it may consider appropriate, including, but not limited to, the issuance of additional debt or equity securities, subject to any regulatory approval that may be required. There can be no assurance that such future capital raising activities will not adversely affect the market price of the Shares in the secondary market.

Any future issue of Shares by Vinhomes, as well as the disposal of Shares by any of the substantial shareholders of Vinhomes or the perception that such issues or sales may occur, may significantly affect the trading price of the Exchange Shares. See "*Subscription and Sale*" for further details.

The Exchange Rights are subject to certain regulatory restrictions.

Vietnamese laws and the Conditions require us to obtain an approval from the SSC before delivering the Exchange Shares upon the exercise of Exchange Rights. We have successfully obtained certain guidance from the SSC on the transfer of the Exchange Shares. However, at the time each Bondholder exercises their Exchange Rights, further opinions from the SSC and confirmation from the VSD are still required to allow Exchange Rights to be exercised, and Exchange Shares to be delivered, as contemplated by the Conditions. Such approvals and authorizations remain pending and may never be obtained.

If the above approvals and authorizations have not been obtained, or are not unequivocally confirmed by the SSC and VSD and/or HSX, by the time the Exchange Rights are exercised by Bondholders, we may, consequently, be unable to deliver the requisite Exchange Shares to such Bondholders. No assurance can be given that we will be able to obtain all necessary approvals and authorizations in order to deliver the requisite Exchange Shares upon the exercise of Exchange Rights.

Bondholders will have no direct rights as shareholders of Vinhomes before exchange, but will be subject to all changes affecting the Exchange Shares.

Unless and until the Bondholders are recorded as owners of the Exchange Shares by VSD upon the exercise of their Exchange Rights, the Bondholders will have no rights with respect to the Exchange Shares, including any voting rights or rights to receive any dividends or other distributions with respect to the Exchange Shares. Upon exchange of the Bonds for the Exchange Shares, the holders will be entitled to exercise the rights of holders of the Exchange Shares only as to actions for which the applicable record date occurs after the relevant Exchange Date.

Bondholders have limited anti-dilution protection.

The Exchange Shares into which the Bonds may be exchanged on a pro rata basis will be adjusted in the event that there is a subdivision, consolidation or reclassification, a capitalization of profits or reserves, a rights issue, bonus issue, reorganization, extraordinary dividend or other adjustment, which affects the property comprising

the Exchange Shares, but only in the situations and only to the extent described in Condition 6(c) of the Conditions. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Exchange Shares. Those events may adversely affect the value of the Exchange Shares and, therefore, adversely affect the value of the Bonds.

The Bonds may be redeemed prior to maturity.

The Conditions provide that the Bonds are redeemable at our option in certain circumstances and, accordingly, we may choose to redeem the outstanding Bonds before the stated maturity. In such circumstances, an investor may either be compelled to exercise its Exchange Rights earlier than it might otherwise have chosen to do so or, if it does not so exchange its bonds, may not be able to reinvest the redemption proceeds in a comparable security bearing an effective interest rate as high as that of the Bonds and/or containing an Exchange Right.

There is no assurance that Vinhomes will continue to declare and pay dividends.

The declaration and payment of annual dividends by Vinhomes is subject to the discretion of its board of directors and approval of its shareholders in general meetings, and applicable statutory and other legal restrictions, including restrictions imposed on listed companies on the HSX. Vinhomes may at any time cease to pay dividends. The payment of any dividends will be subject to Vinhomes' future earnings, financial condition and other factors, including statutory and contractual restrictions with respect to the payment of dividends. In addition, in order to pay dividends, Vinhomes will rely on its own operations as well as to an extent on dividends and other payments received from its subsidiaries and associates, and such payments from subsidiaries and associates will be subject to such subsidiaries' and associates' future earnings, financial condition and other factors, including statutory and contractual restrictions applicable to such payments.

There is a limited period for the exercise of the Exchange Rights.

A Bondholder will, subject as more fully described herein under “*Terms and Conditions of the Bonds*,” have the right to exchange its Bonds into Exchange Shares. Exchange Rights may only be exercised in the limited circumstances described in the Conditions and, subject as provided herein, at any time on or after 31 May 2021 and up to the close of business on the tenth business day prior to the Maturity Date (both dates inclusive) or, if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the date no later than 10 business days prior to the date fixed for redemption thereof or, if notice requiring redemption has been given by the holder of such Bond pursuant to Conditions 8(d) or 8(e), then up to the close of business on the business day prior to the giving of such notice. If the Exchange Rights are not exercised by Bondholders during the Exchange Period, the Bonds will be redeemed at 105.47% of their principal amount on the Maturity Date, unless the Bonds are previously purchased and cancelled or redeemed in accordance with the Conditions.

There are risks attached to the exercise of exchange rights.

Bondholders should be aware that the Bonds, being exchangeable for the Exchange Shares, bear certain risks. Depending upon the performance of the Exchange Shares, the value of the Exchange Shares may be substantially lower at such time that Bondholders seek to exercise their Exchange Rights, than they were at the time when the Bonds were initially purchased. In addition, the value of the Exchange Shares to be delivered may vary substantially between the date on which the Exchange Rights are exercised and the date on which such Exchange Shares are delivered.

The Issuer will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, and such standards may be different from those applicable to debt securities listed in certain other countries.

The Issuer will be subject to reporting obligations in respect of the Bonds to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST are different from those imposed by securities exchanges in other countries or regions, such as the United States or Vietnam. As a result, the level of information that is available may not correspond to what investors in the Bonds are accustomed to.

Corporate disclosure and accounting standards, corporate governance standards, securities law requirements and the legal framework in Vietnam differ from developed market jurisdictions.

Each of Vingroup and Vinhomes is a listed company on the HSX. The quantity and quality of publicly available information in respect of Vingroup and of Vinhomes may differ from what is regularly made available by public companies in developed market jurisdictions. Such differences in publicly available information include the timing and extent of disclosure of beneficial ownership of equity securities of officers, directors and significant

shareholders, the extent of disclosure of conflicts of interest and related party transactions and the timing of notices of shareholders' meetings. Accordingly, the quantity and quality of information about Vingroup and Vinhomes may not be on par with that of a public company in a developed market jurisdiction.

In addition, the obligation under the Vietnamese law of majority shareholders and directors with respect to minority shareholders may be more limited than developed market jurisdictions. Consequently, minority shareholders may not be able to protect their interests under current Vietnamese law to the same extent as in certain other countries. The Law on Enterprises provides limited protection for minority shareholders who own at least 1.0% of the number of ordinary shares for six consecutive months, those shareholders have the right, on their own behalf or on behalf of the company, to initiate legal action for civil liability against a member of the board of directors or the general director. In addition, shareholders who own (individually or as a group of shareholders) at least 10.0% of the number of ordinary shares for six consecutive months shall have the right to, among others, request the convening of a GMS in certain cases, to request the supervisory board to inspect each particular issue relating to the management and administration of the operations in cases where it is considered necessary or to challenge a resolution passed by the GMS before a court or arbitral tribunal in pursuant with Article 151 of the Law on Enterprises. In practice, derivative actions are rarely brought on behalf of companies in Vietnam. Accordingly, there can be no assurance that legal rights or remedies of minority shareholders will be the same, or as extensive, as those available in other jurisdictions or sufficient to protect the interests of minority shareholders.

The corporate governance standards in Vietnam generally differ from those in developed market jurisdictions. For example, there may be differences in the level of board oversight, the existence and extent of internal monitoring mechanisms, the lack of requirements for mandatory board committees such as audit committees and the extent of requirements relating to the independence of members of the board of directors and laws and regulations relating to board committees, non-executive members of the board of directors, conflicts of interest, conduct of shareholders' meetings, corporate takeovers and insider trading are generally limited and vague and their application and enforcement is uncertain. Furthermore, the securities law regime and legal framework in Vietnam vary significantly from those in other developed market jurisdictions, including, among other things, the lack of comprehensive laws governing takeover transactions and other aspects of investor protection, the lack of an effective legal framework relating to bankruptcy, debt collection, and the unavailability of class action and derivative actions as otherwise available under the law in other developed jurisdictions. Accordingly, investors in Vietnamese companies may not be offered the same level of protection as investors in companies from other developed market jurisdictions.

The Conditions contain provisions which may permit their modification without consent of all Bondholders and confer significant discretion on the Trustee which may be exercised without the consent of the Bondholders and without regard to the individual interests of particular Bondholders.

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including those who did not attend and vote at the relevant meeting and those who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may agree, without the consent of Bondholders, to any modification (except such modifications in respect of which an increased quorum is required pursuant to the Conditions and the Trust Deed) of, or to the waiver or authorization of any breach or proposed breach of, any of the provisions of the Bonds, the Agency Agreement or the Trust Deed or the substitution of another company as principal debtor under any Bonds in place of the Issuer, in the circumstances described in Condition 13.

Bondholders are required to rely on the procedures of the clearing systems and their participants while the Bonds are cleared through the clearing systems.

The Bonds will, on issue, be represented by a Global Certificate that will be deposited with a common depository for Euroclear and Clearstream. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Bonds in definitive form. Each of Euroclear and Clearstream and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Certificate held through it.

While the Bonds are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the relevant clearing system and their respective participants.

While the Bonds are represented by a Global Certificate, the Issuer will discharge its payment obligation under the Bonds by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive

payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Bonds so represented, including on the occurrence of an event of default. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies. The procedures to be implemented through the clearing systems may not be adequate to ensure the timely exercise of rights under the Bonds. See “*The Global Certificate*.”

The transfer of the Bonds is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The Bonds have not been registered under, and we are not obliged to register the Bonds under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, they may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See “*Subscription and Sale*.” We have not agreed to or otherwise undertaken to register the Bonds (including by way of an exchange offer) with the United States Securities and Exchange Commission or the securities regulatory authority of any other jurisdiction, and we have no intention of doing so.

TERMS AND CONDITIONS OF THE BONDS

The following, subject to amendment and save for the paragraphs in italics, are the Terms and Conditions of the Bonds, substantially as they will appear on the reverse of each of the definitive Certificates evidencing the Bonds:

The issue of the US\$500,000,000 aggregate principal amount of 3.00% Exchangeable Bonds due 2026 (the **Bonds** and any further bonds issued in accordance with Condition 15 and consolidated and forming a single series therewith) of Vingroup Joint Stock Company (the **Issuer**) and the right of exchange into Shares (as defined in Condition 6(a)(vi)) was authorized by a resolution of the Board of Directors of the Issuer on 11 March 2021. The Bonds are constituted by a trust deed (as amended or supplemented from time to time) (the **Trust Deed**) dated 14 April 2021 made between the Issuer and The Bank of New York Mellon, London Branch as trustee for the holders of the Bonds (the **Trustee**, which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) and are subject to the paying and exchange agency agreement dated 14 April 2021 (the **Agency Agreement**) with the Trustee, The Bank of New York Mellon, London Branch as principal agent, exchange agent and paying agent (the **Principal Agent**), The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the **Registrar**) and transfer agent and the other paying, exchange and transfer agents appointed under it (each a **Paying Agent, Exchange Agent, Transfer Agent** and together with the Registrar and the Principal Agent, the **Agents**) relating to the Bonds. References to the **Principal Agent, Registrar** and **Agents** below are references to the principal agent, registrar and agents for the time being for the Bonds. These terms and conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. Unless otherwise defined in these Conditions, terms used in these Conditions have the meaning specified in the Trust Deed. Copies of the Trust Deed and of the Agency Agreement are (i) available for inspection during usual business hours (being 9.00am to 3.00pm) at the specified offices for the time being of each of the Agents following prior written request and proof of holding to the satisfaction of the Agents or (ii) may be provided by email to such holder requesting copies of such documents, subject to the Agents being supplied by the Issuer with copies of such documents. The Bondholders are entitled to the benefit of and are bound by all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

1. STATUS

(a) Status

The Bonds constitute direct, unsubordinated, unconditional and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4, at all times rank at least equally with all of its other present and future senior, unsecured and unsubordinated obligations.

(b) Obligations Absolute

The obligations of the Issuer under the Bonds are all continuing, absolute and unconditional and will remain in full force and effect and will not be amended, released, suspended, discharged, terminated, impaired or otherwise affected by any act, omission, circumstance, occurrence, matter or thing whatsoever (including any change in circumstances as contemplated by any applicable law) unless otherwise agreed by the Bondholders or contemplated under the Bonds.

2. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

The Bonds are issued in registered form in the denomination of US\$200,000 each and integral multiples thereof, without coupons attached. A bond certificate (each a **Certificate**) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the **Register**) which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Bonds will be represented by a global certificate (the **Global Certificate**) registered in the name of a nominee of, and deposited with a common depositary for, Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream**). The Conditions are modified by certain provisions contained in the Global Certificate. See "The Global Certificate".*

(b) **Title**

Title to the Bonds passes only by transfer and registration in the Register as described in Condition 3. The holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. For the purposes of these Conditions, **Bondholder** and (in relation to a Bond) **holder** means the person in whose name a Bond is registered.

3. TRANSFERS OF BONDS; ISSUE OF CERTIFICATES

(a) **Register**

The Issuer will cause the Register to be kept at the specified office of the Registrar outside the United Kingdom and in accordance with the terms of the Agency Agreement on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and exchanges of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

(b) **Transfer**

Subject to Conditions 3(e) and 3(f) and the terms of the Agency Agreement, a Bond may be transferred or exchanged by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorized in writing, to the specified office of the Registrar or any of the Transfer Agents. No transfer of title to a Bond will be valid unless and until entered on the Register.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(c) **Delivery of New Certificates**

Each new Certificate to be issued upon a transfer or exchange of Bonds will, within seven business days (at the place of the relevant specified office) of receipt by the Registrar or, as the case may be, any Transfer Agent of the original certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Registrar and any Transfer Agent.

Except in the limited circumstances described in "The Global Certificate", owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.

Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, exchanged, redeemed or repurchased, a new Certificate in respect of the Bonds not so transferred, exchanged, redeemed or repurchased will, within seven business days of delivery of the original Certificate to the Registrar or other relevant Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, exchanged, redeemed or repurchased (but free of charge to the holder and at the Issuer's expense) to the address of such holder appearing on the Register.

For the purposes of Condition 3 and Condition 6, **business day** shall mean a day other than a Saturday or Sunday on which banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or exchange) or the Agent with whom a Certificate is deposited in connection with a transfer or exchange, is located.

(d) **Formalities Free of Charge**

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any of the Agents, but upon payment (or the giving of such indemnity and/or security as the Issuer or any of the Agents may require) in respect of any tax, duty or other governmental charges which may be imposed in relation to such transfer and the Agents being reasonably satisfied that the regulations concerning the transfer of the Bonds have been complied with.

(e) **Closed Periods**

No Bondholder may require the transfer of a Bond to be registered:

- (i) during the period of seven days ending on (and including) the dates for payment of any principal pursuant to the Conditions;
- (ii) after an Exchange Notice (as defined in Condition 6(b)) has been delivered with respect to such Bond;
- (iii) during the period of seven days ending on (and including) any date of redemption pursuant to Condition 8(b) or 8(c);
- (iv) after a Relevant Event Redemption Notice (as defined in Condition 8(d)) has been deposited in respect of such Bond pursuant to Condition 8(d) or a Put Exercise Notice (as defined in Condition 8(e)) has been deposited in respect of such Bond pursuant to Condition 8(e); or
- (v) during the period of seven days ending on (and including) any Interest Record Date (as defined in Condition 7(a)), each such period being a **Closed Period**.

(f) **Regulations**

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge to the holders at the Issuer's expense) by the Registrar to any Bondholder upon request.

4. NEGATIVE PLEDGE

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer will ensure that none of the Non-Listed Subsidiaries will, create or have outstanding any Encumbrance upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee of, or indemnity in respect of, any Relevant Indebtedness (other than any guarantee of, or indemnity in respect of, any Relevant Indebtedness of the Issuer or any Non-Listed Subsidiary of the Issuer where the guarantor(s) of such guarantee or the obligor(s) of such indemnity, as the case may be, (1) is rated by any Rating Agencies on the issue date of such Relevant Indebtedness as Investment Grade and (2) is not a member of the Group), without at the same time or prior thereto taking any and all action necessary to ensure that the Issuer's obligations under the Bonds and the Trust Deed (a) are secured equally and rateably, or (b) have the benefit of such other guarantee, indemnity or arrangement as either the Trustee in its absolute discretion shall deem to be not materially less beneficial to the interests of the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

In these Conditions:

- (a) any reference to an **Encumbrance** is to a mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any person;
- (b) any reference to **Fitch** means Fitch Inc., a subsidiary of Fimalac, S.A., and its successors;
- (c) any reference to **Investment Grade** means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns, a rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or any of its successors or assigns, or a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or any of its successors or assigns, or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Issuer as having been substituted for S&P, Moody's or Fitch or two or three of them, as the case may be;
- (d) any reference to **Moody's** means Moody's Investors Service, Inc. and its successors;
- (e) any reference to any **Non-Listed Subsidiary** means any Subsidiary of the Issuer excluding any Subsidiary whose ordinary shares are listed on the Ho Chi Minh Stock Exchange (the **HSX**) or any other stock exchange from time to time, and any Subsidiary of such listed Subsidiary, which, for the avoidance of doubt, includes Vincom Retail Joint Stock Company, Vinhomes Joint Stock Company and each of their respective Subsidiaries;

- (f) any reference to **Rating Agencies** means (1) S&P and (2) Moody's and (3) Fitch and (4) if S&P, Moody's or Fitch or two or three of them shall not make a rating of a guarantor of such guarantee or an obligor of such indemnity, as the case may be, publicly available, an internationally recognized securities rating agency or agencies, as the case may be, selected by the Issuer, which shall be substituted for S&P, Moody's or Fitch or two or three of them, as the case may be;
- (g) any reference to **Relevant Indebtedness** is to any future and present indebtedness in the form of or represented or evidenced by debentures, bonds, notes, bearer participation certificates, depositary receipts, certificates of deposit or other securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market but excluding any indebtedness under (i) domestic corporate bonds denominated in Vietnamese Dong (**VND**) and governed by Vietnamese law and (ii) any asset backed securities offered or issued by the Issuer or any Subsidiary of the Issuer for distribution solely in Vietnam that are backed by or collateralized against assets of the Group, comprised solely of residential property assets to which such securities are linked;
- (h) any reference to **S&P** means S&P Global Ratings, a division of S&P Global Inc., and its successors; and
- (i) any reference to a **subsidiary** or **Subsidiary** of any person is to any company or other business entity in respect of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under Vietnamese law, regulations or generally accepted accounting principles from time to time, should have its accounts consolidated with those of that person.

5. INTEREST

The Bonds bear interest from and including 20 April 2021 (the **Closing Date**) at the rate of 3.00% per annum of the principal amount of the Bonds. Interest is payable semi-annually in arrear on 20 April and 20 October in each year (each an **Interest Payment Date**) commencing on 20 October 2021.

Each Bond will cease to bear interest: (a) (subject to Condition 6(b)(iv)) where the Exchange Right attached to it shall have been exercised, from and including the Interest Payment Date last preceding its Exchange Date (as defined below) (or if such Exchange Date falls on or before the first Interest Payment Date, the Closing Date) subject to exchange of the relevant Bond in accordance with the provisions of Condition 6(b); or (b) from the due date for redemption thereof unless, upon due presentation thereof, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue at the rate aforesaid (after as well as before any judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Interest will be calculated on the basis of a 360-day year of twelve 30-day months, and in the case of an incomplete month, the actual number of days elapsed. Interest payable under this Condition will be paid in accordance with Condition 7(a).

Save as provided in Condition 6(b)(iv), no payment or adjustment will be made on exchange for any interest accrued on exchanged Bonds since the Interest Payment Date last preceding the relevant Exchange Date, or, if the Bonds are exchanged on or before the first Interest Payment Date, since the Closing Date.

Interest Period means the payment period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date, and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

6. EXCHANGE

(a) Exchange Right

(i) *Exchange Period:*

Subject to the right of the Issuer to make a Cash Election as provided in Condition 6(f) and as otherwise hereinafter provided, Bondholders have the right to exchange their Bonds into Shares (as defined in Condition 6(a)(vi)) at any time during the Exchange Period referred to below.

Upon exercise of Exchange Rights (as defined below), the Issuer shall (subject to the right of the Issuer to make a Cash Election as provided in Condition 6(f)) deliver or procure the delivery of the relevant Shares as provided in this Condition 6.

(ii) *Exercise of Exchange Rights:*

The right of a Bondholder to exchange any Bond into Shares is called the **Exchange Right**. Subject to and upon compliance with the provisions of this Condition, the Exchange Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations as hereinafter provided) on or after 31 May 2021 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for exchange) on the tenth business day prior to the Maturity Date (as defined in Condition 8(a)) (both days inclusive) (but, except as provided in Condition 6(a)(v), in no event thereafter) or, if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on the date no later than 10 business days (in the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(d) or 8(e) then up to the close of business (at the place aforesaid) on the business day prior to the giving of such notice (the **Exchange Period**). If the final date on which the Exchange Right may be exercised is not a business day at the place aforesaid, then the period for the exercise of the Exchange Right by Bondholders shall end on the immediately preceding business day at the place aforesaid.

Subject to the right of the Issuer to make a Cash Election as provided in Condition 6(f) and as otherwise hereinafter provided, the number of Shares to be delivered on exchange of a Bond will be determined by dividing the principal amount of the Bond to be exchanged by the Exchange Price in effect at the Exchange Date (translated into United States Dollars at the Fixed Exchange Rate). An Exchange Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is exchanged at any one time by the same holder, the number of Shares to be delivered upon such exchange will be calculated on the basis of the aggregate principal amount of the Bonds to be exchanged.

(iii) *Fractions of Shares:*

Fractions of Shares will not be delivered on exchange and no cash adjustments will be made in respect thereof. However, if the Exchange Right in respect of more than one Bond is exercised at any one time such that Shares to be delivered on exchange are to be registered in the same name, the number of such Shares to be delivered in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so exchanged and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after 13 April 2021 which reduces the number of Shares outstanding, the Issuer will upon the exchange of any Bonds pay to the relevant Bondholder in cash a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited by such Bondholder in connection with the exercise of Exchange Rights, aggregated as provided in this Condition 6(a)(iii), as corresponds to any fraction of a Share (translated into United States Dollars at the Fixed Exchange Rate) not delivered as a result of such consolidation or re-classification aforesaid, if such sum exceeds US\$10. Any such sum shall be paid no later than the relevant Trigger Date (as defined in Condition 6(b)(iii)) by transfer to the registered account of the Bondholder (as set out in Condition 7(b)).

(iv) *Exchange Price:*

The price at which Shares will be delivered upon exchange (the **Exchange Price**) will initially be VND 123,000 per Share, but will be subject to adjustment in the manner provided in this Condition 6. The exchange ratio (the **Exchange Ratio**) is equal to each US\$200,000 of principal amount of Bonds divided by the then Exchange Price (translated into United States Dollars at the Fixed Exchange Rate).

For the purposes of these Conditions:

Fixed Exchange Rate means a fixed rate of exchange of VND 23,071 per US\$1.00.

(v) *Revival and/or survival after Default:*

Notwithstanding the provisions of Condition 6(a)(i), if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called or surrendered for redemption on the date

fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10, or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 8(a), the Exchange Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for exchange) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and, notwithstanding the provisions of Condition 6(a)(i), any Bond in respect of which the Certificate and Exchange Notice are deposited for exchange prior to such date shall be exchanged on the relevant Exchange Date (as defined below) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Exchange Date or that the Exchange Period may have expired before such Exchange Date.

(vi) *Meaning of “Shares”:*

As used in these Conditions, the expression **Shares** means ordinary shares in the capital of the Vinhomes Joint Stock Company (the **Company**) (which include ordinary shares of the Company listed on the HSX or, as the case may be, the Alternative Stock Exchange (each as defined below)) or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Company.

(b) **Exchange Procedure**

(i) *Exchange Notice:*

To exercise the Exchange Right attaching to any Bond, the holder thereof must, at his own expense:

- (A) complete, execute and deposit during normal business hours at the specified office of any Exchange Agent a notice of exchange (an **Exchange Notice**) in duplicate in the form (for the time being current) obtainable from the specified office of each Exchange Agent, with three originals of the executed Exchange Notice delivered to the Issuer by tracked courier mail at No. 7, Bang Lang 1 Street, Vinhomes Riverside Ecological Urban Area, Viet Hung Ward, Long Bien District, Hanoi City, Vietnam with attention to the General Counsel (the **Exchange Documentation Delivery Address**), together with the relevant Certificate and any amounts required to be paid by the Bondholder under Condition 6(b)(ii);
- (B) complete with all relevant information, execute and deliver to the relevant Exchange Agent a copy of the transfer form substantially in the form attached to the Agency Agreement (or such other form as notified by the Issuer in advance) (an **Exchange Transfer Form**), with three originals of the executed Exchange Transfer Form delivered to the Issuer by tracked courier mail at the Exchange Documentation Delivery Address;
- (C) provide a copy of the certificate of securities trading code of such holder to the relevant Exchange Agent;
- (D) to the extent required by the State Securities Commission of Vietnam (the **SSC**) or the Vietnam Securities Depository (or the Vietnam Securities Depository and Clearing Corporation once established) (the **VSD**), complete with all relevant information, execute and deliver to the relevant Exchange Agent a copy of the undertaking for compliance with laws between the related transferor and transferee substantially in the form attached to the Agency Agreement (or such other form as notified by the Issuer in advance) (the **Undertaking for Compliance with Laws**), with three originals of the executed Undertaking for Compliance with Laws delivered to the Issuer by tracked courier mail at the Exchange Documentation Delivery Address;
- (E) to the extent required by the SSC or the VSD, provide a copy of list of authorised signatories of such holder to the relevant Exchange Agent (the **Authorised Signatory List**); and
- (F) provide such other information as may be required by the SSC or the VSD for the purpose of the exchange (the **Required Exchange Information**).

For the avoidance of doubt, the right of exchange into Shares shall be subject to SSC approval and the Issuer will be required to submit certain documents to the SSC for obtaining such approval, in accordance with Condition 6(b)(iii) below.

The Trustee shall have no obligation to verify the accuracy, validity and/or genuineness of any Exchange Transfer Form (or other form notified by the Issuer), and shall not be liable to the Bondholders or any other person for not doing so. Such holder, if not a Vietnamese Person, shall be required to confirm in the Exchange Notice that he has registered with and obtained a securities trading code from the VSD, and has opened a securities depository account with a licensed custodian, and has opened and maintains a VND-denominated indirect investment capital account with a licensed bank and a securities trading account with a licensed securities firm in Vietnam. Exchange Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Exchange Agent to whom the relevant Exchange Notice is delivered is located.

The exchange date in respect of a Bond (the **Exchange Date**) must fall at a time when the Exchange Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6(a)(v) above) and will be the Trading Day immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such required number of originals of the executed Exchange Notice, executed Exchange Transfer Form and executed Undertaking for Compliance with Laws, and such copy of the certificate of securities trading code, such Authorised Signatory List, the Required Exchange Information and, if applicable, the making of any payment to be made or the giving of any indemnity to be given under these Conditions in connection with the exercise of such Exchange Right. An Exchange Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal. Where originals are required to be delivered under this Condition, such originals shall be deemed to be delivered to the Issuer at such time when such originals are marked as having been delivered to the Issuer at the Exchange Documentation Delivery Address by the courier.

(ii) *Taxes and Stamp Duty etc:*

A Bondholder delivering a Certificate in respect of a Bond for exchange must pay any taxes and capital, stamp, issue and registration duties arising on exchange (other than any taxes or capital or stamp duties, fees payable to VSD or brokerage and other fees payable in Vietnam or, as the case may be, the jurisdiction in which the Alternative Stock Exchange is located, in respect of the delivery or transfer of Shares on-exchange or off-exchange or, as the case may be which shall be paid by the Issuer) (the **Taxes**) and such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such exchange, in each case directly to the relevant authority. The Issuer will pay all other expenses arising on the delivery or transfer of Shares on exchange of Bonds. Neither the Trustee nor any Agent is under an obligation to determine whether the Issuer or a Bondholder is liable to pay any Taxes, the amounts payable (if any) in connection with this Condition 6(b)(ii) and whether any Taxes have been paid or the sufficiency thereof.

(iii) *Corporate and Regulatory Approvals:*

As soon as practicable, and in any event by no later than the date falling 20 Trading Days after the Exchange Date (the **Trigger Date**), the Issuer will cause all required or necessary corporate and regulatory procedures, formalities and requirements to be completed for the purpose of the exchange of Bonds for Shares under the relevant Exchange Notice which, for so long as the Shares are listed on the HSX, include, based on existing laws and regulations as at 20 April 2021, among other things, (A) an opinion from the SSC for the transfer of the Shares as a result of exchange of the Bonds into such Shares via the VSD, and (B) confirmation from the VSD or the securities depository of the Alternative Stock Exchange (as the case may be) confirming that such Shares have been transferred and credited to the relevant Bondholder's securities depository account (the **VSD Confirmation**).

If (A) the Exchange Date in relation to any Bond shall be on or after the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the Exchange Price pursuant to Condition 6(c), but before the relevant adjustment becomes effective under the relevant Condition, or (B) the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the Exchange Price pursuant to Condition 6(c) (other than the payment of any dividend or other distribution in respect of the Shares in respect of which the Issuer is required to pay to the exchanging Bondholder an Equivalent Amount, as set out below) falls after the Exchange Date but before the earlier of the Registration Date and the Trigger Date, as the case may be, upon the relevant adjustment becoming effective, the Issuer shall procure the delivery to the exchanging Bondholder (or in accordance with the instructions contained in the Exchange Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares as is, together with

Shares to be delivered on exchange of the Bonds, equal to the number of Shares which would have been required to be delivered on exchange of such Bond and/or, in the circumstances where the Issuer has made a Cash Election and the cash alternative election provisions of Condition 6(f) apply, the Issuer shall procure that there is paid to the exchanging Bondholder any such additional cash payment as shall be determined by an Independent Investment Bank to be fair and reasonable taking into account the operation of the provisions of Condition 6(f) (where the Issuer has made a Cash Election) in relation to the relevant exercise of Exchange Rights, in each case as if the relevant adjustment to the Exchange Price had been made and become effective on or immediately after the relevant record date or, in the case of the record date falling after the Exchange Date, immediately prior to the Exchange Date. Any such additional Shares shall be delivered in accordance with the first paragraph of this Condition 6(b)(iii) and in any event within 20 Trading Days after the effective date of the relevant adjustment, and any such additional cash payment shall be made as soon as practicable and in any event no later than five Trading Days following the Trigger Date.

The person or persons specified for that purpose in the Exchange Notice will become the holder of record of the number of Shares delivered upon exchange with effect from the date such Shares are credited into his or their securities depository account as confirmed in the VSD Confirmation or the securities depository of the Alternative Stock Exchange (as the case may be) (the **Registration Date**). The Shares delivered upon exchange of the Bonds will be fully-paid, non-assessable and in all respects rank *pari passu* with all other Shares in issue on the relevant Registration Date, including as to listing. Save as set out in these Conditions, a holder of Shares delivered on exchange of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Exchange Date in respect of any Bond, but before the earlier of the Registration Date and the Trigger Date, as the case may be (disregarding any retroactive adjustment of the Exchange Price referred to in this subparagraph (iii) prior to the time such retroactive adjustment shall have become effective), the Issuer will pay to the exchanging Bondholder or his designee an amount (the **Equivalent Amount**) in United States Dollars equal to the Fair Market Value (as defined below) (translated into United States Dollars at the Prevailing Rate (as defined in Condition 6(f)) of such dividend or other distribution to which he would have been entitled had he on that record date been a shareholder of record, and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than ten Trading Days thereafter. The Equivalent Amount shall be paid by transfer to the registered account of the Bondholder (as set out in Condition 7(b)).

(iv) *Interest Accrual:*

If any notice requiring the redemption of any Bonds is given pursuant to Condition 8(b) or 8(c) during the period beginning on the fifteenth day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Closing Date) in respect of any dividend or distribution payable in respect of the Shares and ending on the Interest Payment Date next following such record date, where such notice specifies a date for redemption falling on or prior to the date which is 14 days after the Interest Payment Date next following such record date, interest shall (subject as hereinafter provided) accrue on Bonds in respect of which Exchange Rights shall have been exercised and in respect of which the Exchange Date falls after such record date and on or prior to the Interest Payment Date next following such record date in each case from and including the preceding Interest Payment Date (or, if the relevant Exchange Date falls on or before the first Interest Payment Date, from, and including, the Closing Date to, but excluding, the relevant Exchange Date) to, but excluding such Exchange Date; provided that no such interest shall accrue on any Bond in the event that the Shares delivered on exchange thereof shall carry an entitlement to receive such dividend or distribution or in the event the Bond carries an entitlement to receive an Equivalent Amount. Any such interest shall be paid not later than 14 days after the relevant Exchange Date by transfer to the registered account of the Bondholder (as set out in Condition 7(b)).

(c) **Adjustments to Exchange Price**

The Exchange Price will be subject to adjustment upon the occurrence of the following events which take place from 13 April 2021:

(i) Consolidation, Subdivision or Reclassification:

If and whenever there shall be a consolidation, subdivision, redesignation or reclassification in relation to the Shares which alters the number of Shares in issue, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such alteration; and

B is the aggregate number of issued Shares immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

(ii) Capitalization of Profits or Reserves:

If and whenever the Company shall issue any Shares credited as fully paid to the holders of Shares (**Shareholders**) by way of capitalization of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account other than Shares issued in lieu of the whole or any part of a specifically declared cash Dividend which the Shareholders would or could otherwise have received, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of the issued Shares immediately before such issue; and

B is the aggregate number of the issued Shares immediately after such issue.

Such adjustment shall become effective on the Effective Date. **Effective Date** means, in respect of this Condition 6(c)(ii), the date of issue of such Shares or if a record date is fixed therefor, the first date on which the Shares are traded ex-the relevant capitalization of profits or reserves.

(iii) Dividends:

If and whenever the Company shall pay or make any Dividend (as defined below) to the Shareholders (except and only to the extent that the Exchange Price falls to be adjusted under Condition 6(c)(ii) above), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is (i) the Current Market Price of one Share on the date on which the Dividend is first publicly announced or (ii) in the case of a purchase of Shares by or on behalf of the Company or any Subsidiary of the Company, the Current Market Price of one Share on the date on which such Shares are purchased or (iii) in the case of a Spin-Off, is the mean of the Volume Weighted Average Price of a Share for the twenty consecutive Trading Days ending on the Trading Day immediately preceding the first date on which the Shares are traded ex-the relevant Spin-Off (disregarding for this purpose the provisos to the definition of Current Market Price); and

B is the portion of the Fair Market Value of the Dividend attributable to one Share, with such portion being determined by dividing the Fair Market Value of the aggregate Dividend by the number of Shares entitled to receive the relevant Dividend (or, in the case of a purchase,

redemption or buy-back of Shares by or on behalf of the Company or any Subsidiary of the Company, by the number of Shares in issue immediately prior to such purchase, redemption or buy-back).

Such adjustment shall become effective on the Effective Date or, if later, the first date on which the Fair Market Value of the relevant Dividend is capable of being determined as provided herein.

Effective Date means, in respect of this Condition 6(c)(iii), the first date on which the Shares are traded ex-the relevant Dividend or, in the case of a purchase, redemption or buy-back of Shares, the date on which such purchase, redemption or buy-back is made or, in the case of a Spin-Off, on the first date on which the Shares are traded ex-the relevant Spin-Off.

For the purposes of the above, the Fair Market Value of a Dividend shall (subject as provided in paragraph (A) of the definition of **Dividend** below) be determined as at the Effective Date.

(iv) Rights Issues of Shares or Options over Shares:

If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights issue, or issue or grant to all or substantially all Shareholders as a class by way of rights issue, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at a price per Share which is less than 90% of the Current Market Price on the date of the first public announcement of the terms of the issue or grant of such Shares, options, warrants or other rights (and notwithstanding that the relevant issue or grant may be or is expressed to be subject to Shareholder or other approvals or consents) the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options, warrants or other rights issued or granted by way of rights and for the total number of Shares deliverable on the exercise thereof, would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the Effective Date. **Effective Date** means, in respect of this Condition 6(d)(iv), the date of issue of such Shares or issue or grant of such options, warrants or other rights or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

(v) Rights Issues of Other Securities:

If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares) to all or substantially all Shareholders as a class by way of rights issue, or grant to all or substantially all Shareholders as a class by way of rights issue, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the date on which such issue or grant is first publicly announced; and
- B is the difference between the Fair Market Value of one security on a per Share basis on the date of such announcement and the issue price of one security on a per Share basis on such issue or grant.

Such adjustment shall become effective on the Effective Date. **Effective Date** means, in respect of this Condition 6(c)(v), the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

(vi) Issues at less than Current Market Price:

If and whenever the Company shall issue (otherwise than as mentioned in Condition 6(c)(iv) above) any Shares (other than Shares delivered on the exercise of Exchange Rights or on the exercise of any other rights of conversion into, or exchange or subscription for or purchase of, Shares) or issue or grant (otherwise than as mentioned in Condition 6(c)(iv) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares (other than the Bonds, including for this purpose any further bonds issued pursuant to Condition 15) (the issue price of such Shares, options, warrants or other rights to be determined at Fair Market Value), in each case at a price per Share which is less than 90% of the Current Market Price on the date of the first public announcement of the terms of such issue or grant, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{C}$$

where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the issue or grant of such options, warrants or other rights;
- B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares or, as the case may be, for the Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue or grant of such options, warrants or rights.

References to additional Shares in the above formula shall, in the case of an issue by the Company of options, warrants or other rights to subscribe for or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue or grant of such options, warrants or rights.

(vii) Other Issues at less than Current Market Price:

Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(c)(vii), if and whenever the Company or any of its Subsidiaries (otherwise than as mentioned in Condition 6(c)(iv), 6(c)(v) or 6(c)(vi)), or (at the direction or request of or pursuant to any arrangements with the Company or any of its Subsidiaries), any other company, person or entity shall issue any securities (other than the Bonds, excluding any further bonds issued pursuant to Condition 15) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Shares (or shall grant any such rights in respect of existing securities so issued) at a consideration per Share which is less than 90% of the Current Market Price on the date of announcement of the terms of issue of such securities (or the terms of such grant), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such issue (or grant) by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such issue;

- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities or, as the case may be, the grant of such rights.

(viii) Modification of Rights of Exchange etc:

If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities (excluding for this purpose the Bonds and any further bonds issued pursuant to Condition 15) as are mentioned in Condition 6(c)(vi) and/or Condition 6(c)(vii) (other than in accordance with the terms applicable to such securities upon issue) so that the consideration per Share receivable following the modification is less than 90% of the Current Market Price on the date of the first public announcement of the proposals for such modification, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities, in each case so modified, would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank (acting as an expert), considers appropriate (if at all) for any previous adjustment under this Condition 6(c)(viii), Condition 6(c)(vi) or Condition 6(c)(vii) in each case, so as to restore the economic position of the Bondholders, after the occurrence of such events or circumstances, to the same position as if the diluting effect of such events or circumstances had not occurred in order to give effect to the intended results of such adjustment.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(ix) Other Offers to Shareholders:

If and whenever the Company or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its Subsidiaries) any other company, person or entity offers, issues, sells or distributes any securities in connection with which offer, issue, sale or distribution the Shareholders as a class are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Exchange Price falls to be adjusted under Condition 6(c)(ii), Condition 6(c)(iii), Condition 6(c)(vi), Condition 6(c)(vii) above or Condition 6(c)(x) below), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before the making of such offer, issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the date on which such offer, issue, sale or distribution is publicly announced (and notwithstanding that the relevant offer, issue, sale or distribution may be or is expressed to be subject to shareholder or other approvals or consents); and

B is the difference between the Fair Market Value of the securities offered, issued, sold or distributed on a per Share basis on the date of such announcement and the consideration for the securities offered, issued, sold or distributed on a per Share basis on such offer, issue, sale or distribution.

Such adjustment shall become effective on the date of the relevant offer, issue, sale or distribution of the securities.

(x) Other Events:

If the Issuer determines in its sole opinion that an adjustment should be made to the Exchange Price as a result of one or more events or circumstances not referred to in this Condition 6(c), the Issuer shall, at its own expense and acting reasonably, request an Independent Investment Bank to determine as soon as practicable what adjustment (if any) to the Exchange Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Exchange Price, and the date on which such adjustment should take effect and upon such determination by the Independent Investment Bank such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving rise to any adjustment pursuant to this Condition 6(c) have already resulted or will result in an adjustment to the Exchange Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Exchange Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6(c) as may be advised by the Independent Investment Bank to be in their opinion appropriate to give the intended result, provided that an adjustment shall only be made pursuant to this Condition 6(c)(x) if it would result in a reduction to the Exchange Price.

For the purposes of these Conditions:

Alternative Stock Exchange means at any time, in the case of the Shares, if they are not at that time listed and traded on the HSX, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

Closing Price for the Shares for any Trading Day shall be the last reported closing market price quoted by the HSX or, as the case may be, the Alternative Stock Exchange for such Trading Day.

Current Market Price means, in respect of a Share at a particular date, the average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the 10 consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said 10 Trading Day period the Shares shall have been quoted ex-dividend (or ex-any other entitlement) and during some other part of that period the Shares shall have been quoted cum-dividend (or cum-any other entitlement) then:

- (A) if the Shares to be issued in such circumstances do not rank for the dividend (or entitlement) in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend (or entitlement) per Share; or
- (B) if the Shares to be issued in such circumstances rank for the dividend (or entitlement) in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;

and provided further that if the Shares on each of the said 10 Trading Days have been quoted cum-dividend (or cum-any other entitlement) in respect of a dividend or entitlement which has been declared or announced but the Shares to be issued do not rank for that dividend (or entitlement), the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend (or cum-any other entitlement) per Share as at the date of the first public announcement of such dividend or entitlement.

Dividend means any dividend or distribution (whether of cash or of assets in specie, and including a Spin-Off) by the Company (for any financial period and whenever paid or made and however described) (and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid by way of capitalization of profits or reserves) provided that:

- (A) where a cash Dividend is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Shares or assets in specie, or where a

capitalization of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of a cash Dividend, then for the purposes of this definition the Dividend in question shall be treated as a Dividend of the greater of (I) such cash Dividend and (II) the Fair Market Value (on the date of the first public announcement of such Dividend or capitalization (as the case may be) or if later, the date on which the number of Shares (or amount of assets in specie, as the case may be) which may be issued or delivered is determined), of such Shares or other assets;

- (B) any issue of Shares falling within Condition 6(c)(ii) shall be disregarded; and
- (C) a purchase or redemption of share capital of the Company by or on behalf of the Company or any Subsidiary of the Company shall not constitute a Dividend unless, in the case of purchases or redemptions of Shares by or on behalf of the Company or any of its Subsidiaries, the volume weighted average price per Share (before expenses) on any one day in respect of such purchases or redemptions exceeds by more than 10% of the Volume Weighted Average Price of the Shares on either (I) that day or (II) where an announcement (excluding for the avoidance of doubt for these purposes, any general authority for such purchases or redemptions approved by a general meeting of Shareholders of the Company or any notice convening such a meeting of Shareholders) has been made of the intention to purchase or redeem Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement, and, if in the case of (a) the relevant day is not a Trading Day, the immediately preceding Trading Day, in which case such purchase or redemption shall be deemed to constitute a Dividend to the extent that the aggregate price paid (before expenses) in respect of such Shares purchased or redeemed by or on behalf of the Company or, as the case may be, a Subsidiary of the Company exceeds the product of (1) 110% of the Volume Weighted Average Price of the Shares determined as aforesaid and (2) the number of Shares so purchased or redeemed.

Employee Share Scheme means any scheme involving the issue, offer or grant (with or without consideration) by the Company or any of its Subsidiaries of rights or options over Shares or other securities of the Company or any of its Subsidiaries to, or for the benefit of, specified participants (including, without limitation, employees (including directors) or former employees of the Company, its Subsidiaries and/or associated companies, or persons related to such employees (including directors) and former employees) of such schemes or any arrangement involving the issue, offer or grant of rights or options (with or without consideration) to participants over Shares or other securities of the Company or any of its Subsidiaries which is analogous to an Employee Share Scheme provided (a) that the aggregate number of Shares (whether directly or through the exercise of rights, options or other securities) or other securities which may be issued pursuant to any Employee Share Scheme shall in no event exceed the lesser of (i) five per cent. of the total issued and outstanding share capital of the Company or any such Subsidiary as of the Closing Date and (ii) such other limit as required by law, and (b) such scheme is in compliance with the listing rules of the HSX or, if applicable, those of Alternative Stock Exchange.

Fair Market Value means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right (converted into United States Dollars (if expressed in a currency other than United States Dollars) at the Fixed Exchange Rate) as determined in good faith by an Independent Investment Bank provided that: (a) the fair market value of a cash Dividend paid or to be paid per Share shall be the amount of such cash Dividend per Share determined as at the date of announcement of such Dividend; (b) the Fair Market Value of any other cash amount shall be the amount of such cash; (c) where options, warrants, other rights or Spin-Off Securities are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such options, warrants or other rights shall be equal to the arithmetic mean of the daily closing prices of such options, warrants, other rights or Spin-Off Securities during the period of five trading days on the relevant market commencing on such date (or, if later, the first such trading day such options, warrants, other rights or Spin-Off Securities are publicly traded); or (d) where such options, warrants, rights or Spin-Off Securities are not publicly traded (as aforesaid) or, if publicly traded but the fair market value of such options, warrants, other rights or Spin-Off Securities is not capable of being determined in accordance with (c) above, the fair market value of such options, warrants, rights or Spin-Off Securities will be determined by an Independent Investment Bank on the basis of a commonly accepted market valuation method and taking account such factors as it considers appropriate, including the market price per Share, the dividend yield of a Share, the volatility of such market price, prevailing interest rates and the terms of such options, warrants, other rights or Spin-Off Securities, including as to the expiry date and exercise price (if any) thereof.

Independent Investment Bank means an independent investment bank of international repute (acting as expert) selected by the Issuer.

Spin-Off means:

- (A) a distribution of Spin-Off Securities by the Company to Shareholders as a class; or
- (B) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity (other than the Company)) to Shareholders as a class, pursuant to any arrangements with the Company or any of its Subsidiaries.

Spin-Off Securities means equity share capital of an entity other than the Company or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Company.

Trading Day means a day when the HSX or, as the case may be, an Alternative Stock Exchange is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days.

Volume Weighted Average Price means, in respect of a Share on any Trading Day, the order book volume-weighted average price of a Share published by or derived from Bloomberg page “VWAP” (or its equivalent successor page if such page is not available) or such other source as shall be determined to be appropriate by an Independent Investment Bank on such Trading Day, provided that if on any such Trading Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined.

On any adjustment, the relevant Exchange Price, if not an integral multiple of VND 50, shall be rounded down to the nearest VND 50. No adjustment shall be made to the Exchange Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Exchange Price then in effect. Any adjustment not required to be made shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with Condition 16 as soon as practicable after the determination thereof.

Where more than one event which gives or may give rise to an adjustment to the Exchange Price occurs within such a short period of time that in the opinion of an Independent Investment Bank, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank to be in their opinion appropriate in order to give such intended result.

No adjustment will be made to the Exchange Price when Shares or other securities (including rights or options) are issued, offered or granted to employees (including directors) of the Company or any Subsidiary of the Company pursuant to any Employee Share Scheme.

No adjustment involving an increase in the Exchange Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 6(c)(i) above.

If the Issuer fails to select the Independent Investment Bank when required for the purposes of Condition 6, the Trustee may (but shall in no way be obliged to) select such bank and shall have no liability to any person in respect of such selection.

The Trustee and the Agents shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Exchange Price or be under any obligation to determine any calculation (or verification thereof) in connection with the Exchange Price and will not be responsible to Bondholders for any loss arising from any failure by it to do so.

(d) Change of Control

Following the occurrence of a Change of Control (as defined in Condition 8(d)) of the Company, the Issuer shall give or procure that there is given to the Trustee and the Bondholders in accordance with Condition 16 a Relevant Event Redemption Notice (as provided in Condition 8(d)) within 14 days following the first day on which it becomes aware of such occurrence. The Relevant Event Redemption Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of the Bonds pursuant to Condition 8(d). The Relevant Event Redemption Notice shall also specify:

- (i) the Exchange Price immediately prior to the occurrence of the Change of Control of the Company;
- (ii) the Closing Price of a Share as at the latest practicable date prior to the publication of such notice;
- (iii) the last day of the Change of Control Exchange Period;

- (iv) the Relevant Event Redemption Date; and
- (v) such other information relating to the Change of Control of the Company as the Trustee may reasonably require.

If, following the occurrence of a Change of Control of the Company, Exchange Rights are exercised during the Change of Control Exchange Period, the Exchange Price applicable to any such exercise of Exchange Rights shall be adjusted in accordance with the following formula:

$$NEP = \frac{OEP}{1 + (EP \times c/t)}$$

where:

NEP is the Exchange Price after such adjustment

OEP is the Exchange Price in force immediately before such adjustment, and for the avoidance of doubt, OEP for the purposes of this Condition shall be the Exchange Price applicable on the relevant Exchange Date in respect of any exchange pursuant to this Condition;

EP is the exchange premium of 20.0 per cent., expressed as a fraction;

c is the number of days from and including the first day of the Change of Control Exchange Period to but excluding the Maturity Date; and

t is the number of days from and including the Closing Date to but excluding the Maturity Date.

For the purposes of this Condition 6(d), the **Change of Control Exchange Period** means a period of 30 days from the later of (a) the date of occurrence of a Change of Control of the Company and (b) the date on which the Relevant Event Redemption Notice relating to such Change of Control is given to the Trustee and the Bondholders. If the last day of a Change of Control Exchange Period shall fall during a Closed Period, the Change of Control Exchange Period shall be extended such that its last day will be the fifteenth day following the last day of a Closed Period.

(e) Undertakings

The Issuer has undertaken in the Trust Deed, amongst other things, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders or with the written approval of the Trustee where, in the opinion of the Trustee, it is not materially prejudicial to the interests of Bondholders to give such approval:

- (i) it will use its best endeavours to procure the Company (A) to maintain a listing for all the issued Shares on the HSX, and (B) to maintain, the registration and deposit of all the Shares with the VSD and a listing of such Shares on the HSX, and if the Company is unable to maintain such registration, deposit and listing, to use its best endeavours to procure the Company to obtain and maintain a listing for all the issued Shares on an Alternative Stock Exchange and the registration and deposit of such Shares with the securities depositary of the Alternative Stock Exchange, as the Company may from time to time determine, and will forthwith give notice to the Bondholders in accordance with Condition 16 below of the listing or delisting of the Shares (as a class) by any of such stock exchanges;
- (ii) it will pay the expenses of the issue of, and all expenses of obtaining registration and deposit and listing for Shares arising on exchange of the Bonds; and
- (iii) it will procure the Company not to make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account except, in each case, where the reduction is permitted by applicable law and results in (or would, but for the provision of these Conditions relating to rounding or the carry forward of adjustments, result in) an adjustment to the Exchange Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made.

The Issuer has undertaken in the Trust Deed, amongst other things, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders or with the written approval of the Trustee where, in the opinion of the Trustee, it is not materially prejudicial to the interests of Bondholders to give such approval:

- (A) it will use its best endeavours to maintain the listing of the Bonds on the Singapore Exchange Securities Trading Limited (the **SGX-ST**) and if the Issuer is unable to maintain such listing, to use its best endeavours to obtain and maintain a listing on another internationally recognized stock exchange

and will forthwith give notice to the Bondholders in accordance with Condition 16 below of the listing or delisting of the Bonds by any such stock exchange; and

- (B) it will, promptly upon it being necessary to obtain an opinion, advice, determination or calculation of or by an Independent Investment Bank arising pursuant to the Conditions, select and designate an Independent Investment Bank, and notify the Trustee in writing of such selection and designation, sufficiently in advance before such opinion, advice, determination or calculation is required pursuant to the Conditions to be delivered or made.

In the Trust Deed, the Issuer has also undertaken with the Trustee that so long as any Bond remains outstanding, it will procure the Company not to make any offer, issue or distribute or take any action the effect of which would be that, on exchange of the Bonds, Shares would (but for the provisions of Condition 6(c)) have to be issued at a discount or otherwise could not, under any applicable law then in effect, be legally issued as fully paid, provided always that the Company shall not be prohibited from purchasing its Shares to the extent permitted by law.

The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Exchange Rights.

(f) **Cash Alternative Election**

Upon the delivery of an Exchange Notice by a Bondholder, the Issuer may make an election (a **Cash Election**) by giving notice to the relevant Bondholders by not later than the date (the **Cash Election Exercise Date**) falling five Trading Days following the relevant Exchange Date, to the address (or, if a fax number or email address is provided in the relevant Exchange Notice, that fax number or email address) specified for that purpose in the relevant Exchange Notice, with a copy to the Trustee and Exchange Agent, to satisfy the exercise of the Exchange Right in respect of the relevant Bonds in whole or in part by making payment to the relevant Bondholder of the Cash Alternative Amount in respect of such Bonds, together with any other amounts payable by the Issuer to such Bondholder pursuant to these Conditions in respect of, or relating to, the relevant exercise of Exchange Rights, including any interest payable pursuant to Condition 5 and, in the case of a Cash Election made in part, by delivering such number of Shares (if any) as is specified in the relevant Cash Election notice as corresponds to the proportion of the relevant Bond(s) in respect of which the Cash Election is not made. Such notice by the Issuer shall, if the Cash Election is made in part, specify the number of Shares (if any) that are to be delivered in respect of the relevant exercise of Exchange Rights and the number of Shares in respect of which the Cash Alternative Amount is to be paid to the relevant Bondholder, and so that the aggregate of such Shares to be delivered and the number of Shares in respect of which the Cash Alternative Amount is to be paid shall equal the number of Shares (rounded down, if necessary, to the nearest whole number) determined by dividing the principal amount of Bonds the subject of the relevant exercise of Exchange Rights by such Bondholder by the Exchange Price in effect on the relevant Exchange Date.

A Cash Election shall be irrevocable.

The Issuer will pay the Cash Alternative Amount, together with any other amount as aforesaid, by not later than date falling five Trading Days following the last day of the Cash Alternative Calculation Period (the **Cash Alternative Payment Date**) by transfer to the registered account of such Bondholder (as set out in Condition 7(b)), or by United States Dollar cheque drawn on a bank in New York City mailed to the address of the Bondholder specified in the relevant Exchange Notice if it does not have a registered account.

For the purpose of these Conditions:

Cash Alternative Amount means in relation to each US\$200,000 principal amount of Bonds surrendered for exchange, the Exchange Ratio multiplied by the arithmetic average of the Volume Weighted Average Price for one Share (being a Share carrying full entitlement to dividends) (translated into United States Dollars at the Prevailing Rate) for each day in the Cash Alternative Calculation Period.

Cash Alternative Calculation Period means the period of 10 consecutive Trading Days commencing on the Trading Day after the Cash Election Exercise Date.

Prevailing Rate means, in respect of any day, the spot rate of exchange between the relevant currencies prevailing as at or about 11am (Vietnam time) on that date as appearing on the Relevant Page or if such rate cannot be determined on that day, the rate prevailing as at or about 11am (Vietnam time) on the immediately preceding day on which such rate can be so determined.

Relevant Page means Bloomberg “BFIX” USDVND Spot Mid Price or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each

case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Relevant Page.

(g) **Notice of Change in Exchange Price**

The Issuer shall give notice to the Bondholders in accordance with Condition 16 of any change in the Exchange Price. Any such notice relating to a change in the Exchange Price shall set forth the event giving rise to the adjustment, the Exchange Price prior to such adjustment, the adjusted Exchange Price and the effective date of such adjustment.

7. PAYMENTS

(a) **Method of Payment**

Payment of principal and interest due other than on an Interest Payment Date will be made by transfer to the registered account of the Bondholder. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the **Interest Record Date**). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.

*So long as the Global Certificate is held on behalf of Euroclear Bank SA/NV or Clearstream Banking S.A. or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the Holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where **Clearing System Business Day** means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

References in these Conditions, the Trust Deed and the Agency Agreement to principal in respect of any Bond shall, where the context so permits, be deemed to include a reference to any premium payable thereon.

(b) **Registered Accounts**

For the purposes of these Conditions, a Bondholder's registered account means the United States Dollar account maintained by or on behalf of it with a bank, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

(c) **Fiscal Laws**

All payments are subject in all cases to (i) any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to Condition 9) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(d) **Payment Initiation**

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder) on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

(e) **Delay In Payment**

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Bondholder is late in surrendering its Certificate (if required to do so).

(f) **Business Day**

In this Condition, **business day** means a day other than a Saturday or Sunday on which commercial banks are open for business in New York City, Singapore, Ho Chi Minh City and the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

(g) **Partial Payment**

If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

8. REDEMPTION, PURCHASE AND CANCELLATION

(a) **Maturity**

Unless previously redeemed, exchanged or purchased and cancelled as provided herein, the Issuer will redeem each Bond at 105.47% of its principal amount together with accrued but unpaid interest thereon on 20 April 2026 (the **Maturity Date**). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 8(b) or 8(c) below (but without prejudice to Condition 10).

(b) **Redemption for Taxation Reasons**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a **Tax Redemption Notice**) to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable) at the Early Redemption Amount as at the Redemption Date specified in such notice (the **Tax Redemption Date**) together with accrued but unpaid interest to such date, if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Vietnam or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 13 April 2021, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the publication of any Tax Redemption Notice pursuant to this paragraph, the Issuer shall deliver to the Trustee (A) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it, and (B) an opinion of independent legal or tax advisors of recognized international standing and acceptable to the Trustee to the effect that such change or amendment has occurred and that the Issuer has been or will be obliged to pay such Additional Tax Amounts as a result thereof (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled to accept without any liability for doing so such certificate and opinion as sufficient evidence of the matters set out in (A) and (B) above in which event it shall be conclusive and binding on the Bondholders. Upon the expiry of the Tax Redemption Notice, the Issuer will be bound to redeem the Bonds at the Early Redemption Amount as at the Tax Redemption Date, together with interest accrued to such date.

(c) **Redemption at the Option of the Issuer**

On giving not less than 30 nor more than 60 days' notice to the Bondholders and the Trustee in accordance with Condition 16 (which notice will be irrevocable), the Issuer:

- (i) may at any time after 4 May 2024 redeem all but not some only of the Bonds for the time being outstanding at the Early Redemption Amount as at the relevant Redemption Date together with interest accrued but unpaid to such date, provided that the Closing Price of the Shares on each of 20 consecutive Trading Days, the last of which occurs not more than 30 days prior to the date upon which notice of such redemption is published, (translated into United States Dollars at the Prevailing Rate) was at least 130% of the Early Redemption Amount as at each of such Trading Days for a Bond with a principal amount of US\$200,000 divided by the Exchange Ratio in effect on each of such Trading Days; or
- (ii) may at any time redeem all but not some only of the Bonds for the time being outstanding at the Early Redemption Amount as at the relevant Redemption Date together with interest accrued but unpaid to such date, provided that prior to the date upon which notice of such redemption is published at least

90% in principal amount of the Bonds originally issued (which, for this purpose, shall be the aggregate of the principal amount of the Bonds and the principal amount of any further bonds issued pursuant to Condition 15) has already been exchanged, redeemed or purchased and cancelled.

For the purposes of Condition 8(c)(i), if there shall occur an event giving rise to a change in the Exchange Price during any such 20 Trading Day period, appropriate adjustments for the relevant days shall be made, as determined by two Independent Investment Banks, for the purpose of calculating the Closing Price for such days.

(d) **Redemption for Delisting or Change of Control**

Following the occurrence of a Relevant Event (as defined below), each Bondholder will have the right to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event Redemption Date at the Early Redemption Amount as at such date together with interest accrued but unpaid to such date. To exercise such right, the relevant Bondholder must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a **Relevant Event Redemption Notice**), together with the Certificate evidencing the Bonds to be redeemed at any time in the Relevant Event Redemption Period. The Relevant Event Redemption Date shall be the fourteenth day after the expiry of the Relevant Event Redemption Period.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent and the Issuer shall redeem the Bonds the subject of the Relevant Event Redemption Notice as aforesaid on the Relevant Event Redemption Date. The Issuer shall give notice to Bondholders in accordance with Condition 16 by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 8(d) and shall give brief details of the Relevant Event (and in the case of a Change of Control shall also contain the information required by Condition 6(d)).

The Trustee shall not be required to take any steps to ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred and shall not be responsible to Bondholders for any loss arising from any failure by it to do so.

A **Relevant Event** occurs:

- (i) when the Shares cease to be listed and/or admitted to trading or trading in the Shares is suspended for a period equal to or exceeding 20 Trading Days on the HSX or, if applicable, any Alternative Stock Exchange on which the Shares are then listed; or
- (ii) when there is a Change of Control in relation to the Issuer or the Company.

For the purposes of this Condition 8(d):

Control means, in respect of any person, the acquisition or control of more than 50% of the voting rights of the issued share capital of such person or the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body of such person, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

a **Change of Control** shall occur in respect of a person (a **Relevant Person**) when:

- (i) any Person or Persons acting together acquires Control of the Relevant Person if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Relevant Person on the Closing Date;
- (ii) the Relevant Person consolidates with or merges into or leases, sells or transfers, conveys or makes any other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Relevant Person to any other Person, unless the consolidation, merger, lease, sale, transfer, conveyance or disposition will not result in the other Person or Persons acquiring Control over the Relevant Person or the successor entity; or
- (iii) one or more Persons (other than any Person referred to in subparagraph (i) above) acquires the legal or beneficial ownership of all or substantially all of the issued share capital of the Relevant Person.

Relevant Event Redemption Period means the period from and including the occurrence of the Relevant Event and ending on and including the date falling 60 days thereafter or, if later, 60 days following the date

on which notice of the occurrence of the Relevant Event is given to the Bondholders by the Issuer in accordance with Condition 16.

(e) **Redemption at the Option of the Bondholders**

- (i) The Issuer will, at the option of the holder of any Bond, redeem all or some only of the Bonds held by such Bondholder on 20 April 2024 (the **Put Option Date**) at 103.15% of their principal amount together with accrued but unpaid interest to the date fixed for redemption. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed put notice (**Put Exercise Notice**) in the form for the time being current, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Put Option Date.
- (ii) A Put Exercise Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents to such withdrawal in writing) and the Issuer will be bound to redeem the Bonds the subject of Put Exercise Notices delivered as aforesaid in accordance with this Condition 8(e) on the Put Option Date. For the avoidance of doubt, such put option may not be exercised at any time after the Put Option Date.

(f) **Bondholders' Tax Option**

If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(b), each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payments to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no Additional Tax Amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts shall be made subject to the deduction or withholding of any Vietnamese taxation required to be withheld or deducted. To exercise its right pursuant to this Condition 8(f), the relevant Bondholder must deposit a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying Agent (a **Bondholder's Exercise Notice**) together with the Certificate evidencing the Bonds to be redeemed, on or before the day falling 30 days prior to the Tax Redemption Date at the specified office of any Paying Agent.

(g) **Purchase**

The Issuer or any of its Subsidiaries may at any time and from time to time purchase Bonds at any price in the open market or otherwise.

(h) **Cancellation**

All Bonds which are redeemed, exchanged or purchased by the Issuer or any of its Subsidiaries, will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

(i) **Redemption Notices**

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will specify the Exchange Price as at the date of the relevant notice, (ii) the Exchange Period, (iii) the Closing Price of the Shares as at the latest practicable date prior to the publication of the notice, (iv) the date for redemption, (v) the manner in which redemption will be effected and (vi) the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

(j) **Definitions**

For the purposes of these Conditions:

a **Person** includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the (i) the Issuer's board of directors or any other governing board or (ii) the Issuer's wholly owned direct or indirect subsidiaries;

Redemption Date means, with respect to any Bond, (i) the date fixed for redemption of such Bond pursuant to a notice of redemption given by the Issuer in accordance with the provisions of the Trust Deed or (ii) the Maturity Date of such Bond if such Bond has not been redeemed, purchased and cancelled or exchanged in accordance with its terms prior to the Maturity Date; and

Early Redemption Amount means an amount, in respect of each US\$200,000 principal amount of the Bonds, which is determined by the Issuer in accordance with these provisions to be the amount which, together with accrued but unpaid interest from and including the immediately preceding Interest Payment Date or, if none, the Closing Date to but excluding the relevant date for determination of the Early Redemption Amount (the **Determination Date**), and after taking into account any interest paid in respect of such Bonds in preceding periods, represents for the Bondholder at the Determination Date a gross yield of 4.00% per annum on the principal amount of each Bond accumulating on a semi-annual basis. The applicable Early Redemption Amount for each US\$200,000 principal amount of the Bonds will be calculated in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the relevant Determination Date is an Interest Payment Date (as set out below), such Early Redemption Amount shall be the amount as set out in the table below in respect of the relevant Interest Payment Date):

$$\text{Early Redemption Amount} = (\text{Previous Redemption Amount} \times (1+r/2)^{d/p}) - \text{AI}$$

Where:

Previous Redemption Amount = the Early Redemption Amount for each US\$200,000 principal amount of Bonds on the Interest Payment Date immediately preceding the relevant Determination Date (or if the Bonds are to be redeemed prior to 20 October 2021, US\$200,000):

Interest Payment Date Early Redemption Amount (US\$)

20 October 2021	201,000.00
20 April 2022	202,020.00
20 October 2022	203,060.40
20 April 2023	204,121.61
20 October 2023	205,204.04
20 April 2024	206,308.12
20 October 2024	207,434.28
20 April 2025	208,582.97
20 October 2025	209,754.63

r = 4.00% expressed as a fraction

d = number of days from and including the immediately preceding Interest Payment Date (or if the Determination Date is before the first Interest Payment Date, from and including the Closing Date) to, but excluding, the Determination Date calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed

p = 180

AI = the accrued interest on the principal amount of the Bonds from and including the immediately preceding Interest Payment Date (or if the Determination Date is before the first Interest Payment Date, from and including the Closing Date) to, but excluding, the Determination Date, calculated on the basis described in Condition 5.

If the Early Redemption Amount payable in respect of any Bond upon its redemption pursuant to this Condition 8 or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Bonds shall be the Early Redemption Amount of such Bonds determined as described above, but as though references to the “Determination Date” had been replaced by references to the Relevant Date (as defined in Condition 9), and interest shall accrue at the rate provided for in Condition 5 on the principal amount of such Bonds to (but excluding) the Relevant Date. The calculation of the Early Redemption Amount in accordance with this Condition will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be 105.47% of the principal amount of the Bonds together with default interest thereon at the rate provided for in Condition 5 from and including the Maturity Date to but excluding the Relevant Date. The Early Redemption Amount for a principal amount of Bonds exceeding US\$200,000 shall be determined by dividing such principal

amount by US\$200,000 and then multiplying the resulting quotient and the Early Redemption Amount for US\$200,000 in principal amount of Bonds.

9. TAXATION

All payments made by or on behalf of the Issuer under or in respect of the Bonds, the Trust Deed or the Agency Agreement will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Vietnam or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts (the **Additional Tax Amounts**) as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Bond:

- (a) *Other connection*: to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Vietnam otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond; or
- (b) *Presentation more than 30 days after the Relevant Date*: (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than 30 days after the Relevant Date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

For the purposes hereof, **Relevant Date** means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and cheques despatched or payment made.

References in these Conditions to principal and premium (if any) shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

The Trust Deed provides for these provisions to be amended or supplemented in circumstances where the Issuer becomes subject to the taxing jurisdiction of a territory or a taxing territory of or in that territory with power to tax other than or in addition to Vietnam.

10. EVENTS OF DEFAULT

The Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25% in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to its rights under the Trust Deed to be indemnified and/or secured and/or pre-funded by the holders to its satisfaction), give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at (a) the Early Redemption Amount as at such date or (b) in the case of a default in the payment of any Cash Alternative Amount due in respect of the Bonds which is not remedied within three business days (as defined in Condition 7(f)) or as specified in Condition 10(c) below, at the higher of the Early Redemption Amount as at such date and the applicable Cash Alternative Amount (subject as provided below and without prejudice to the right of Bondholders to exercise the Exchange Right in respect of their Bonds in accordance with Condition 6) if:

(a) **Non-Payment:**

a default is made in the payment of any principal, interest or any other amounts due in respect of the Bonds which is not remedied within three business days (as defined in Condition 7(f));

(b) **Breach of Other Obligations:**

the Issuer does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed (other than any obligation for the payment of principal, interest or other amounts due in respect of the Bonds or any obligation to deliver Shares following the exercise of Exchange Rights) which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee;

(c) **Failure to deliver Shares or to pay Cash Alternative Amounts:**

other than any obligation to deliver Shares in the circumstances referred to in Condition 6(f), any failure by the Issuer to deliver any Shares or to pay any Cash Alternative Amounts as and when the

Shares, or the Cash Alternative Amounts, as the case may be, are required to be delivered or paid following exchange of Bonds and such failure continues for more than three Trading Days;

(d) Insolvency:

- (i) the Issuer or any of the Principal Subsidiaries (A) is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, (B) stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, (C) proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), (D) proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of the Principal Subsidiaries; and/or
- (ii) an administrator or liquidator of the Issuer or any of the Principal Subsidiaries or the whole or any material part of the assets and turnover of the Issuer or any of the Principal Subsidiaries is appointed (or application for any such appointment is made); provided that, in the case of (i)(C) and (D) above, any action or arrangement by the Issuer (not forming part of, or proposed or effected at the same time as or in conjunction with any action, event or arrangement referred to in this Condition 10(d) in relation to any other debts or obligations of the Issuer or any of the Principal Subsidiaries) to (A) propose or effect changes to these Conditions and/or (B) repurchase or exchange the Bonds for any other securities, shall not be deemed to be an event occurring under this Condition 10(d);

(e) Cross-Default:

- (i) any other present or future indebtedness (whether actual or contingent) of the Issuer or any of the Principal Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described) (after giving effect to any applicable grace period therefor); or
- (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or
- (iii) the Issuer or any of the Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (e) have occurred equals or exceeds US\$75,000,000 or its equivalent in any other currency (as determined on the basis of the middle spot rate for the relevant currency against the Vietnamese Dong on the relevant date as quoted by any leading bank selected by the Issuer, in consultation with the Trustee) on the day on which such indebtedness first becomes capable of being declared due and payable, becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity;

(f) Enforcement Proceedings:

a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or turnover of the Issuer or any of the Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) Winding-up:

an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of the Principal Subsidiaries (except for a members' voluntary solvent winding up of a Principal Subsidiary), or the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of the Principal Subsidiaries;

(h) **Security Enforced:**

an encumbrancer takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or a material part of the property, assets or turnover of the Issuer or any of the Principal Subsidiaries (as the case may be) and is not discharged within 30 days;

(i) **Nationalization:**

- (i) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer or any of the Principal Subsidiaries; or
- (ii) the Issuer or any of the Principal Subsidiaries is prevented from exercising normal control over all or a material part of its property, assets and turnover;

(j) **Authorization and Consents:**

any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of England is not taken, fulfilled or done;

(k) **Illegality:**

it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed;

(l) **Analogous Events:**

any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

For the purposes of these Conditions:

Accounts means, at any date or in respect of a financial year, the audited consolidated financial statements of the Issuer most recently published or, as the case may be, in respect of that financial year, in any such case prepared in conformity with Vietnamese Accounting Standards (**VAS**).

Group means the Issuer and its Subsidiaries and **member of the Group** shall be construed accordingly.

Principal Subsidiary at any time means any member of the Group:

- (i) which was a Subsidiary of the Issuer at the date to which the then latest Accounts were made up and whose total revenue and/or gross assets and/or gross profits (in each case consolidated in the case of a Subsidiary which itself has Subsidiaries) at the time of its latest financial statements (consolidated where applicable) exceeded ten per cent. of the consolidated total revenue and/or gross assets and/or gross profits of the Group at such date, as determined by reference to such Accounts; or
- (ii) which has been a Subsidiary of the Issuer for more than 180 days and which became a Subsidiary of the Issuer subsequent to the date of the then latest Accounts and whose total revenue and/or gross assets and/or gross profits (in each case consolidated in the case of a Subsidiary which itself has Subsidiaries) would, if consolidated financial statements of the Issuer were prepared in accordance with VAS on it becoming a Subsidiary of the Issuer, exceed ten per cent. of the consolidated total revenue and/or gross assets and/or gross profits of the Group as would be determined by reference to such consolidated financial statements; or
- (iii) any Subsidiary of the Issuer which, although not a Principal Subsidiary at the date of the then latest Accounts, subsequently acquires or develops assets and/or generates revenues or profits which would, when aggregated with its existing assets and/or revenues and/or profits (in each case consolidated in the case of a Subsidiary which itself has Subsidiaries), constitute ten per cent. or more of the consolidated total revenue and/or gross assets and/or gross profits of the Group if at any relevant time consolidated financial statements in accordance with VAS were to have been prepared,

provided that if any Principal Subsidiary shall at any relevant time cease to have total revenue and/or gross assets and/or gross profits (in each case consolidated in the case of a Subsidiary which itself has

Subsidiaries) which constitute more than ten per cent. of the consolidated total revenues and/or gross assets and/or gross profits of the Group if consolidated financial statements of the Issuer were prepared at that time in accordance with VAS, it shall at that time cease to be a Principal Subsidiary until such time as its revenues and/or gross assets (in each case consolidated in the case of a Subsidiary which itself has Subsidiaries) subsequently exceed ten per cent. of the consolidated total revenues and/or gross assets and/or gross profits of the Group at any relevant time and provided further that a certificate of two directors of the Issuer that, in their opinion, a Subsidiary is or is not, or was or was not, at any particular time or during any particular period, a Principal Subsidiary may be relied upon by the Trustee and, if so relied upon, shall, in the absence of a manifest error, be conclusive and binding on all concerned.

The Trustee and the Agents shall not be required to take any steps to ascertain whether an Event of Default or any event which could lead to the occurrence of an Event of Default has occurred, and shall be entitled to assume that no such event has occurred unless they have received written notice to the contrary from the Issuer or any Bondholder.

11. PRESCRIPTION

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 9) in respect thereof.

12. ENFORCEMENT

At any time after the Bonds have become due and repayable, the Trustee may, at its sole discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 25% in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

13. MEETINGS OF BONDHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

(a) Meetings

The Trust Deed contains provisions for convening meetings (including by way of teleconference or videoconference call) of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50% in principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, amongst other things (i) to modify the due date for any payment in respect of the Bonds, (ii) to reduce or cancel the amount of principal, interest or premium (if any) (including any Cash Alternative Amount) or Equivalent Amount payable in respect of the Bonds or changing the method of calculation of the Cash Alternative Amount, (iii) to change the currency of payment of the Bonds, (iv) to modify (except by a unilateral and unconditional reduction in the Exchange Price) or cancel the Exchange Rights, or (v) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 66%, or at any adjourned such meeting not less than 33%, in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90% of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

(b) Modification and Waiver

The Trustee may (but is not obliged to) agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Condition 13(a) above) to, or the waiver or authorization of any breach or proposed breach of, the Bonds, the Agency Agreement or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to

the Bonds or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven. Any such modification, waiver or authorization will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter.

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Bondholders, to the substitution of certain other entities in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed, the Bonds and as a party to the Agency Agreement.

(d) Interests of Bondholders

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorization, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders, and no Bondholder shall be entitled to claim from the Issuer or the Trustee any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in Condition 9 and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed and these Conditions.

(e) Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof. The Trustee shall not be responsible for any loss occasioned by acting or not acting on any such certificate or report.

In the event of the passing of an Extraordinary Resolution in accordance with Condition 13(a), a modification, waiver or authorization in accordance with Condition 13(b) or a substitution in accordance with Condition 13(c), the Issuer will procure that the Bondholders be notified in accordance with Condition 16.

14. REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may require.

Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (save for the date of issue and except for the first payment of interest on them), and so that such further issue shall be consolidated and form a single series with the Bonds. Such further bonds may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.

16. NOTICES

All notices will be validly given to Bondholders if mailed to them at their respective addresses in the register of Bondholders maintained by the Registrar or if published in a leading newspaper having general circulation in Asia (which is expected to be the Asian Wall Street Journal). Any such notice shall be deemed to have been given on the later of the date of such publication and the seventh day after being so mailed, as the case may be.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to Bondholders shall be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

17. AGENTS

(a) The Agents

The names of the initial Agents and the Registrar and their specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar and to appoint additional or other Agents or a replacement Registrar provided that there will at all times be (i) a Principal Agent, (ii) a Registrar which will maintain the register of Bondholders outside the United Kingdom and (iii) so long as the Bonds are listed on the SGX-ST and if the rules of the SGX-ST so require, paying, exchange and transfer agent having a specified office in Singapore. Notice of any such termination or appointment, of any changes in the specified offices of any Agent or the Registrar and of any change in the identity of the Registrar or the Principal Agent will be given promptly by the Issuer to the Bondholders and in any event not less than 45 days' notice will be given.

(b) Agents of the Issuer

In acting hereunder and in connection with the Bonds, the Agents shall act solely as agents of the Issuer and shall not assume any obligations towards or relationship of agency or trust for, any of the Bondholders.

18. INDEMNIFICATION

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Bondholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Bondholders or in the event that no direction is given to the Trustee by the Bondholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely on any direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

19. NO RESTRICTIONS ON BUSINESS TRANSACTIONS

The Trustee and its related companies are entitled to enter into business transactions with the Issuer and any affiliates of the Issuer without accounting for any profit resulting therefrom.

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Bonds or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

21. GOVERNING LAW AND ARBITRATION

(a) Governing Law

The Bonds, the Trust Deed, the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England.

(b) **Arbitration**

- (i) The arbitration agreement set out in this Condition 21 is governed by the laws of England. Any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Bonds, the Trust Deed and the Agency Agreement including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (a **Dispute**), shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre (**SIAC**) in accordance with the Arbitration Rules of SIAC for the time being in force (the **Rules**).
- (ii) The Rules are incorporated by reference into the Conditions and capitalized terms used in this Condition which are not otherwise defined in the Bonds, the Trust Deed or the Agency Agreement have the meaning given to them in the Rules.
- (iii) The number of arbitrators shall be three. The arbitrators shall be appointed in accordance with the Rules.
- (iv) The seat, or legal place of arbitration, shall be Singapore.
- (v) The language used in the arbitral proceedings shall be English. All documents submitted in connection with the proceedings shall be in the English language, or, if in another language, accompanied by a certified English translation.

(c) **Multiple parties and multiple contracts; joinder of parties; consolidation of Disputes**

- (i) Each party agrees that for the purposes of the Rules, the arbitration agreement set out in this Condition 21 and the arbitration agreement contained in each other Linked Agreement shall together be deemed to be an arbitration agreement that binds each party to the Bonds and each party to each other Linked Agreement.
- (ii) Any party to the Bonds or any other Linked Agreement may, in accordance with the Rules, be joined to any arbitration commenced under the Bonds or any Linked Agreement. Each party to the Bonds hereby consents, for the purposes of the Rules, to such joinder.
- (iii) Pursuant to Rules 6 and 8 of the Rules:
 - (A) Disputes may be resolved in a single arbitration together with Disputes (as defined in any other Linked Agreement) arising out of any such Linked Agreement; and
 - (B) the parties agree to the consolidation of any two or more arbitrations commenced pursuant to this Condition 21 and/or the arbitration agreement contained in any other Linked Agreement into a single arbitration, as provided for in the Rules.
- (iv) Each party waives any objection, on the basis that a Dispute has been resolved in a manner contemplated at Condition 21(c)(ii) or (iii), to the validity and/or enforcement of any arbitral award made by an arbitral tribunal following the Dispute being resolved in that manner.
- (v) In this Condition 21(c), **Linked Agreement** means each of the Bonds, the Trust Deed and the Agency Agreement.
- (vi) The requirement in the Rules that the Court or a tribunal considering whether to consolidate disputes should consider the views of all parties or give the parties an opportunity to be heard shall extend to all parties to each of the arbitrations in respect of which consolidation is sought.

THE GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Bonds in respect of which they are issued while they are represented by the Global Certificate, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions.

The Global Certificate contains provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Conditions set out in this Offering Circular. The following is a summary of certain of those provisions.

Exchange

Owners of interests in the Bonds in respect of which the Global Certificate is issued will only be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if (1) either Euroclear or Clearstream (or any other clearing system (an “**Alternative Clearing System**”) as shall have been designated by the Issuer and approved by the Trustee on behalf of which the Bonds evidenced by the Global Certificate may be held) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (2) there shall have occurred an Event of Default.

In such circumstances, the Issuer will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds within 21 days following a request therefore by the holder of the Global Certificate. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

Meetings

The holder of the Global Certificate will be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each US\$200,000 in principal amount of Bonds for which the Global Certificate is issued. The Trustee may, but is not obliged to, allow a person with an interest in the Bonds in respect of which the Global Certificate has been issued to attend and speak at a meeting of Bondholders on appropriate proof of his identity and interest.

Cancellation

Cancellation of any Bond by the Issuer following its redemption, exchange or purchase will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders.

Trustee's Powers

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee on behalf of one or more clearing systems, the Trustee may, to the extent it considers it appropriate to do so in the circumstances without being obliged to do so, have regard to any information as may have been made available or provided to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by category) with entitlements to Bonds and may consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

Exchange

Subject to the requirements of Euroclear and Clearstream (or any Alternative Clearing System), the Exchange Right attaching to a Bond in respect of which the Global Certificate is issued may be exercised by the presentation thereof to or to the order of the Principal Agent of one or more Exchange Notices duly completed by or on behalf of a holder of a book-entry interest in the Bond. Deposit of the Global Certificate with the Principal Agent together with the relevant Exchange Notice shall not be required. In such a case, the delivery of the Exchange Notice will constitute or be deemed to constitute confirmation by the beneficial owner of the Bonds to be exchanged and that the information and representations in the Exchange Notice are true and accurate on the date of delivery. The exercise of the Exchange Right shall be notified by the Principal Agent to the Registrar and the holder of the Global Certificate.

Payment

Payments of principal, interest, default interest (if any) or premium (if any) in respect of Bonds represented by the Global Certificate will be made without presentation or, if no further payment is to be made in respect of the Bonds, against presentation and surrender of the Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose.

Notices

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or an Alternative Clearing System, notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions, provided that for so long as the Bonds are listed on the SGX-ST and its rules so require, notice will also be published in a leading newspaper having general circulation in Singapore or in an English language newspaper of general circulation in Asia or by publication of the notice in a leading newspaper having general circulation in Asia.

Call Option

The options of the Issuer provided for in Conditions 8(b) and 8(c) shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in, and containing the information required by, those Conditions.

Put Options

The Bondholders' put options in Conditions 8(d) and 8(e) may be exercised by the holder of the Global Certificate giving notice to the Principal Agent of the principal amount of Bonds in respect of which the option is exercised and presenting the Global Certificate for endorsement or exercise within the time limits specified in such Conditions.

Transfers

Transfers of interests in the Bonds represented by the Global Certificate shall be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or such Alternative Clearing System) and their respective direct and indirect participants.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which the Global Certificate is issued shall be recognized as the beneficiaries of the trusts set out in the Trust Deed, to the extent of the principal amounts of their interests in the Bonds set out in the certificate of the holder, as if they were themselves the holders of the Bonds in such principal amounts.

For all purposes, each person who is for the time being shown in the records of Euroclear or of Clearstream or any Alternative Clearing System as a holder of a particular principal amount of Bonds in respect of which the Global Certificate is issued (in which regard any certificate or other document issued by Euroclear or Clearstream or any alternative clearing system as to the principal amount of Bonds represented by a Global Certificate standing to the account of any person shall be conclusive and binding for all purposes) shall be recognized as the holder of such principal amount of Bonds.

USE OF PROCEEDS

The net proceeds from the issue of the Bonds are expected to be approximately US\$488.04 million, after deducting underwriting fees and commissions and other estimated transaction expenses relating to this Offering.

We will use the net proceeds to refinance our existing facilities, fund our capital expenditures and for general corporate purposes.

The foregoing discussion represents our current intentions based upon our current plans and estimates regarding our anticipated expenditures. Our management, however, will have flexibility and discretion as to how we apply the net proceeds from the Offering. The exact amount of net proceeds from the Offering to be applied to any particular purpose may change and we may find it necessary or advisable to use portions of the net proceeds for other purposes.

EXCHANGE RATES AND EXCHANGE CONTROLS

Exchange Rates

The following tables set forth the average, high, low and period end between the Vietnamese dong and U.S. dollars (in Vietnamese dong per U.S. dollar) for the periods indicated. We make no representation that the Vietnamese dong or U.S. dollar amounts set forth below and referred to elsewhere in this Offering Circular could have been, or could be, converted into Vietnamese dong or U.S. dollars, as the case may be, at the rates indicated, at any particular rates, or at all.

The following table sets forth the exchange rates of the Vietnamese dong against the U.S. dollar for the periods indicated, according to Bloomberg Finance L.P.

<u>Period</u>	<u>Vietnamese dong per U.S. dollar</u>			
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Period End</u>
Year:				
2016	22,365	22,769	22,230	22,761
2017	22,718	22,843	22,540	22,698
2018	23,032	23,356	22,691	23,175
2019	23,231	23,419	23,170	23,173
2020	23,224	23,637	23,086	23,098
2021 (through April 12)	23,050	23,107	22,970	23,067
Month:				
October 2020	23,178	23,206	23,166	23,178
November 2020	23,164	23,184	23,133	23,133
December 2020	23,123	23,133	23,086	23,098
January 2021	23,067	23,093	23,049	23,049
February 2021	23,016	23,107	22,970	23,018
March 2021	23,054	23,079	23,014	23,065
April (through April 12)	23,074	23,082	23,063	23,067

Exchange Controls

Vietnam has historically imposed exchange control mechanisms designed to limit foreign currency outflows, generally requiring the use of the Vietnamese dong in domestic transactions and attempting to channel foreign currencies into its banking system. Vietnam's exchange control policy is administered primarily by the SBV. In 2005, Vietnam introduced an ordinance, which took effect from 1 June 2006, as amended by a 2013 ordinance, which took effect from 1 January 2014, governing foreign exchange in order to stimulate the foreign exchange market by liberalizing current transactions control and gradually reducing capital transactions control.

Under the current Vietnamese foreign exchange control regulations, any person or organization may exchange Vietnamese dong into foreign currency at credit institutions licensed to provide foreign exchange services in Vietnam, provided that such person or organization declares the intended use of the money and provides appropriate supporting documents. Such intended use must be for a transaction which is permitted to be paid in foreign currency under the foreign exchange control regulations, such as repayment of valid offshore loan or international bond. Foreign currencies may be freely exchanged into Vietnamese dong at such licensed credit institutions. The SBV implements policies to control the exchange rate between Vietnamese Dong and U.S. Dollar. Since January 2016, there has been a movement towards further relaxing the control. In January 2016, the SBV began to apply a "central exchange rate" which is announced on a daily basis. The rate depends on fluctuations of the average inter-bank exchange rate, developments on world forex markets for currencies of a number of jurisdictions which have close trade, lending, borrowing and investment relations with Vietnam and relevant macro-economic conditions. An exchange spot transaction may not be conducted at an exchange rate outside the SBV mandated margins, which is currently +/-3% of the central exchange rate.

In order to offer bonds denominated in a foreign currency in a foreign jurisdiction, a company resident in Vietnam is required to obtain the SBV's confirmation that the issue size is within the national overall limit of foreign commercial borrowings of Vietnam for the current year and thereafter to register the issuance amount of intentional bonds with the SBV. Any subsequent change which renders the information recorded in the SBV registration certificate no longer correct must be registered with the SBV for corresponding amendments to the SBV registration certificate. The company is required to open a foreign currency bank account at a licensed credit institution in Vietnam. Any receipt or payment relating to the offering must be made through such account in accordance with the foreign exchange regulations in effect.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our Group's capitalization as of 31 December 2020 on an actual basis and as adjusted for the issue of the Bonds and the application of the net proceeds from the Offering after deducting the commissions and other estimated transaction expenses relating to the Offering as described in "Use of Proceeds."

The table should be read in conjunction with the audited consolidated financial statements of the Group and the notes thereto, included in this Offering Circular.

	Actual as of 31 December 2020	As adjusted for the issue of the Bonds ⁽²⁾
	(VND in billions)	
Cash and cash equivalents	29,404	40,663
Short-term investments	10,414	10,414
Indebtedness		
Short-term loans and debts	25,972	25,972
Long-term loans and debts	98,309	109,568
Exchangeable bonds	5,506	5,506
Total indebtedness	129,787	141,046
Total equity	135,853	135,853
Total capitalization⁽¹⁾	265,640	276,899

Notes:

(1) Total capitalization is the sum of total indebtedness and total equity.

(2) Numbers in this column are obtained by deducting the estimated fees, commissions and expenses related to the Offering from the net proceeds of the Offering, and adding cash and cash equivalents and long-term loans and debts.

Since 31 December 2020, there has been no material change to our Group's capitalization, except as described in "Description of Material Indebtedness—Certain Issuances and Borrowings after 31 December 2020."

DESCRIPTION OF OUR GROUP

OVERVIEW

Vingroup is the largest company listed on the HSX, with a market capitalization of US\$15.8 billion as of 31 December 2020. We are a leading conglomerate with market leading, fast-growing businesses that span the industrials and technology, real estate and social services sectors. We have a long operating history and strong track record spanning over two decades. Vingroup, and our listed subsidiaries, Vinhomes and Vincom Retail, are three of the top 13 listed companies on the HSX and together comprise approximately 18% of the Vietnam Ho Chi Minh Stock Index, as of 31 December 2020. Vingroup was named by Forbes Vietnam as one of the Top 50 Listed Companies (2020) and our listed subsidiaries, Vinhomes and Vincom Retail, were each named one of Forbes Vietnam's Top 10 most valuable brands (2020).

In the industrials and technology sectors, we launched our mobility and smart phone manufacturing companies, VinFast and VinSmart, in October 2017 and December 2018, respectively. VinFast is an advanced and scalable smart mobility platform that manufactures electric motorcycles and cars equipped with smart electric vehicle technology with the support of its automated manufacturing facility and reputable industry partners. Meanwhile, VinSmart's "Vsmart" is the first homegrown brand for smart phones and other smart devices in Vietnam. We also engage in technology research and development through One Mount Group and VinTech, in order to enhance the Vingroup ecosystem and invest in technology start-ups globally. Our subsidiary, One Mount Group, is an integrated digital ecosystem operating across multiple platforms with the goal of developing an expansive and fast-growing online-to-offline network that offers meaningful product solutions to customers and business in the retail, real estate and financial services sectors. One Mount Group provides digital financial services, retail services, and real estate products through its subsidiaries, IMG Housing JSC and OneID JSC. Specifically, One Mount Group provides financial services through VinID, a customer loyalty program and e-wallet operated by OneID JSC, retail offerings through VinShop, an e-commerce platform operated by OneID JSC, and real estate products and services through OneHousing, a platform operated by IMG Housing.

In the real estate sector, we are the largest integrated real estate developer, owner and operator of residential, commercial and hospitality properties in Vietnam. We operate our residential, commercial office and industrial real estate development and leasing business through Vinhomes, while our commercial retail real estate development and leasing business is operated through Vincom Retail. We operate our hospitality business through Vinpearl and our entertainment business through VinWonders, which are leading integrated hospitality and entertainment platforms in Vietnam.

In the social services and others sector, we operate hospitals through Vinmec, and provide a comprehensive K-12 educational system through Vinschool and university level education through VinUni.

Vingroup's suite of offerings covers a wide range of consumer spending, ranging from real estate (residential, commercial office and industrial real estate, hospitality and entertainment, retail malls) to retail, healthcare and education, to industrials (mobility, smart phones and smart devices) and technology. From our established position as the dominant integrated real estate developer, we have gradually and steadily diversified as an operator across the retail, commercial and hospitality sectors, providing a comprehensive ecosystem of facilities and services which result in a readily accessible customer base for our businesses. We develop large, mixed-use projects that integrate our residential real estate projects with a wide range of facilities and amenities to create planning, design and construction synergies which allow us to offer our customers a unique "live, shop, work, play" ecosystem via diversified product offerings, including VinFast mobility products, VinSmart smart devices, Vincom Retail malls, Vinmec hospitals, VinOffice, Vinschool, VinUni, Vinpearl hotels and resorts and VinWonders amusement parks. Our vision is to create a sustainable ecosystem of quality products and services to improve the lives of Vietnamese people and elevate the position of the Vingroup brand globally.

We have a proven track record of establishing strategic partnership with well-known international parties. Since 2013, we have raised strategic equity capital through strategic partnerships with SK Group, Hanwha, GIC, KKR and Warburg Pincus, which serve to validate the attractiveness of our business portfolio and operating capabilities.

RECENT DEVELOPMENTS

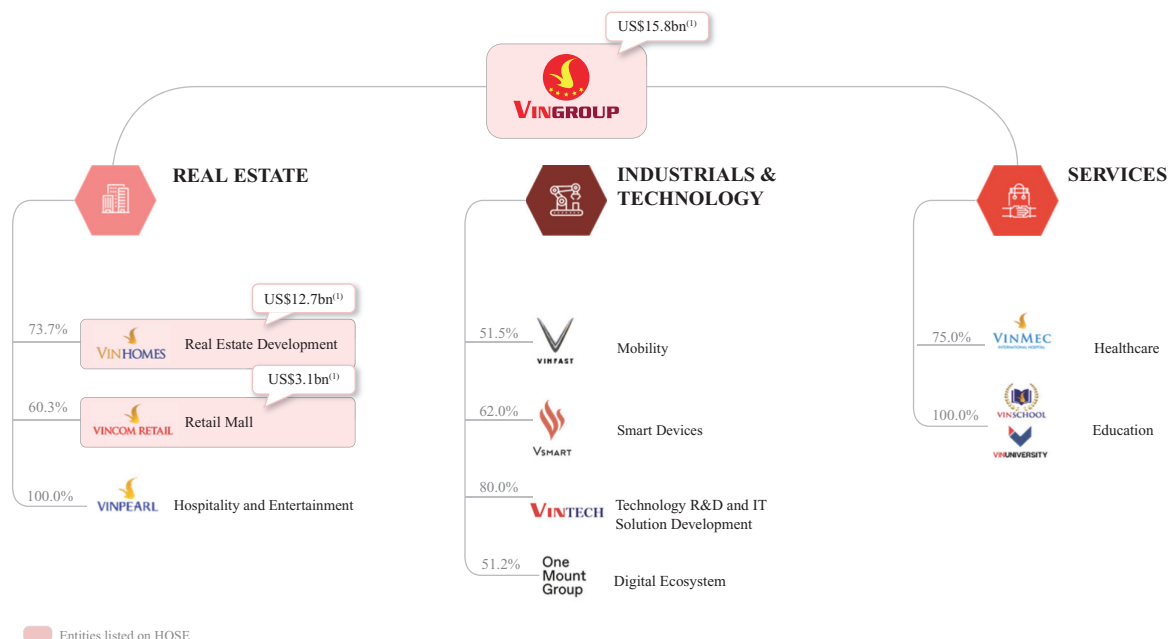
In February 2021 and March 2021, Vingroup issued a total of VND 4,375 billion in bonds due 2024 through two issuances. The bonds bear an interest rate of 9.7% per annum in the first year and are subject to a floating interest rate in subsequent years, calculated as the average of the 12-month term interest rate of certain commercial banks plus margin. The net proceeds from the bond issuances were used by Vingroup to increase its capital investment in certain of its subsidiaries.

In March 2021, Vingroup acquired a 56% equity interest in a foreign company for a total consideration of US\$11.4 million.

Potential Fundraising Transactions and Investments

We continually evaluate different fundraising alternatives and investments, and may decide to enter into new fundraising transactions or investments from time to time, including following the pricing of this offering or within a short time period following the Closing Date of the Bonds. In particular, VinFast is considering certain fund raising opportunities and these may include an equity investment, an initial public offering, a business combination with a special purpose acquisition company or other transactions. Any potential fundraising transaction will be subject to different factors, such as market conditions, and be made at our discretion.

CORPORATE STRUCTURE



Note:

(1) Market capitalization as of 31 December 2020. Exchange rate of VND 23,190 to US\$1.

HISTORY AND CORPORATE MILESTONES

Year	Event
2001	• Vinpearl (formerly Hon Tre Tourism and Trading LLC) was established.
2002	• Vincom Joint Stock Company (formerly Vietnam General Commercial JSC) was established.
2003	• Vinpearl's first hospitality development, the five-star resort Vinpearl Nha Trang commenced operations.
2004	• Vincom Center Ba Trieu was launched. As the first modern shopping center in Hanoi, Vincom Center Ba Trieu introduced a new shopping experience to customers.
2006	• Vinpearl Land amusement park opened, turning formerly arid Hon Tre Island into a luxury tourist destination and becoming a symbol of the rapid growth of tourism in Nha Trang.
2007	• Vincom JSC listed on the HSX with ticker symbol VIC. • Vinpearl cable car, with a total length of 3,320 metres, connected mainland Vietnam and Hon Tre Island.
2008	• Vingroup became the first real estate company in Vietnam to be selected by Russell Investments for the Russell Global Index.
2009	• Vincom JSC became the first non-sovereign Vietnamese company to issue US\$100 million of convertible bonds on the SGX-ST.
2010	• Vincom Center Dong Khoi opened in HCMC.

Year	Event
2012	<ul style="list-style-type: none"> Vingroup began operating under the new name Vingroup JSC, following the merger of Vincom JSC and Vinpearl JSC. Vingroup introduced the Vinmec brand and opened the Vinmec International Hospital in Times City.
2013	<ul style="list-style-type: none"> Vingroup established Vinschool and launched education offering ranging from kindergarten through high school. Vincom Mega Mall Royal City opened in Hanoi, becoming Asia's then-largest underground combined entertainment and retail complex. A consortium led by Warburg Pincus, invested US\$200 million in Vincom Retail.
2014	<ul style="list-style-type: none"> VinMart and VinMart+ commenced operations. Vinhomes Central Park broke ground in HCMC. The Landmark 81 Tower at Vinhomes Central Park is currently the tallest skyscraper in Vietnam. Vinpearl Phu Quoc Resort opened after 10 months of construction, setting a new internal record for on-time completion.
2015	<ul style="list-style-type: none"> Vingroup launched VinEco for safe and clean agricultural produce and VinPro for electronics and appliances offerings. Vingroup commenced operations of Vietnam's first and only wildlife safari park, with more than 3,000 animals and more than 150 rare species. Vingroup surpassed 14,000 pre-sales of apartments, villas, and shophouses. 15 retail malls and three hotels began operations. Warburg Pincus subsequently invested an additional US\$100 million in Vincom Retail in June.
2016	<ul style="list-style-type: none"> Vingroup expanded its retail network to approximately 1,000 outlets nationwide. Vingroup introduced the Vingroup Loyalty Program featuring VinID Card which offers additional benefits to cardholders when using Vingroup's products and services. Vingroup converted Vinmec and Vinschool into social enterprises and committed to reinvesting 100% of profits generated from these two businesses to meet social targets.
2017	<ul style="list-style-type: none"> Vingroup introduced the VinCity mid-range affordable real estate brand. Vincom Retail listed on the HSX in November 2017 and was one of the 10 largest listed companies in Vietnam at the time of listing. VinFast mobility and motorcycles brand was announced and construction of its production site began in September 2017.
2018	<ul style="list-style-type: none"> Vinhomes listed on the HSX in May 2018. Vinhomes Central Park Landmark 81 was inaugurated with 81 floors and a height of 461 metres, setting the record for the tallest building in Vietnam. Vingroup announced the launch of VinUni (higher education), VinSmart (smart electronic devices) and VinTech (technology). Vingroup raised US\$400 million investment from Hanwha Asset Management Co. through the issuance of 84 million convertible preference shares in Vingroup. Vinhomes launched Happy Town, which provides affordable housing solutions for low-income customers.
2019	<ul style="list-style-type: none"> Vingroup entered into a strategic partnership with SK Group in May 2019, including a US\$1 billion equity investment in Vingroup. We inaugurated the VinFast mobility manufacturing plant and delivered the first cars, announcing plans to export cars to international markets. We inaugurated the VinSmart manufacturing plant with a design capacity of 26 million devices per annum in phase 1, launching five smart TV models under the Vsmart brand. We sold the VinCommerce unit to Masan Group, discontinued our VinPro chain and merged the adayroi.com platform with VinID.

<u>Year</u>	<u>Event</u>
2020	<ul style="list-style-type: none"> • We officially opened VinUniversity and enrolled its first students. • Three Vinhomes mega projects, Vinhomes Grand Park, Vinhomes Ocean Park and Vinhomes Smart City, were among the first mega-scale projects in Asia to implement smart city capabilities and smart home facilities in every home. Vinhomes Ocean Park won the national “Smart City of the Year” award by VINASA in 2020. • VinFast sedans and SUVs were the best-selling models in their categories for four consecutive quarters, with VinFast A-segment city cars achieving the number one best-selling position in the fourth quarter of 2020, according to the Vietnam Automobile Manufacturers’ Association. • In June 2020, a KKR-led consortium which included Temasek Holdings invested VND 15.1 trillion (US\$650 million) in a 6% minority stake in Vinhomes. • In September 2020, Qatar Investment Authority invested US\$236 million into Vinhomes, its first investment in Vietnam. • In December 2020, a GIC-led consortium invested VND 4.7 trillion (US\$203 million) in a minority stake in Vinmec.

INDUSTRIALS AND TECHNOLOGY

We operate in the industrials and technology sectors through VinFast, our sustainable premium mobility company, and VinSmart, our smart phone and smart devices manufacturing company. We also engage in technology research and development through One Mount Group and VinTech. While One Mount Group manages VinID, VinShop and One Housing, VinTech is the center of our Group’s technological innovation.

Industrials

VinFast

We manufacture and sell cars and electric motorcycles through VinFast, the first and only domestic producer of automobiles in Vietnam. Innovation lies at the core of VinFast, which is an advanced and scalable smart mobility platform that manufactures electric motorcycles and cars equipped with smart electric vehicle technology with the support of its automated manufacturing facility and reputable industry partners. VinFast seeks to integrate smart technology features into its cars and electric motorcycles to enhance the user experience. Upcoming electric VinFast cars will be equipped with a smart infotainment experience powered by artificial intelligence technology, including voice assistant, smart navigation, auto-diagnostics, automatic emergency call function, traffic warnings, valet mode and smart home integration. Upcoming electric VinFast cars will be equipped with L2.5 autonomous driving features and it continues to develop L3+ autonomous driving features, including highway pilot, traffic jam pilot, autonomous parking and the summon mode. VinFast’s advanced technology is empowered by world-class proprietary software and industry-leading hardware, which it has developed or obtained through strategic partnerships with leading designers, manufacturers and consultants.

Following the opening of its automated motorcycle manufacturing plant and car manufacturing plant in April and August 2018, respectively, VinFast has quickly launched into the production and sale of electric motorcycles and cars. VinFast commenced the production of its first electric motorcycle model, Klara, in July 2018, followed by the release of the Klara S, Ludo and Impes electric motorcycle models in December 2020. Meanwhile, VinFast showcased its first car models, Lux A2.0 and Lux SA2.0 at the Paris Motor Show in October 2018, and soon after, launched Fadil in June 2019, Lux SA 2.0 and Lux A2.0 in July 2019 and VinFast President in September 2020. In 2020, approximately 31,500 cars and 45,400 electric motorcycles were sold. As of 31 December 2020, VinFast has two new models of electric motorcycles, two new models of internal combustion engine (“ICE”) cars and three new models of electric cars in the pipeline.

Having solidified its leading position in the Vietnamese market, VinFast is in the process of accelerating its growth to capture a greater share of the global market. VinFast has established its presence across North America, Europe, Asia and Australia. Leveraging its proven execution capabilities, VinFast aims to launch its electric vehicle models in the United States, Canada and Europe, particularly Germany, France and the Netherlands, by 2022. In 2023, VinFast will strive to further expand its presence within Europe.

VinFast’s automated e-motorcycle and car manufacturing plants have an installed capacity of 500,000 e-motorcycles and 250,000 cars per year, enabling it to meet the growing demand for electric vehicles. VinFast’s first production complex, spanning 335 hectares, is located in the Dinh Vu – Cat Hai economic zone in Hai Phong. In the Dinh Vu-Cat Hai economic zone, VinFast enjoys attractive tax incentive schemes designed to

encourage long-term industry growth in Hai Phong, a province which the Government has designated as an industrial manufacturing and import-export hub.





VinFast has been awarded the New Manufacturer Safety Commitment Award by the New Car Assessment Program for Southeast Asian Countries (“**ASEAN NCAP**”). Three of the VinFast models, Fadil, Lux A2.0 and Lux SA2.0, were the bestselling car models in their respective segments, according to the Vietnam Automobile Manufacturers’ Association.

Products

Cars



As of 31 December 2020, VinFast had four car models in production, with several new car models in the pipeline, comprising both ICE and electric cars, including one model that will be targeted at more affluent customers.




The following table sets forth the specifications of our current car models:

Product	Model	Date of Launch	Key Features	Market Comparison	Units sold as of 31 December 2020
	Lux A 2.0	July 2019	Engine: 2.0 litre I-4 turbo engine (130 to 170 kilowatts) Target Market: Middle- and upper-income customers	Mercedes, BMW	7,463
	Lux SA 2.0	July 2019	Engine: 2.0 litre, I-4 turbo engine (170 kilowatts) Target Market: Middle- and upper-income customers	Mercedes, BMW	7,788
	Fadil	June 2019	Engine: 1.4 litre, 4 in-line cylinder, gasoline engine Target Market: Middle-income customers	Hyundai, Toyota, Kia	22,870
	President V8	September 2020	Engine: V8 engine with 455-horse power Target Market: Upper income customers	Mercedes, BMW	130

On 22 January 2021, VinFast announced plans to launch three new smart electric SUV models, VF e34, VF e35 and VF e36. All three SUVs are multi-purpose vehicles, with a strong and trendy high-chassis design, capable of steering and self-driving assistance. The new SUV models are also equipped with outstanding safety and intelligence features. The VF e34 model is equipped with an electric engine, while the VF e35 and VF e36 offer an option of an electric engine, or an ICE engine in the form of VF 35 and VF 36.

The following table sets forth the specifications of the car models in our pipeline:






Product	Model	Date of Launch	Key Features	Market Comparison
	VF e34	Pre-order launched in March 2021	Engine: Electric Engine with 150 Horse Power Target Market: Middle income customer	Toyota Corolla Cross mid CX5
	VF 35	2022	Engine: ICE Target Market: Middle - high income customer	GLC200 BMW X3 Audi Q5


Product	Model	Date of Launch	Key Features	Market Comparison
	VF e35	2022	Engine: Electric Engine Target Market: Middle - high income customer	Tesla Model Y Mercedes EQC Audi e-tron
	VF 36	2022	Engine: ICE Target Market: Upper income customer	Mercedes GLS BMW X7 Audi Q7
	VF e36	2022	Engine: Electric Engine Target Market: Upper income customer	Tesla Model X

Electric Motorcycles

VinFast targets both the mass market and the premium market for electric motorcycles. Mass market products with small motors, eye-catching design and durable operational features will target university and high school students, while premium market products with a superior design and strong technical features will target those who are ready to upgrade. VinFast's electric motorcycles are battery operated, and batteries can be swapped or rented at VinFast's growing network of battery rental and swapping locations.

The following table sets forth the specifications of VinFast's key electric motorcycle model, Klara, and other models that it aims to launch in 2021.

Product	Model	Year of Launch	Key Features
	Klara	2018	Engine: Bosch engine (0.8/1.2 kilowatt) Target Market: Mass market
	Ludo	2019	Compact, lightweight, easy to ride and handle by riders of smaller physique Features basic smart functions, such as a global positioning system Engine: Bosch engine (0.5 kilowatt) Target Market: Mass market
	Impes	2019	Compact, lightweight, easy to ride and handle by riders of smaller physique Engine: Bosch engine (1.2 kilowatt) Target Market: Mass market
	Klara S	2019	Updated version of Klara Features smart functions including security applications, battery usage analysis software Engine: Bosch engine (1.2 kilowatt) Target Market: Mass Market
	Theon	2021	Engine: AshWood engine (5.0 kilowatt), central motor Target Market: Upper-middle and upper-income consumers Advanced specifications: Smart technology, equipped with PAAK (Phone as a Key) technology, Showa's suspension system, Nissin brake shackles. Continental's 2 channel ABS anti-lock braking system, 2 new generation battery cluster running parallel

Product	Model	Year of Launch	Key Features
	Feliz	2021	Engine: 1,200 watt brushless
			Target Market: Mass market
			Advanced specifications: maximum travel speed of 60 km / h, water resistant IP67, features smart functions including a global positioning system

Strategic Partnerships

VinFast has closely collaborated with leading designers, manufacturers, suppliers and consultants including AVL, BMW, EDAG, General Motors, Bosch and Magna Steyr to leverage their technical expertise. VinFast also intends to actively look for strategic partnership opportunities through joint ventures or acquisitions.

In relation to the VinFast cars, one of VinFast's key partners is BMW, which agreed to license some of its platforms and engines to Vinfast under license and support agreements (the "**BMW Agreements**").

In June 2018, VinFast acquired the Vietnam automotive business of General Motors and became the exclusive distributor for General Motors' Chevrolet brand in Vietnam.

In relation to the VinFast electric motorcycles, one of VinFast's key partners is Bosch Vietnam, which agreed to supply some of its engines and parts to VinFast. Bosch Vietnam played an active role in the development of Klara, which is powered by a Bosch engine, while Klara's lithium-ion batteries were manufactured through a cooperation between VinFast and Bosch Vietnam.

In order to leverage government tax incentives, VinFast has signed agreements with seven partners to develop their factories within VinFast's mobility production complex. VinFast has entered into joint ventures and leased ready-built factories to ensure that the localization rate of sedans and SUVs produced within its mobility production complex reach the government threshold of 60% by 2025.

Supply Chain, Marketing, Sales and Distribution Network

VinFast has opened its own car and electric motorcycle showrooms in Vincom Retail malls and markets VinFast products online to VinID's nearly 11 million customer base. VinFast has partnered with authorized dealers in Vietnam's most populous cities such as Hanoi, HCMC and Hai Phong. As of 31 December 2020, VinFast has 78 showrooms, dealers and workshops for its mobility products and 123 showrooms, dealers and workshops for its electric motorcycles.

VinFast's customers come from a range of income classes. Many choose to obtain financing from retail banks to fund a portion of the purchase price. VinFast refers its customers to retail banks and assists with the loan application process. Loan applications are independently reviewed by the retail banks and VinFast does not assume any credit risk for such loans. VinFast also entered into strategic cooperations with several large local banks to offer attractive financing and leasing programs to its customers.

After-sales Service

VinFast places great emphasis on its customer service and applies the same standards as those of leading car manufacturers to its own customer service process. Ahead of the launch of its products in 2018, VinFast developed its after-sales services to include repair and maintenance facilities and customer lounges. VinFast's repair and maintenance facilities are equipped with working bays and special service tools which employ general repair, body repair and environment paint technologies sourced from its partners in Europe, America and Asia. VinFast electric scooters have a three-year warranty period with no mileage limit, while VinFast cars have up to five years of warranty with up to a 165,000 km mileage limit.

Research and Development

Each of the VinFast electric motorcycle and VinFast mobility R&D teams comprises 826 engineers across several departments. VinFast has the technical capability to develop new models of electric motorcycles and cars in-house, including mechanical components, frame and plastic parts and electrical components such as controllers and displays. VinFast also benefits from access to a network of 1,160 engineers and research and development staff within Vingroup, who conduct research on a wide range of subjects, including artificial intelligence, machine learning, big data and cyber security.

Vocational Training Center

VinFast established a professional vocational training center at its car manufacturing plant in September 2018 to train more technicians to assist with its operations. Each year, the vocational training center enrolls 200 students to train them as mechatronics technicians for the manufacturing division and supporting industries or as automotive maintenance technicians for the sales and services division. VinFast also collaborates with five colleges to provide a dual vocation training program in accordance with Vietnam’s law on vocational education. The VinFast Vocational Training Center has been certified by the Association of German Chambers of Commerce and Industry as a qualified training center to provide training in accordance with the association’s standards since 2018. Graduates of VinFast’s technician training program are awarded a college diploma and the title of “practical engineer” and receive job offers from VinFast based off of their qualifications.

VinSmart

VinSmart was established with the mission of developing and manufacturing smart electronic devices, including phones, televisions, home appliances and Internet of Things devices, under the brand “Vsmart.” As of 31 December 2020, VinSmart has launched 18 smart phone models in Vietnam.

VinSmart’s smart phones are manufactured at our factory in Hoa Lac, Ha Noi. The factory has a production capacity of over 26 million smart phones and is fully equipped with international cutting-edge production machinery and lab facilities, much of which are imported from Germany, Japan, Singapore and the United States. The factory spans 15 acres and is ISO 9001:2015 certified. As VinSmart operates in an industry characterized by rapid technological advances, VinSmart has recruited an in-house research and development team of approximately 300 members comprising electrical engineers, software engineers, industrial design engineers and researchers.

Working with its strategic partners, VinSmart has developed and established tests and quality control standards based on internationally-certified test criteria to be applied to VinSmart products throughout its development and manufacturing process. VinSmart also actively monitors user feedback on its Vsmart phones with a view to improve its products. VinSmart is committed to improving the standard of its software, hardware and mechanical designs to meet international standards.

VinSmart is instrumental to our plan to develop a smart and sustainable ecosystem built on three key pillars: a smart city, smart homes and smart digital services powered by our smart electronic devices. A smart city includes smart offices, smart hospitals, smart schools, smart transportation and smart hotels, while smart homes will have smart phones, smart TVs, smart entertainment equipment and other smart electronic devices. Meanwhile, smart digital services include, amongst others, security monitoring, energy control, bill payments, health monitoring, information and entertainment services, parking reservations, electronic contact book, electronic training, remote monitoring and healthcare and shared office space services for individuals, households, offices, health and educational facilities and other entities utilizing our smart electronic devices.

Products

In 2018, VinSmart launched its first four smart phone models in more than 3,500 stores in 63 cities in Vietnam, namely: Joy 1, Joy 1+, Active 1 and Active 1+. In 2019, VinSmart launched eight smart phone models: Bee, Star, Joy2+, Live, Bee 3, Star 3, Joy 3 and Active 3. In 2020, VinSmart launched six new smart phone models: Bee Lite, Star 4, Joy 4, Live 4, Aris and Aris Pro, which features our Camera Under Display technology.

As of 31 December 2020, VinSmart’s smart phones are available in over 10,000 stores in Hanoi, HCMC and Da Nang, as well as other cities and provinces in Vietnam.

VinSmart smart phones have a warranty period of 18 months while VinSmart smart phone accessories have a warranty period of six months. Both VinSmart smart phones and accessories are subject to a 101-day exchange policy. In Vietnam, VinSmart’s after-sales service is supported by the VinSmart care system, consisting of three regional care centers, four customer service centers and 101 pick-up points in most provinces in Vietnam.

Strategic Partnerships

One of VinSmart’s key partners is Qualcomm Technologies (“Qualcomm”), which has provided VinSmart with technical support and guidance in the development of VinSmart’s business. Pursuant to a patent licensing agreement dated 12 December 2018 (the “Qualcomm Patent Licensing Agreement”), Qualcomm agreed to license its Snapdragon mobile platform to VinSmart for use in VinSmart’s smart phone models. Further, in June 2019, VinSmart signed a cooperation agreement with Qualcomm to produce 5G-enabled smart phones. The

concept phone for Aris 5G, using the Snapdragon 765 chipset was released in July 2020 as part of the partnership to develop 5G smart phones.

In 2019, VinSmart entered into a strategic partnership with Google pursuant to a direct agreement, and since then, VinSmart has been Google's trusted brand for smartphones and smart TVs in the region. VinSmart has also branched out into the development of smart device ecosystems for homes and cities.

VinSmart has also entered into a strategic partnership with Fujitsu Connected Technologies Limited to develop an innovative 5G smart phone which it plans to export to select European markets and the United States in 2021. Moreover, VinSmart has branched out into the development of a smart device ecosystem, launching five smart TV models developed on the Android operating system.

In 2020, VinSmart further introduced a suite of smart home products and smart city solutions. Upcoming product releases in 2021 include next generation smart phones, IoT devices and solutions, smart city digital services, smart TVs and automotive components.

Sales and Distribution Network

Domestically, VinSmart's Vsmart phones are distributed through over 10,000 traditional brick and mortar stores and e-commerce platforms. Internationally, VinSmart's Vsmart phones have been exported to the United States starting in 2020. In addition, VinSmart's smart electronic devices will be integrated into Vinhomes' Smart City developments and will be showcased to increase brand awareness and to offer the Vietnamese public an opportunity to test VinSmart's new products.

Technology

As part of our technology business, we operate One Mount Group, which manages VinID, VinShop and One Housing, as well as VinTech. One Mount Group aims to create Vietnam's largest and most trusted digital ecosystem, while VinTech was established to become the center of technological innovation for our Group.

One Mount Group

One Mount Group is an integrated digital ecosystem operating across multiple platforms with the goal of developing an expansive and fast-growing online-to-offline network that offers meaningful product solutions to customers and business in the retail, real estate and financial services sectors. Within these sectors, One Mount Group provides digital financial services through VinID, our customer loyalty program and e-wallet, retail offerings through VinShop and real estate products and services through OneHousing. To achieve its goals, One Mount Group seeks to partner with leading financial institutions to provide an extended suite of innovative financial services and has entered into a strategic partnership with Techcombank, one of the largest non-state-owned banks in Vietnam.

VinID

VinID was launched as a customer loyalty program in 2016 and the VinID app was launched in 2017. VinID is Vingroup's digital ecosystem for consumers. The program is one of the largest in Vietnam, with over 11 million registered users and over 100,000 locations accepting payment via VinID as of 31 December 2020.

Loyalty Program

VinID members receive points when they spend money at Vingroup stores. VinID points can be redeemed on platforms across the Vingroup ecosystem. VinID offers customers easy access to multiple Vingroup product offerings through a centralized application. Beyond customer loyalty offerings, the VinID app also offers features such as an e-wallet that allows users to track their spending and pay their utility bills, the Scan & Go function which can be used to shop at VinMart 4.0 stores, a Vinhomes function, which helps to connect Vinhomes residents with the administration of Vinhomes, and a ticketing service, through which users can book tickets to events.

Payment and Financial Applications

In 2019, VinID launched the VinID Pay e-wallet application, marking its first step towards becoming a complete financial services platform. The VinID Pay platform is popular with the younger generation, with 50% of its audience being between the age of 20 to 34 years old. VinID is a secure platform, offering various features to customers, including deposit support from 36 banks in Vietnam, flexible withdrawals, convenient transfers and QR code payment capabilities. Through VinID, One Mount Group is able to access underserved customer

segments and enable the curation of new banking product offerings to a broader set of retail and SME customers. For retail partners, VinID offers a highly convenient integrated payment solution and loyalty program that enable payment and loyalty reward accrual and redemption with a single scan of the QR code.

Database

VinID's big data analytics tool has access to data from participating Vingroup business units and provides customer insights across the spectrum for our targeted marketing and operational strategies. Such data insights enable us to tailor and offer customized promotions to different customer groups according to their spending patterns and preferences, resulting in more meaningful and increased customer engagement across the Vingroup ecosystem. VinID is also able to leverage its data-driven platform to help financial institutions implement automated electronic know-your-customers procedures, targeted marketing, customer credit scoring and product pricing.

Customer Relationship Management Center

The Customer Relationship Management Center functions as a sales and marketing center that provides timely and effective support to customers to increase engagement and enhance the customer experience.

VinShop

Established in May 2020, VinShop is a B2B2C platform that aims to transform the traditional retail model employed by traditional grocers by introducing technological solutions into its management of the supply chain. Leveraging Vingroup's supply chain expertise and real estate development and management expertise, VinShop acts as a master distributor that stores inventories from suppliers in centralized locations and redistributes the inventory to retailers. This establishes a more direct connection between suppliers and retailers, thereby reducing logistics costs.

VinShop seeks to provide a number of value-added services to suppliers. Retailers on VinShop's platform benefit from efficient supply chain management solutions, data driven inventory tools and deep integration with VinID through its e-payment and digital financial offerings which serve to reduce inefficiencies in the supply chain. Furthermore, VinShop proactively engages in the planning of production and promotion programs and employs marketing tools and tactical pricing strategies to assist the shops in its network with their marketing efforts, including leveraging the VinID loyalty program to attract new customers. Leveraging Vingroup's database of consumer and retailer behaviours, VinShop is able to provide product recommendations to both customers and retailers. In addition, VinShop offers working capital lending and management solutions to its retailers through banking partners in the One Mount ecosystem, enabling an integrated end-to-end solution set for the retail sector.

Coupled with the VinID app, customers can conveniently visit and purchase frequently-used products, such as snacks and beverages, healthcare products and household goods, at nearby VinShop locations, and check out with a single QR scan. Points for purchases made through VinShop are also accumulated through the VinID loyalty program. Meanwhile, the wide range of products listed on VinShop's platform ensures that customers receive competitive pricing for purchased products.

As of 31 December 2020, VinShop services over 55,000 shops across Vietnam. VinShop aims to become Vietnam's largest distribution platform.

OneHousing

OneHousing is a dedicated one-stop-shop for home buyers, home sellers and sales agents, offering product solutions and services across the real estate value chain. The platform is currently in the pilot phase and is expected to be fully operational in late 2021.

The OneHousing platform presents home buyers and sellers with a complete online-to-offline solution for all their real estate needs, ranging from data-driven verified listings, accurate home valuation tools, tailored financial services and solutions (provided exclusively by Techcombank), and a dedicated technology enabled in-house sales team. These features combine to create a one-of-a-kind experience and destination for real estate customers.

OneHousing also provides real estate agents with essential technology tools such as OneHousing Pro Agent, a dedicated sales app available on both iOS and Android devices. The Pro Agent app provides OneHousing's in-network and out-of-network sales agents with real-time inventory updates, customer relationship management tracking and market insights to give the salesforce an edge on competitors and direct line into customer needs and feedback.

VinTech

We introduced VinTech in August 2018 with a vision to improve the integration of technology in our ecosystem and serve as a technology transfer hub for our businesses, as well as to advance technology research and development in Vietnam and develop world-class technologies and products that serve our Group's needs and can be commercialized for global export.

VinTech's primary focus is expected to be on research and development, with a focus on artificial intelligence, automation and new materials.

VinTech has set up three research institutions, led by leading professors and doctors, and its subsidiaries are led by experienced international personnel. VinTech's subsidiaries and research institutes contribute to creating a complete technology ecosystem capable of researching core and advanced future technologies and developing and applying new technologies to practical products and solutions. In particular, VinTech has set up the Vingroup Innovation Fund which funds domestic and foreign ideas and research.

VinTech also manages certain aspects of our IT systems and security framework. For more information, see "*—Information Technology.*"

REAL ESTATE

In the real estate sector, we operate our residential and commercial office real estate development and leasing business through Vinhomes, our commercial retail real estate development and leasing business through Vincom Retail and our hospitality and entertainment business through Vinpearl.

Vinhomes—Residential and Commercial Office Real Estate

We develop, sell and manage mid-range and high-end residential properties, as well as commercial office properties, in Vietnam's key economic centers and in industrial zones in northern areas of Vietnam, through Vinhomes, the leading integrated residential and commercial real estate development company and the largest residential developer in Vietnam. Vinhomes' principal sources of revenue are derived from the sale of units in residential properties to customers and the sale of other residential and commercial projects that we develop, including serviced apartments and mixed-use spaces such as shophouses, small offices and home offices ("**SOHOs**") and officetels.

Vinhomes has a nationwide presence through its land bank, which is the largest among all real estate developers in Vietnam. This land bank is able to sustain Vinhomes' development activities for the next 15 years. Vinhomes' operations are currently focused on the key cities of Hanoi and Ho Chi Minh City, and key urban and tourism centers such as Hai Phong, Quang Ninh, Da Nang, Ha Tinh and Thanh Hoa, while it continues to expand its footprint across Vietnam through its strong pipeline of residential and office projects and large land bank.

Vinhomes utilizes a high-velocity, cohesive and integrated property development model. Through its strong brand and reputation, comprehensive in-house operational capabilities, market knowledge and sound corporate governance structure, it is able to efficiently guide its projects through the project development cycle of land acquisition, master planning, design, land clearance, sale, construction and customer handover. As a result, it is able to shorten its development timelines for its residential, office and other projects and deploy a high cash flow operating model as its portfolio continues to grow.

Vinhomes' residential projects are located in high-demand areas of Hanoi and Ho Chi Minh City and in key urban and tourism centers such as Hai Phong, Quang Ninh, Da Nang, Ha Tinh and Thanh Hoa. Its current residential project portfolio comprises 13 Completed Projects (as defined below) with an aggregate NSA of 6.3 million sqm, five Launched Projects (as defined below) with an aggregate NSA of 10.4 million sqm and 17 Pipeline Projects (as defined below) with an estimated aggregate site area of 155 million sqm and estimated aggregate residential GFA of 154.6 million sqm as of 31 December 2020. 94% of the launched units in Vinhomes' Launched Projects have been contractually sold as of 31 December 2020. This portfolio does not include other residential projects that Vinhomes developed and sold while operating as a business line of Vingroup prior to the company reorganization which took place between September 2017 and February 2018, during which we consolidated our integrated residential and commercial real estate business under Vinhomes (the "**Company Reorganization**").

As part of Vinhomes' overall development strategy and to bolster recurring income over time, it also develops and leases commercial office spaces, including offices in high-rise mixed use buildings. Vinhomes' completed office spaces have an aggregate GFA of 185,404 sqm, and its office spaces under development have an estimated aggregate GFA of 5.4 million sqm, all of which are adjacent to, or adjoining, a Vinhomes project.

The residential and office projects are the cornerstones of the Vingroup “live, shop, work, play” ecosystem. Vinhomes develops large, mixed-use projects that integrate residential and office projects with a wide range of facilities and amenities, and in doing so, draws on Vingroup’s diversified holdings, including Vincom Retail malls, Vinmec hospitals, Vinschool and VinUni academic institutions, consumer retail offerings and Vinpearl hotels, resorts, aquariums and amusement parks. Vinhomes’ business also leverages synergies throughout the Vingroup ecosystem, for example through our outsourced construction model utilizing our subsidiary, Vincom Construction, on a cost-plus basis, and powerful sales and marketing advantages through the connection of its projects with the nearly 11 million members of Vingroup’s VinID program.

Vinhomes also develops and manages serviced apartments, and develops and sells beach villas, holiday homes and various other mixed-use spaces such as shophouses and SOHOs. To help Vinhomes leverage the Vingroup ecosystem, we have agreed with Vinhomes to present opportunities to develop all of our residential and office projects to Vinhomes, where such projects have a residential GFA equal to or greater than 30,000 sqm, a residential GFA that accounts for 25% or more of a project’s total GFA or an office GFA equal to or greater than 30,000 sqm.

In addition, Vinhomes is in the process of developing industrial properties to leverage favourable macroeconomic conditions arising from increased flows of foreign direct investment, particularly within the manufacturing sector. Vinhomes has established a significant pipeline of industrial projects for both sale and leasing, in order to capture growth in this area.

In 2018, 2019 and 2020, Vinhomes had aggregate contractual sales of VND 67,648 billion, VND 91,060 billion and VND 64,446 billion, respectively, of which Vinhomes villas and townhouses had aggregate contractual sales of VND 41,652 billion, VND 21,184 billion and VND 28,251 billion, respectively, and Vinhomes apartments had VND 25,996 billion, VND 69,876 billion and VND 36,195 billion, respectively, with a total contractually sold NSA of 1,964,578 million sqm, 4,319,945 million sqm and 2,339,066 million sqm, respectively, including projects held through business cooperation contracts (“**Economic BCCs**”). As of 31 December 2020, Vinhomes had unbilled contractual sales from residential projects (including projects held through Economic BCCs) of VND 62,677 billion. Recognized revenues are net of, and sales values and unrecognized sales are prior to deduction of, certain accounting deductions that Vinhomes extends to its customers, including, but not limited to, interest support (a form of discount) and early payment discount.

Vinhomes Land Bank

We have a residential and commercial land bank of 168 million sqm as of 31 December 2020, which is the largest in Vietnam. Our land bank supports our real estate businesses across the residential, commercial and hospitality sectors. We primarily source our land bank through our own land acquisition activities described below.

Our land bank comprises high-growth potential areas with current or expected access to transportation networks, public infrastructure or business center expansions, including the upcoming metro lines in Hanoi and HCMC. As of 31 December 2020, based on our expected zoning approvals, up to 168 million sqm of residential GFA can be built on our residential land bank, which translates into up to 149 million sqm of residential NSA. Our gross land bank also contains areas that can be developed into commercial components, hospitality components, hospitals, schools, infrastructure, greenery and other components that support our ecosystem as a whole. This residential land bank is able to sustain Vinhomes’ development activities for the next 15 years.

Our land bank forms a key foundation of our ecosystem, a unique integrated platform offering complementary amenities, facilities and infrastructure designed to capture the majority of Vietnamese consumers’ wallet across multiple businesses in Vingroup and create planning, design and construction synergies to offer our customers a unique “live, shop, work, play” ecosystem. As part of our development strategy, we continue to build on a strong foundation of core industry-leading real estate business, leverage our ecosystem to anchor our positions across our businesses and strengthen our industrials and technology capabilities for long-term diversification benefits.

Our land bank also supports our wholesale real estate business, which involves the sale of undeveloped land from our land bank to third-party developers and financial investors. The land that we sell is then developed into a residential or commercial real estate property in accordance with the project zoning approval. The purchaser can develop the project itself (directly or through its own subcontractors) and sell units under the brand of its choosing. Wholesale purchasers may contract with us to develop the project on their behalf for a construction management consultancy.

Private ownership of land is not permitted in Vietnam and the people of Vietnam hold all ownership rights with the state as the administrator. However, the laws of Vietnam allow ownership of a right to use land. This right is called the “land use right,” and is evidenced by a land use right certificate. Land use rights can be allocated or

leased by the relevant governmental authorities. There are two main conditions that must be completed before we can obtain a land allocation decision: we must obtain in-principle investment approval for our proposed project and the proposed project site must be cleared. In addition to our land acquisition process, we also acquire land use rights through participation in public tenders, competitive bidding and land use right auctions, and through the direct acquisition of land use rights and projects from third parties, such as through asset or share acquisitions, private BCCs entered into with land use right holders or project developers and land received through public-private partnerships with Government entities.

Vinhomes' Residential Projects

As of 31 December 2020, Vinhomes has a total of 35 residential projects which may be organized into the following categories:

- **Completed Projects:** projects that have (i) been constructed and put into operation, (ii) at least 95% of units under contracts for sale and (iii) at least 80% of all units delivered to customers. As of 31 December 2020, 13 of Vinhomes' 35 residential projects were Completed Projects, excluding projects completed by Vinhomes as a business line of Vingroup from 2010 until the Company Reorganization.
- **Launched Projects:** projects, other than Completed Projects, for which Vinhomes has obtained land use rights and construction permits from the relevant Vietnamese authorities and commenced early site works. As of 31 December 2020, Vinhomes had five Launched Projects, including one project that it holds pursuant to Economic BCCs.
- **Pipeline Projects:** fully or partially planned and designed projects in respect of which Vinhomes has entered into, or been appointed to be an investor under, a land grant contract with, or obtained a land transaction confirmation letter from, the relevant Vietnamese authorities but land use rights and/or construction permits have not been obtained. As of 31 December 2020, Vinhomes had 17 Pipeline Projects, including two projects that it holds pursuant to an Economic BCC. Vinhomes' Pipeline Projects include projects for which it or its contractual counterparties have received in-principal investment approval or an investment registration certificate as the project investor and projects for which Vingroup has received the investment selection approval and appointed Vinhomes to acquire the projects under its own name.

Vinhomes' residential projects are marketed under three brands: (i) "Vinhomes Diamond" brand for luxury apartment units that offer a privileged living standard, (ii) "Vinhomes Ruby" brand for high-end apartments for young affluent families seeking a modern, well-equipped and quality living environment and (iii) "Vinhomes Sapphire" brand for modern apartment units catered to young and savvy home buyers.

Completed Projects

As of 31 December 2020, Vinhomes had 13 Completed Projects with a total NSA of approximately 6.3 million square sqm, with details as follows:

No.	Project Name	City	Type of Development	Effective Economic Interest	Launch Date	Delivery Start ⁽¹⁾	Delivery End ⁽²⁾	NSA ('000 sqm)	ASP range (US\$/sqm)	Cumulative Pre-sold (%)	Estimated GPM (%) ⁽³⁾
1.	Vinhomes Royal City	Hanoi	Apartments	98%	2010	2012	2015	511	1,800 – 2,000	100%	47%
2.	Vinhomes Times City . . .	Hanoi	Apartments	100%	2011	2013	2015	503	1,400 – 1,600	100%	40%
	Parkhill Times City	Hanoi	Apartments	100%	2015	2016	2017	577	1,600 – 1,800	100%	45%
3.	Vinhomes Metropolis	Hanoi	Apartments	69.97%	2016	2018	2020	142	3,100	100%	30%
4.	Vinhomes Green Bay	Hanoi	Apartments	100%	2017	2019	2020	145	1,700	100%	34%
			Villas		2017	2017	2020	146	2,900	100%	34%
5.	Vinhomes The Harmony	Hanoi	Villas	99%	2017	2017	2020	468	1,860	100%	31%
6.	Vinhomes Golden River	HMC	Apartments	100%	2016	2017	2020	207	4,200	99%	32%
			Villas	99%	2016	2017	2021	41	6,800	98%	36%
7.	Vinhomes Dragon Bay . . .	Quang Ninh	Villas		2016	2016	2020	124	1,040	100%	60%

No.	Project Name	City	Type of Development	Effective Economic Interest	Launch Date	Delivery Start ⁽¹⁾	Delivery End ⁽²⁾	NSA ('000 sqm)	ASP range (US\$/sqm)	Cumulative Pre-sold (%)	Estimated GPM (%) ⁽³⁾
8.	Vinhomes Central Park	.. HCMC	Apartments	100%	2015	2016	2020	908	2,200	100%	19%
			Villas		2015	2015	2020	57	5,100	98%	19%
9.	Vinhomes Symphony	.... Hanoi	Apartments	100%	2019	2020	2021	96	1,900	98%	40%
10.	Vinhomes West Point	..... Hanoi	Apartments	100%	2018	2020	2021	124	2,000	93%	27%
11.	Vinhomes Marina	..... Hai Phong	Villas	100%	2018	2019	2021	385	800	100%	43%
12.	Vinhomes Imperia	..... Hai Phong	Villas	99%	2017	2017	2021	533	900	100%	45%
13.	Vinhomes Skylake	..... Hanoi	Apartments	99%	2017	2019	2021	164	2,000	100%	45%

Notes:

(1) Refers to the date when the first unit of the project was delivered to a customer.

(2) Refers to the date when 80% or more of the total units of the project were delivered to customers.

(3) Gross profit margin is calculated as the difference between revenue and cost of goods sold, represented as a percentage of total revenue.

Launched Projects

As of 31 December 2020, Vinhomes has five Launched Projects with an aggregate NSA of approximately 10.4 million sqm, including projects held through Economic BCCs, as detailed below.

No.	Project Name	City	Type of Development	Effective Economic Interest	Launch Date	Delivery Start ⁽¹⁾	Delivery End ⁽²⁾	NSA ('000 sqm)	ASP range (US\$/sqm) ⁽³⁾	Cumulative Pre-sold (%) ⁽³⁾
1.	Vinhomes New Center Hà Tĩnh	... Ha Tĩnh	Apartments	100%	2018	2019	2021	45	787	59%
2.	Vinhomes Star City Thanh Hoa ⁽⁴⁾ Thanh Hoa	Villas	99%	2018	2018	2022	594	852	66%
			Apartments	99%	2022	2023	2028	429	900	NA
3.	Vinhomes Ocean Park	..... Hanoi	Apartments	99.36%	2018	2020	2022	2,379	1.312	94%
		Hanoi	Villas	99.36%	2018	2019	2019	1,105	1.460	93%
4.	Vinhomes Smart City	..... Hanoi	Apartments	99.90%	2018	2020	2023	2,561	1.442	92%
			Villas	99.90%	2018	2020	2020	105	3.638	96%
5.	Vinhomes Grand Park	..... HCMC	Apartments	99.92%	2019	2020	2021	2,344	1.573	100%
			Villas	99.92%	2019	2021	2021	807	1.576	94%
TOTAL								10,368		

Notes:

(1) Refers to the date when the first unit of the project is expected to be delivered to a customer, based on management's current estimates.

(2) Refers to the date when 80% or more of the total units of the project are expected to be delivered to a customer, based on management's current estimates.

(3) Refers to launched units only.

(4) Vinhomes holds this project pursuant to an Economic BCC.

Pipeline Projects

As of 31 December 2020, Vinhomes had 17 Pipeline Projects, including projects held through Economic BCCs, as detailed below. These projects have an estimated aggregate site area of 155 million sqm, estimated aggregate residential GFA of 154.6 million sqm and estimated aggregate NSA of 138.9 million sqm, based on management's estimates as of 31 December 2020. The information related to Vinhomes' Pipeline Projects, including total site area and NSA with respect to each project, represents estimates by management on the basis of Vinhomes' current development plans formulated pursuant to the relevant land grant contracts.

The following table sets forth details of projects expected to launch in 2021.

No.	Project Name	City	Type of Development	Effective Economic Interest	Estimated Launch Date ⁽¹⁾	Estimated Delivery Start ⁽²⁾	Site Area ('000 sqm) ⁽³⁾	Estimated NSA ('000 sqm) ⁽³⁾
1.	Vinhomes Wonder Park . . .	Hanoi	Villas and Apartments	99.0%	2021	2021	1,260	953
2.	Vinhomes Co Loa	Hanoi	Villas and Apartments	83.3%	2021	2022	2,834	3,309
3.	Vinhomes Dream City	Hung Yen	Villas and Apartments	100.0%	2021	2022	4,406	5,875
4.	Bac Luan	Quang Ninh	Villas and Apartments	100.0%	2021	2022	1,102	791
5.	Bac Giang	Bac Giang	Villas and Apartments	100.0%	2021	2022	11	49
TOTAL							9,613	10,977

Notes:

(1) Refers to the date when development is expected to commence, based on management's current estimates.

(2) Refers to the date when the first unit of the project is expected to be delivered to a customer, based on management's current estimates.

(3) Based on management's current estimates. Site area includes apartment and villa components and all phases, as applicable.

Vinhomes' Commercial Office Projects

As part of Vinhomes' overall development strategy, Vinhomes develops and leases commercial office spaces, including offices in high-rise mixed use buildings, under the "VinOffice" brand. VinOffice properties are typically located in major financial and business centers and offer modern and professional office spaces. All of its office spaces are adjacent to, or adjoining, Vinhomes or VinCity projects or part of a mixed-use development. The development of these spaces is part of Vinhomes' overall development strategy as Vinhomes believes that these non-residential offerings enhance its integrated residential offerings and contribute to the attractiveness of its residential projects. Key VinOffice properties include VinOffice Times City in Hanoi and VinOffice Dong Khoi at HCMC.

Vinhomes typically enters into long-term tenancy agreements with one or more anchor tenants prior to launching the development of an office building or office space. The duration of each lease agreement varies and usually includes customary renewal provisions, rent and service fee adjustment provisions and termination for cause provisions. These lease agreements typically may also be terminated without cause but with prior written notice and with a penalty which is usually equal to three months of rent and service fees. The rent is usually payable on a monthly or quarterly basis. The remainder of Vinhomes' tenants usually enter into leases around the time when the minimally finished buildings are completed with basic amenities and systems such as electrical distribution, firefighting equipment, voice and data communication provisions and power back-up.

The criteria that Vinhomes considers when determining whether to launch an office building or office space include:

- location, with a focus on central business districts and potential commercial development areas;
- potential tenant demand, which is gauged by conducting market surveys and searching for start-ups that are unable to afford offices in city centers; and
- surrounding amenities, such as urban areas with proximate residential and shopping areas, which are attractive to office tenants.

Details of our completed office buildings and office spaces are set forth below.

No.	Project Name	City	Type of Development	Effective Economic Interest	GFA (m ²)	NLA (m ²)
1.	T13 Times City	Hanoi	VinOffice	100%	11,806	6,762
2.	T14 Times City	Hanoi	VinOffice	100%	53,050	33,307
3.	T26 Times City	Hanoi	VinOffice	100%	14,068	13,137
4.	Symphony	Hanoi	VinOffice	100%	29,160	19,664
5.	VinOffice Dong Khoi	HCMC	VinOffice	100%	77,321	62,676
TOTAL					185,404	135,546

Details of our office buildings and office spaces under development are set forth below.

No.	Project Name	City	Type of Development	Effective Economic Interest	GLA (m ²)	NLA (m ²)	Estimated Construction Start Date	Estimated Completion Date
1	76 Nguyễn Trãi	Hanoi	VinOffice	97%	23,618	16,260	2021	2022
2	Crystal Đà Nẵng	Danang	VinOffice	100%	12,501	7,776	N/A ⁽¹⁾	2021
3	Ocean Park	Hanoi	VinOffice	99%	151,004	117,783	2019	2021
4	Smart City	Hanoi	VinOffice	100%	69,379	54,115	2019	2023
5	Grand Park	HCMC	VinOffice	100%	97,048	75,697	2019	2023
6	Vinhomes 22 HBT— VinOffice	Hanoi	VinOffice	65%	16,200	12,636	2021	2022
7	Vinhomes 22 HBT—Book Store	Hanoi	Book store	65%	8,200	6,396	2021	2022
8	Vinhomes Gallery—VinOffice	Hanoi	VinOffice	83%	170,386	132,901	2022	2023
9	Vinhomes Co Loa—VinOffice	Hanoi	VinOffice	83%	90,400	70,512	2023	2024
10	Vinhomes Thanh Hoa— VinOffice	Thanh hoa	VinOffice	100%	34,188	26,666	2022	2023
11	Vinhomes Wonder Park— VinOffice—Phase 1	Hanoi	VinOffice	100%	250,000	195,000	2022	2024
12	Vinhomes Wonder Park— VinOffice—Phase 2	Hanoi	VinOffice	100%	250,000	195,000	2025	2027
13	Vinhomes Wonder Park— VinOffice—Phase 3	Hanoi	VinOffice	100%	184,491	143,903	2028	2030
14	Long Beach Can Gio—Phase 1	HCMC	VinOffice	100%	600,000	468,000	2022	2024
15	Long Beach Can Gio—Phase 2	HCMC	VinOffice	100%	600,000	468,000	2025	2027
16	Long Beach Can Gio—Phase 3	HCMC	VinOffice	100%	600,000	468,000	2028	2030
17	Long Beach Can Gio—Phase 4	HCMC	VinOffice	100%	600,000	468,000	2031	2033
18	Long Beach Can Gio—Phase 5	HCMC	VinOffice	100%	600,000	468,000	2034	2036
19	Do thi dai hoc—Phase 1	HCMC	VinOffice	98%	200,000	156,000	2022	2024
20	Do thi dai hoc—Phase 2	HCMC	VinOffice	98%	200,000	156,000	2025	2027
21	Do thi dai hoc—Phase 3	HCMC	VinOffice	98%	200,000	156,000	2028	2030
22	Do thi dai hoc—Phase 4	HCMC	VinOffice	98%	200,000	156,000	2031	2033
23	Do thi dai hoc—Phase 5	HCMC	VinOffice	98%	200,000	156,000	2034	2036
TOTAL					5,357,414	4,174,646		

Note:

(1) Not applicable as this is a completed project that Vinhomes is acquiring from a third party and construction is expected to be completed in 2021.

Vinhomes' Leasing and Other Development Projects

In addition to the residential real estate and commercial office business, Vinhomes develops serviced apartments, such as Vinhomes Landmark Serviced Apartment in HCMC, and operates a residential leasing business under the “Vinhomes Serviced Residences” brand. The serviced apartments and villas are located primarily within mid- and high-end Vinhomes properties, and are marketed toward corporate, institutional and international customers. Vinhomes manages these projects following their completion.

Furthermore, Vingroup develops non-residential and non-office components for integrated developments and other projects where there is specific demand. As part of its residential and office projects, it typically builds a number of shophouses, SOHOs and officetels. We develop and sell standalone shophouses adjacent to, or adjoining, our residential projects and retail malls through both Vinhomes and Vincom Retail. These shophouses complement our existing residential projects and retail malls by offering customers complementary housing and shopping options, providing a wider range of product and service offerings for our customers. The standalone shophouses we develop and sell are terraced houses typically located near a Vincom Plaza. Each standalone shophouse is typically a mixed-use three or four storey unit with a site area of 75 sqm to 150 sqm. The first two storeys are usually used for commercial purposes while the third and fourth storeys are usually used for

residential purposes. As of 31 December 2020, Vingroup has developed 37 standalone shophouses projects and sold approximately 2,303 standalone shophouses.

Vinhomes also develop beach villas and holiday homes, which are often located near its residential projects or Vinpearl hotel and resort projects. All of these non-residential, non-office projects are sold, and Vinhomes does not manage them following their sales.

Vinhomes is in the process of developing industrial properties to leverage favourable macroeconomic conditions arising from increased flows of foreign direct investment, particularly within the manufacturing sector. Vinhomes has established a significant pipeline of industrial projects for both sale and leasing, in order to capture growth in this area.

As of 31 December 2020, Vinhomes had 11 industrial projects in the pipeline, with details as follows.

No.	Project Name	City	Site Area (‘000 sqm) ⁽¹⁾	Type of Development	Effective Economic Interest	Estimated Delivery Start—Sales Components ⁽²⁾	Launch date—Leasing Components ⁽¹⁾
1	Vinfast and supplier park	Hai Phong	3,258	Leasing	100%	N/A	2019
2	Extended supplier park	Hai Phong	484	Leasing	100%	N/A	2023
3	Thyy Nguyen	Hai Phong	3,196	Sale & Leasing	100%	2022	2023
4	Quang Ninh 1: Yen Hai Phong Coc	Quang Ninh	2,953	Sale & Leasing	100%	2024	2025
5	Quang Ninh 2: Mong Cai	Quang Ninh	1,998	Sale & Leasing	100%	2022	2024
6	Ben Rung 1	Hai Phong	1,750	Sale & Leasing	100%	2023	2025
7	Ben Rung 3	Hai Phong	5,000	Sale & Leasing	100%	2023	2025
8	Hai Duong	Hai Duong	20,000	Sale & Leasing	100%	2024	2025
9	Nam Trang Cat	Hai Phong	2,004	Sale & Leasing	100%	2022	2024
10	Cai Trap	Hai Phong	3,159	Sale & Leasing	100%	2023	2025
11	Cam Ranh, Khanh Hoa	Khanh Hoa	3,500	Sale & Leasing	100%	2023	2025
	TOTAL		<u>47,303</u>				

Notes:

(1) Based on management’s current estimates.

(2) Refers to the date when the first unit of the project is expected to be delivered to a customer, based on management’s current estimates.

Property Development

Vinhomes adopts a standardized approach to the development of its residential and commercial office projects, covering land acquisition, planning and design, land clearance, construction, quality control, project sales and sales research and marketing, with key deliverables at each stage of development. This allows it to exercise a high degree of control over the entire development process, and enables it to deliver new residential and commercial properties to the market in an expedited manner, while leveraging its knowledge of the market.

Vinhomes closely monitors the land acquisition and project development process. In the event that there is a delay in payment of land use fees or construction schedule, it will seek immediate rectification, including application for an extension from the relevant government authorities as well as negotiation and entry into supplementary agreements. Vinhomes ensures that agreements entered into with subcontractors include penalties for delays or unsatisfactory performance. In addition, as part of its standardized operational model, Vinhomes endeavours to train its staff to ensure timely project development in compliance with applicable Vietnamese laws and regulations.

Project Financing

In order to manage projects, meet working capital requirements and fund various investments for growth of its business as planned, Vinhomes relies on funds from several sources, including cash from pre-sales of its projects under development, internal resources and external financing from financial institutions, commercial banks and capital markets offerings. Several factors dictate the choices among various sources of funds, including but not limited to Vinhomes’ financial position, current market conditions and the confidence that financial institutions and investors have in the Group. Vinhomes has reliable access to funding support from commercial banks due to its market leading position, its management’s reputation and the reputation of Vingroup.

Vinhomes primarily finances the construction of its projects with cash from pre-sales. It requires customers to pay first instalment payments typically amounting to 30% of the total purchase price at or shortly after the time of contracting. As a result of its upfront payment incentives, many purchasers had made payments ahead of their payment schedules, in most cases totaling 70% of their unit's purchase price.

Vinhomes structures the instalment payment schedules in its sale and purchase agreements with customers to ensure that its cash flows from instalment payments are sufficient to meet its expected cash requirements for land and construction costs that it expects to incur throughout the development process until handover date. This minimizes the need for other forms of external financing.

Property Management

Vinhomes has a dedicated property management department that manages and provides a wide range of after-sales services for completed projects. The department is organized into teams that focus on separate groups of projects to ensure that they are familiar with the operational needs of each project and to provide high-quality and in-demand after sales services. The property management department is led by an experienced group of professionals with extensive experience operating residential and office projects in urban areas of Vietnam.

Vinhomes' after sales services include maintenance of common facilities, customer services such as reception areas, telephone hotlines and customer care centers, public utilities such as gyms, nursing facilities and swimming pools, landscaping services, sanitation services, parking management, cleaning and electricity. It also provides staffing for all of these services, including receptionists, gym trainers, nurses and other support staff. 24-hour security services is provided for all of the Vinhomes projects through dedicated security personnel and/or security monitoring systems. Vinhomes charge its residents a monthly management fee. Vinhomes residents are allowed open access to all facilities and services in the project. Certain facilities and services are made available on a pay-per-use basis. Well-qualified technicians and contractors are on standby to address unforeseen repair and maintenance issues. Many of these services are provided by other members of Vingroup.

Vinhomes' property management department implements a set of general quality standards to ensure that high-quality after-sales services are consistently available across all of its projects. Vinhomes utilizes a standard form of work instructions and procedures, and its property management department conducts quality inspections at each of its projects. Vinhomes' property management department also meets regularly with third-party service providers and conducts a quarterly resident survey to solicit feedback on service quality and to identify potential areas for improvement.

Vinhomes also has an urban team that provides after-sales services for the completed, unfinished villas that it sells. These villas are handed over to customers on a bare-shell basis and customers are allowed to create their own final design and construction plans to complete the villa to their liking. The urban management team advises customers as they develop their own final design and construction plans and approves those plans to ensure that they meet the customer's requirements while also complying with Vinhomes' construction and design standards.

Vincom Retail—Commercial Retail Real Estate

We develop, manage and operate retail properties in Vietnam's major cities through Vincom Retail. Vincom Retail has grown its retail mall platform nationwide to cater to the rapidly-growing Vietnamese consumer and retail market, and many of its tenants have expanded with it across Vietnam. Vincom Retail aims to build "destination" malls that cater to the changing lifestyle and trends of Vietnamese consumers. It believes that its nationwide scale and unique multi-format model make it the "go-to" platform for international and established local brands.

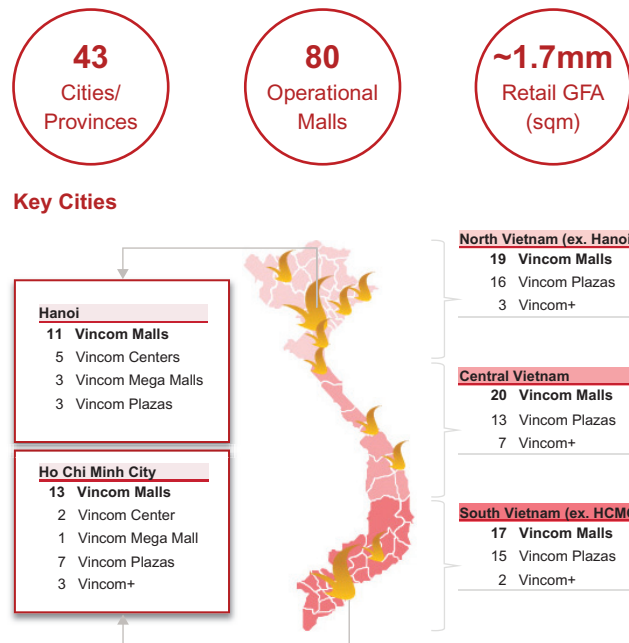
Vincom Retail's nationwide network of retail malls captures the full spectrum of growing Vietnamese consumer demand. Its multi-format retail model penetrates different markets across the country. Its four retail mall formats are as follows:

- the "Vincom Center" mall format comprises retail malls in high-density and high-traffic prime locations such as city centers or central business district areas in the key cities of Hanoi and HCMC, principally targeted at middle and upper-middle income consumers, and with a typical Retail GFA of 40,000 to 60,000 sqm;
- the "Vincom Mega Mall" mall format comprises lifestyle malls located in integrated, mixed-use Vingroup developments in the key cities of Hanoi and HCMC, and in Vinhomes mega projects, principally targeted at addressing the lifestyle needs of families across all income segments, and with a typical Retail GFA of 60,000 to over 150,000 sqm;
- the "Vincom Plaza" mall format comprises community retail malls located in high-density suburbs of Hanoi and HCMC and also in central locations in other provinces, often with complementary units such as villas,

apartments and shophouses, principally targeted at middle income consumers, and with a typical Retail GFA of 10,000 to 40,000 sqm; and

- the “Vincom+” mall format comprises community retail malls located in medium-density areas of Hanoi and HCMC and also in central locations in other provinces, often with complementary units such as villas, apartments and shophouses, principally targeted at low to middle income consumers, offering a convenient “all-in-one” shopping destination, and with a typical Retail GFA of 3,000 to 5,000 sqm.

As of 31 December 2020, Vincom Retail had 80 operational malls across 43 cities and provinces in Vietnam with Retail GFA of 1.7 million sqm across Vietnam.



The following table sets forth details of the different retail mall formats:

	As of and for the year ended 31 December		
	2018	2019	2020
Vincom Center			
Total Retail GFA ('000 sqm)	246,003	280,026	280,026
Average Occupancy Rate (%)	93%	91%	93%
Vincom Mega Mall			
Total Retail GFA ('000 sqm)	395,148	388,082	444,098
Average Occupancy Rate (%)	89%	92%	87%
Vincom Plaza			
Total Retail GFA ('000 sqm)	744,593	857,517	857,517
Average Occupancy Rate (%)	87%	89%	82%
Vincom+			
Total Retail GFA ('000 sqm)	62,553	71,936	71,936
Average Occupancy Rate (%)	76%	85%	75%
Total			
Total Retail GFA ('000 sqm)	1,448,297	1,597,561	1,646,200
Average Occupancy Rate (%)	88%	90%	84%

Vincom Retail has entered into various arrangements to provide tenants with customary services. These services include facilities management, security and other services. Vincom Retail has a large, experienced in-house team of operational and asset managers and customer care representatives that manage its retail malls.

As of 31 December 2020, Vincom Retail had six projects in the pipeline for 2021 and 2022, with details as follows.

No.	Project Name	City	Type	Estimated GFA ('000 sqm)
1.	VCP My Tho	My Tho	Vincom Plaza	15,000
2.	VCP Bac Lieu	Bac Lieu	Vincom Plaza	12,040
3.	VMM Smart City	Hanoi	Vincom Mega Mall	68,000
4.	VMM Grand Park	HCMC	Vincom Mega Mall	50,000
5.	VCP Nha Trang Cang Den 2	Khanh Hoa	Vincom Plaza	34,000
6.	VCP Ha Giang	Ha Giang	Vincom Plaza	7,200

Similar to Vinhomes, Vincom Retail also develops and sells standalone shophouses adjacent to, or adjoining, our residential projects and retail malls. These shophouses complement our existing residential projects and retail malls by offering customers complementary housing and shopping options, providing a wider range of product and service offerings for our customers. The standalone shophouses we develop and sell are terraced houses typically located near a Vincom Plaza. Each standalone shophouse is typically a mixed-use three or four storey unit with a site area of 75 to 150 sqm. The first two storeys are usually used for commercial purposes while the third and fourth storeys are usually used for residential purposes. As of 31 December 2020, Vincom Retail had developed 21 standalone shophouses projects and sold approximately 1,327 standalone shophouses.

Mall Tenants

Vincom Retail maintains long-term relationships with an extensive base of international and domestic tenants and have access to a wide leasing network, with more than 1,000 unique tenants as of 31 December 2020. Its retail tenants include key mass- to mid-market international lifestyle brands and well-known international luxury brands such as Zara, Uniqlo, H&M, Mango, Cotton on, Nike, Levi's, Charles & Keith, Pedro, Watson, Matsumoto Kyoshi, Haidilao, Pizza 4ps, Kichi, Gogi House, Manwah, Highland Coffee, Starbucks, Phúc Long, The Coffee House, CGV, Tiniworld, Jang In and LocknLock. Vincom Retail's strong market share, the close interaction between its dedicated leasing team and its existing and potential tenants provides a unique insight into existing and future market demand and tenant strategies.

Vincom Retail's diverse mix of tenants reflects its dynamic leasing and marketing strategy and is intended to maximize footfall at its retail malls. Vincom Retail develops localized trade mix and tenant mix for each of its shopping malls based on in-depth analyses of market consumption behaviour. Vincom Retail's dedicated leasing team is responsible for assessing prospective tenants with a focus on the following key areas: (i) viability of the business; (ii) alignment of business concept to an individual mall's tenancy plan; (iii) compatibility with the individual mall's image; (iv) presence in Vietnam and overseas markets; (v) performance history with Vincom Retail (if applicable); and (vi) optimizing the tenant mix of retailers at the individual mall. Vincom Retail's leasing strategy is to prioritize identifying and securing anchor tenants, which generally facilitates securing tenants for smaller retail units and food court units, because well-known anchor tenants attract a significant level of customer footfall.

Further information on the tenant mix across Vincom Retail's retail properties is set forth below.

	<u>Fashion</u>	<u>Food and Beverage</u>	<u>Entertainment</u>	<u>Supermarket</u>	<u>Other</u>
Tenant mix (as a percentage of total NLA as of 31 December 2020)					
Vincom Mega Mall	26%	12%	18%	5%	39%
Vincom Center	32%	19%	16%	6%	26%
Vincom Plaza	19%	13%	23%	5%	40%
Vincom+	8%	11%	11%	59%	11%
Average	23%	14%	20%	8%	36%

See below the lease expiry profile across Vincom Retail's retail properties for the periods indicated.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>After 2023</u>
Lease expiry profile by % NLA				
Vincom Mega Mall (%)	21	20	24	35
Vincom Center (%)	20	17	12	51
Vincom Plaza (%)	30	19	13	38
Vincom+ (%)	<u>51</u>	<u>23</u>	<u>13</u>	<u>13</u>
Total	26	19	16	39

Mall Development

Vincom Retail adopts a standardized approach to the feasibility study, development, construction, leasing, management and marketing of each of its retail mall formats, with key deliverables at each stage of development, allowing it to exercise a high degree of control over the entire development process, and enabling it to deliver new malls to the market in an expedited manner, while leveraging its knowledge of the market.

Mall Leasing

Vincom Retail enters into a standard form lease agreement for most of its retail mall tenants, although variations may be made in limited circumstances, particularly for certain anchor tenants. Its tenant leases generally fall into two categories: fixed-rate leases and revenue-sharing leases. In 2020, Vincom Retail derived approximately 81% of its rental income from fixed-rate leases. Its fixed-rate leases contain standard annual escalation provisions. Rental rates are calculated on the basis of the leased space's location and size, with a discount offered to large stores and anchor tenants. Under revenue-sharing leases, the rent paid by a tenant is calculated as a percentage of their revenue generated over a specified period, generally subject to a minimum rent. Vincom Retail enters into revenue sharing leases with certain anchor tenants.

Vincom Retail's leases with non-anchor tenants generally have a term of three years, subject to certain exceptions on a case-by-case basis. Its retail mall tenants typically pay an upfront deposit and monthly rent. Tenants may terminate their lease with prior notice. Leases with anchor tenants generally have a term of five to 15 years with a notice period of six months or more.

All leases entered into, whether between companies within our Group or between a Group entity and unrelated third parties, are on arm's-length commercial terms. We believe that the current rents payable by tenants of Vincom Retail's retail malls reflect prevailing market rents. As of 31 December 2020, 9 % and 91% of Vincom Retail's total NLA is leased to companies within our Group and third parties respectively.

Vincom Retail's target pre-committed occupancy varies according to the mall format and size, but it generally targets an occupancy rate on the date of opening of 95% for Vincom Center, 85% for Vincom Mega Malls and 90% for Vincom Plaza and Vincom+ malls. In 2020, Vincom Retail opened Vincom Megamall Ocean Park with occupancy rates (including committed tenants) of 94%. Vincom Retail adopts key asset enhancement initiatives from time to time to improve occupancy and rental rates. For example, Vincom Mega Mall implemented measures to optimize traffic flow by reconfiguring the layout and creating event halls by revamping common areas.

Vinpearl—Hospitality and Entertainment Real Estate

We develop, operate and manage hotels and resorts, amusement parks, entertainment centers and golf courses in Vietnam through Vinpearl. Vinpearl's unique integrated hospitality model is premised on our Group's ability to secure large land sites and offer complementary services to traditional lodging offerings such as shopping, entertainment, healthcare and food and beverage.

Hospitality

Vinpearl's portfolio includes the following hotel and resort lines across different customer segments to maximize customer engagement, from affluent consumers to business travellers to families and large groups:

- Vinpearl Luxury: principally targeted at affluent consumers group who appreciate gourmet dining and enjoy high-end amenities, families that wish to experience luxurious stays in Vietnam with a focus on lifestyles and business travellers. As of 31 December 2020, Vinpearl Luxury had 546 keys and three projects.
- Vinpearl City Hotel: a premium brand for city hotels located in prime locations in city areas with facilities designed to international standards. As of 31 December 2020, Vinpearl City Hotel had 2,215 keys and 10 projects.

- Vinpearl Resort: a high-end resort brand, which provides meetings, incentives, conferences and exhibitions venues designed with a modern Vietnamese architectural style. As of 31 December 2020, Vinpearl Resort had 3,857 keys and nine projects.
- Vinpearl Discovery and Condotel: 5-star hotels located in city centers or economic zones, which are equipped with facilities and amenities for recreational as well as cultural experiences. As of 31 December 2020, Vinpearl Discovery and Condotel had 4,675 keys and 10 projects.
- VinOasis: a hotel, event and entertainment complex located at scenic beaches in Vietnam, aimed at a young, dynamic and trend-setting population that enjoys 24/7 entertainment activities. As of 31 December 2020, VinOasis had 1,378 keys and one project.
- VinHolidays: a new smart and simple hotel product aimed at the economy segment with simple service. Vinpearl developed this product line to access the untapped markets, thus diversifying its customer segments. As of 31 December 2020, VinHolidays had 687 keys and one project.

We set forth in the table below further information on the number of hotel properties and room nights sold by Vinpearl for the periods indicated.

	As of and for the year ended 31 December		
	2018	2019	2020
Number of hotel properties ⁽¹⁾			
Number of existing properties	19	30	33
Number of new openings during the year	11	3	2
Total	30	33	35
Number of room nights sold ⁽²⁾			
Vinpearl Luxury	65,929	71,819	14,497
Vinpearl Resort	607,782	619,760	294,466
Vinpearl Hotel	99,277	263,329	175,072
Vinpearl Discovery	186,630	272,199	94,808
Vinpearl Condotel	180,731	393,789	87,592
VinOasis	46,786	124,210	144,260
VinHolidays	—	—	451
Total	1,187,135	1,745,106	811,146

Notes:

(1) The growth in the number of hotel properties from 2018 to 2020 represents a compound annual growth rate of 6%.

(2) The growth in the number of room nights sold from 2018 to 2020 represents a compound annual growth rate of -17%.

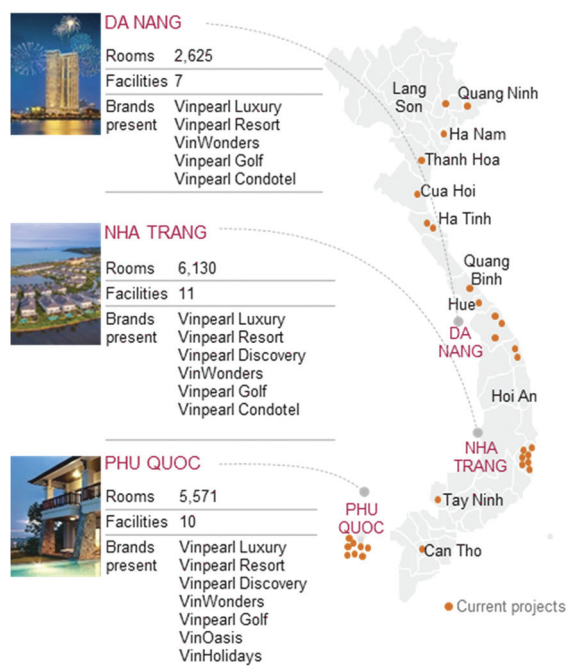
We set forth in the table below a breakdown of keys by hotel and villa for the periods indicated.

	As of 31 December			As of 31 December 2020, including pipeline projects
	2018	2019	2020	
Number of keys ⁽¹⁾				
Hotels	9,738	10,534	11,221	12,142
Villas	2,159	2,137	2,137	2,246
Total	11,897	12,671	13,358	14,388

Note:

(1) The growth in the number of keys from 2018 to 2020 (including the pipeline projects) represents a compound annual growth rate of 6%.

The following map shows Vinpearl's hospitality properties in some of Vietnam's most popular tourist locations as of 31 December 2020.



The following table sets forth further information about Vinpearl's key hospitality properties as of 31 December 2020.

No.	Project Name	Location	Property Type	Opening date	Number of rooms & villas
1	Vinpearl Resort Nha Trang	Nha Trang	Beach villas, Hotel	Q3/2003	533
2	Vinpearl Luxury Nha Trang	Nha Trang	Beach villas	Q2/2011	84
3	Vinpearl Luxury Da Nang	Da Nang	Beach villas, Hotel	Q3/2011	239
4	Vinpearl Resort & Spa Phu Quoc	Phu Quoc	Beach villas, Hotel	Q4/2014	626
5	Vinpearl Resort & Spa Nha Trang Bay	Nha Trang	Beach villas, Hotel	Q2/2015	651
6	Vinpearl Resort & Golf Phu Quoc	Phu Quoc	Beach villas, Hotel	Q4/2015	562
7	Vinpearl Resort & Spa Ha Long	Quang Ninh	Hotel	Q4/2015	384
8	Vinpearl Discovery Rockside Nha Trang	Nha Trang	Beach villas, Hotel	Q4/2016	500
9	Vinpearl Discovery Sealink Nha Trang	Nha Trang	Beach villas	Q4/2016	147
10	Vinpearl Discovery Golfink Nha Trang	Nha Trang	Beach villas	Q4/2016	182
11	Vinpearl Hotel Can Tho	Can Tho	Hotel	Q4/2016	262
12	Vinpearl Discovery Cua Hoi	Nghe An	Beach villas, Hotel	Q2/2017	199
13	Vinpearl Discovery Ha Tinh	Ha Tinh	Beach villas	Q2/2017	42
14	Vinpearl Resort & Spa Da Nang	Da Nang	Beach villas	Q2/2017	122
15	Vinpearl Resort & Spa Hoi An	Quang Nam	Beach villas, Hotel	Q2/2017	218
16	Vinpearl Resort & Spa Long Beach Nha Trang	Nha Trang	Beach villas	Q2/2017	200
17	Vinpearl Discovery Coastalland Phu Quoc	Phu Quoc	Beach villas	Q2/2017	225
18	Vinpearl Hotel Ha Tinh	Ha Tinh	Hotel	Q4/2017	311
19	Vinpearl Condotel Empire Nha Trang	Nha Trang	Hotel	Q1/2018	1,221
20	Vinpearl Resort & Golf Nam Hoi An	Quang Nam	Beach villas, Hotel	Q2/2018	561
21	Vinpearl Condotel Riverfront Da Nang	Da Nang	Hotel	Q2/2018	864
22	VinOasis Phu Quoc	Phu Quoc	Hotel	Q2/2018	1,378
23	Vinpearl Condotel Beach Front Nha Trang	Nha Trang	Hotel	Q3/2018	895
24	Vinpearl Hotel Lang Son	Lang Son	Hotel	Q3/2018	127
25	Vinpearl Hotel Hue	Hue	Hotel	Q3/2018	213
26	Vinpearl Hotel Thanh Hóa	Thanh Hoa	Hotel	Q3/2018	295
27	Vinpearl Hotel Quang Binh	Quang Binh	Hotel	Q3/2018	127
28	Vinpearl Discovery WonderWorld Phu Quoc	Phu Quoc	Beach villas	Q4/2018	213
29	Vinpearl Discovery Greenhill Phu Quoc	Phu Quoc	Beach villas	Q4/2018	187

No.	Project Name	Location	Property Type	Opening date	Number of rooms & villas
30	Vinpearl Condotel Phu Ly	Ha Nam	Hotel	Q4/2018	180
31	Vinpearl Hotel Tay Ninh	Tay Ninh	Hotel	Q4/2018	127
32	Vinpearl Hotel Imperia Hai Phong	Hai Phong	Hotel	Q1/2019	362
33	Vinpearl Luxury Landmark 81	HCMC	Hotel	Q2/2019	223
34	Vinpearl Hotel Rivera Hai Phong	Hai Phong	Hotel	Q4/2019	211
35	VinHolidays Fiesta Phu Quoc	Phu Quoc	Hotel	Q4/2020	687
TOTAL					<u>13,358</u>

As of 31 December 2020, Vinpearl had two pipeline hotel projects to launch in 2021 and 2022. VinHolidays Infinity Phu Quoc is the only Vinpearl hotel project to be launched in 2021. Vinpearl also has plans to develop new safaris and golf courses as part of its mixed use projects.

Details of Vinpearl's pipeline projects are set forth below.

No.	Project Name	Location	Launched year	No. of keys	Site area (sqm)	GFA (sqm)
Hotel & Resort						
1	VinHolidays Infinity Phu Quoc	Phu Quoc	2021	921	17,110	41,221
2	Vinpearl Luxury Phu Quoc	Phu Quoc	2022	109	106,263	49,230
Total				<u>1,030</u>	<u>123,373</u>	<u>90,451</u>

Beach Villas & Condotels by Vinpearl

Through Vinpearl, we also develop, manage and sell beach villas and condotels adjacent to, or adjoining, our hotels and resorts. Vinpearl has developed approximately 15 beach villas and condotels projects and sold approximately 5,230 beach villas and condotels, as of 31 December 2020.

The beach villas and condotels that Vinpearl develops and sells are investment properties which purchasers can lease back to Vinpearl to manage through a profit sharing scheme.

Entertainment

Vinpearl offers the following leisure and entertainment lines as complimentary products to its hotels and resorts:

- VinWonders and Safari, designed to offer unique and diverse entertainment options for all income levels and age groups. As of 31 December 2020, VinWonders and Safari had four outdoor parks and one indoor entertainment center.
- Vinpearl Golf, principally targeted at affluent regional and domestic travellers in an upper-middle income bracket. As of 31 December 2020, Vinpearl Golf had four golf courses.

As of 31 December 2020, Vinpearl operated four amusement parks. Vinpearl's largest amusement park, a site area of 443,000 sqm in Phu Quoc, opened in June 2020. Vinpearl also operates one safari and one aquarium.

SOCIAL SERVICES AND OTHERS

In the social services and others sector, we operate hospitals through Vinmec, and provide a comprehensive K-12 educational system through Vinschool and university level education through VinUni.

Healthcare

Vinmec

As of 31 December 2020, the Vinmec network has 1,505 beds across seven hospitals and five clinics and employed more than 2,300 healthcare professionals, using modern equipment from the United States, Canada, Europe and Japan. In 2020, Vinmec recorded approximately 720,000 patient visits, which represented a 16% decrease as compared to 2019, due to the COVID-19 pandemic.

Vinmec is seeking to further its capabilities in cardiology and oncology. In July 2019, Vinmec signed a cooperation agreement with the University of Pennsylvania to establish Centres of Excellence ("COE") in

Cardiology and Oncology. Vinmec targets to meet COE standards in Cardiology and Oncology by 2024. Two of Vinmec's member hospitals have been awarded the Joint Commission International accreditation, the highest recognition for international quality standards for patient care and organization management. Further, in November 2019, Vinmec partnered with ICON Group in Australia to build an Oncology COE in Vietnam to further enhance the quality of cancer care in Vietnam.

Vinmec operates a stem cell and gene research institution with the vision of becoming a leader in the training, research, and application of the biomedicine and regenerative medicine field in order to provide more healthcare services to the Vietnamese people. Vinmec also has clinical programs through collaborations and strategic partnerships with international players such as the University of Pennsylvania, the University of Cambridge and other research and international academic institutes.

Vinmec is a social enterprise. Profits made from Vinmec's hospitals are invested back into Vinmec to further its social impact.

Education

Vinschool

Vinschool operates kindergartens, primary schools, secondary schools and high schools. Vinschool embarked on a transformation in curriculum and pedagogy in 2018, adopting a comprehensive mix of Vietnamese and international curricula, including the International Preschool Curriculum (which is offered in Vietnam exclusively through the Vinschool network), the Cambridge Bilingual Program and the bilingual 21st Century Skills Program. In December 2019, the Council of International Schools awarded 10 Vinschool locations membership, marking an important milestone in Vinschool's development for international high quality standards.

As of 31 December 2020, Vinschool operated 36 kindergartens, primary schools, secondary schools and high schools, comprising a total of approximately 31,400 students and 4,500 teachers and staff. Vinschool intends to open four new kindergartens and schools in Hanoi and Thanh Hoa in 2021. Vinschool campuses are located in Vinhomes communities, in line with our integrated development strategy to create comprehensive consumer service offerings within the Vingroup ecosystem. For example, the Vinhomes Central Park and Vinhomes Park Hill Times City developments feature, among others, Vinschool schools and a Vinmec hospital.

Vinschool is a social enterprise with a not-for-profit model. Any profits made from Vinschool's schools are reinvested in teachers' development and curriculum design in order to lead the Vietnamese K-12 education reform and enhance Vinschool's social impact.

VinUni

VinUni was established in March 2018 with the aim of achieving a breakthrough in educational quality at the university level in Vietnam.

In November 2018, Vingroup commenced construction of VinUni, which will be located in the Vinhomes Ocean Park mega project in Gia Lam, Hanoi. Construction of VinUni was completed in January 2020 after 14 months of construction. The university welcomed 300 students for the 2020 school year.

In 2018, Vingroup signed strategic collaboration agreements with Cornell University and the University of Pennsylvania. Pursuant to the agreements, Cornell University assists VinUni in auditing its infrastructure, hiring faculty and staff, developing curricula, conducting research and evaluating the quality of the first undergraduates from VinUni's College of Business and Management and College of Engineering and Computer Science. The University of Pennsylvania is also helping to create new undergraduate and graduate medical programs for VinUni's College of Health Sciences.

INSURANCE

Our insurance policies normally cover asset damage risks (including compulsory fire and explosion insurance), business interruption insurance and public liability, consistent with market practice in the industries in which we operate and in accordance with applicable Vietnamese laws. Under these policies, we pay customary premiums and deductibles. All our insurance contracts undergo a competitive bidding process, after which we select the most appropriate coverage and pricing for our insurance needs.

INFORMATION TECHNOLOGY

We rely on the effective operation of our information technology ("IT") systems for our business operations. VinTech is responsible for managing our IT system to meet our business needs. Our IT system is built to

stringent internal requirements using high-quality equipment from established international vendors, including Dell and HP. In the area of system integration services, we are implementing enterprise solutions throughout our Group from global software providers such as SAP, Oracle, Microsoft, IBM and Salesforce, with potential to provide enterprise IT services to external clients in the future. We are growing our IT infrastructure deployment and operation capabilities in collaboration with strategic partners.

Data from our operations is stored and backed up in our private data centers. Our data centers have been built to Tier 3 standards and reliability levels, including redundant and dual-powered servers, storage network links and are powered by multiple active independent power sources.

We maintain a system of policies and controls related to data protection. We employ data slicing and distribute the storage of a user's data points across several servers. We have physical security measures to prevent unauthorized access to our IT portal, and system and network management procedures. Data encryption is used to ensure confidentiality when user information is transmitted. Our cybersecurity operations are managed through VinTech's subsidiary, VinCSS. VinCSS utilizes advanced technologies in cyber threat intelligence, threat hunting, penetration testing, and proactive defences. VinCSS develops technical solutions for any threats identified. Our software is regularly updated. We prioritize IT education and awareness and conduct training sessions for our employees. Through VinTech, we conduct regular audits and checks to ensure compliance with security protocols.

ENVIRONMENT, HEALTH AND SAFETY

Our operations are subject to regulatory requirements and potential liabilities arising under applicable environmental, health or safety-related laws and regulations in Vietnam. We have implemented procedures for periodic monitoring and reviews for compliance with applicable environmental laws and regulations, including those related to hazardous waste products, waste collection, treatment and disposal. For example, VinFast's factory sewage treatment system was built to ensure compliance with standards for discharging effluent into water bodies. We outsource the handling and removal of waste products to licensed third-party contractors.

Work safety management is of prime importance to us. We have implemented measures to look after the workers' safety, hygiene and work environment. Operations or service employees are supplied with uniforms and work in environments that meet applicable health and safety standards.

We require our subcontractors to compensate their employees for work place safety incidents and maintain adequate fire and safety protocols and insurance policies.

Beyond compliance with relevant environmental laws and regulations, we place great emphasis on environmental stewardship in all our activities. We monitor our consumption of fuel, electricity and water and launched initiatives to reduce energy consumption. For example, transport systems for passengers and luggage were switched from running on fossil fuels to electric batteries to reduce carbon dioxide emissions at all Vinpearl hotels. We adopt low density designs and emphasize harmony between our real estate developments and their surroundings, and have installed features including central air-conditioning, low-E glass lenses to restrict UV light, and electricity use controls in our Vinhomes Skylake and Vinhomes Metropolis projects.

During the COVID-19 outbreak, we demonstrated flexibility and adaptability in each of our businesses and a resilient financial performance. Leveraging significant property sales revenue from Vinhomes, we saw our net revenue of inventory properties increase by 11.9% from VND 64,505 billion in the year ended 31 December 2019 to VND 72,167 billion in the year ended 31 December 2020. Excluding the retail segment, we saw our net revenue increase by 10.1% from VND 100,334 billion in the year ended 31 December 2019 to VND 110,490 billion in the year ended 31 December 2020. Excluding property sales and retails, we grew our recurring net revenue by 7% from VND 35,829 billion in the year ended 31 December 2019 to VND 38,323 billion in the year ended 31 December 2020, driven by strong net revenue contribution from VinFast with the ramp up of the production and sales of cars and electric motorcycles.

VinFast

Following the Government's compulsory lockdown order in April 2020, VinFast's manufacturing plants were temporarily suspended from 6 April to 30 April. Showrooms and authorized dealers were also required to temporarily close in compliance with the Government's social distancing policy. All showrooms and authorized dealers reopened on 23 April 2020, while production resumed on 4 May 2020 at both manufacturing facilities. As a result of these developments, VinFast delayed its product launches for 2020 to 2021 and 2022, only launching VinFast President in 2020. The new VinFast car models are expected to electric vehicles that integrate smart technology.

Nonetheless, VinFast displayed adaptability amidst the pandemic, utilizing special promotions to capture market demand, and deploying cost-cutting measures to better manage the impacts of COVID-19. While management intended to delay its capital expenditure plan to 2021, Vietnam's effective containment of COVID-19 allowed VinFast to take an aggressive approach to increasing capital expenditure and resuming production, capturing more market share and strengthening VinFast's competitiveness. VinFast accelerated the localization of the manufacturing process for various auxiliary parts which typically need to be imported in large volumes to mitigate supply chain risks and reduce costs. It conducted in-depth training to upgrade the skills of its work force and ensure technology transfer in order to gradually reduce operational costs. VinFast also focused on optimizing transportation costs, reducing outsourcing expenses and implementing stricter monitoring of energy consumption. In order to increase sales, VinFast launched innovative marketing campaigns and special promotions, leveraging the cross-selling opportunities available within the Vingroup ecosystem.

Despite the setbacks, in November 2020, VinFast achieved a record number of sales totaling over 4,000 units sold. In 2020, VinFast sold approximately 31,500 cars and 45,400 electric motorcycles, exceeding its 2020 full year target.

VinSmart

The COVID-19 outbreak had limited impact on the supply and demand of VinSmart products. Higher levels of inventory amongst VinSmart's suppliers ensured a continuous supply of parts, allowing it to continue providing competitively priced products to the market and grow its market share. As the existing capacity of VinSmart's manufacturing plant was sufficient for its internal use, as well as contract manufacturing, it did not have any need to expend additional capital expenditure.

Nonetheless, VinSmart implemented a few measures aimed at ensuring the continuity of its business and boosting sales in the face of the pandemic. It mitigated supply risk by using seaway transportation to supplement logistics transportation via land and sea. VinSmart also collaborated with major online and offline retailers to organize major sales events, with customers enjoying complementary delivery services and discounts for online purchases. In addition, VinSmart collaborated with VinFast's research and development institutes to manufacture non-invasive ventilators to help mitigate the spread of COVID-19. VinSmart developed an IoT ecosystem, produced Smart Home and Smart City hardware and software solutions, which have been integrated into the Vinhomes megacity projects.

Overall, VinSmart experienced minimal impacts due to high levels of online sales, particularly during the lockdown, and retained its position as the third best-selling brand in Vietnam for three consecutive quarters, with a total of 1.95 million units sold in 2020. It also successfully exported its first batch of orders to the United States in 2020. In 2020, VinSmart unveiled Aris 5G, the first made-in-Vietnam 5G-enabled smart phone.

One Mount Group

While One Mount Group did experience some impacts from COVID-19 in its offline-linked businesses, given the digital nature of One Mount Group's business models, we believe the pandemic provides an opportunity for One Mount Group to further encourage and benefit from the digital behaviours of its customers, from retailers to end-consumers.

Vinhomes

In 2020, Vinhomes weathered the pandemic by leveraging high levels of demand to maintain sales momentum, particularly through strong demand from the resilient mid-end customer segment. Vinhomes also benefited from the Government's interest rate cuts and regulations delaying tax and land fee payments, which served to reduce borrowing costs for buyers.

Vinhomes adapted to market developments by increasing its interaction with potential buyers through non-traditional channels, including Vinhomes' TV channels, social media and Viber, in order to boost sales. Vinhomes launched an online sales platform which enabled potential buyers to tour the projects and units and interact with sales staff before placing orders online. It has also engaged in additional promotions in conjunction with Vinpearl, VinFast and VinSmart to cross-sell the Vingroup ecosystem.

During the COVID-19 outbreak, Vinhomes has actively managed its project pipeline and postponed two launches in 2020 to minimize disruption and manage its costs. While Vinhomes was subject to two weeks of construction lockdown and three weeks of showroom closure as a result of Government regulations to control the spread of COVID-19, this did not materially affect our construction timeline, delivery schedule or sales momentum given Vinhomes' practice of staying two months ahead of construction schedule.

As a result, in the second half of 2020, approximately 5,700 units valued at over VND 27 trillion were pre-sold and a number of bulk sale transactions were either closed or progressed to mature stages of discussions. Overall, in the year ended 31 December 2020, Vinhomes experienced a significant growth in revenue as compared to the prior year, largely driven by a 40% increase in property sales as compared to the prior year.

Vinhomes also increased its focus on bulk sales, and remains in ongoing negotiations with several prospective bulk sales buyers for projects such as Vinhomes Smart City, Vinhomes Grand Park and Vinhomes Ocean Park. Moreover, in 2020, Vinhomes closed a bulk sales transaction with Japanese developers for Vinhomes Grand Park and Vinhomes Smart City for almost US\$1.1 billion. Other potential bulk sales transactions are in advanced stages of discussions with investors.

Further, Vinhomes is in the process of entering into the industrial park industry and has received high levels of interest to date.

In January 2021, Vinhomes received an investment approval for another mega project, Dream City, to be located adjacent to the Vinhomes Ocean Park. Vinhomes expects to launch sales in this project at the end of 2021 or in 2022, following the sale of Vinhomes Ocean Park.

Vincom Retail

Vincom Retail has experienced a V-shaped recovery, with revenue and EBITDA making a strong recovery in the third quarter of 2020 after experiencing a slump in the second quarter of 2020 due to government-imposed lockdowns. Due to social distancing orders, we were forced to temporarily close all of our 79 shopping malls from 1 April 2020 to 23 April 2020 and two of our shopping malls from 28 July 2020 to 1 September 2020. In addition, certain businesses located within shopping malls in cities affected by the COVID-19 pandemic, such as those operating in the food and beverages industry and the entertainment industry, were required by state agencies to temporarily suspend their operations. As of 31 December 2020, all 80 shopping malls were in operation, with foot traffic across our HCMC locations and Hanoi locations recovering to approximately 85% and 90% of foot traffic levels as of the same period in the prior year, respectively.

During the COVID-19 outbreak, in the third quarter of 2020, Vincom Retail provided a support package to tenants affected by the pandemic totaling VND 865 billion as of 31 December 2020. To further assist tenants, Vincom Retail connected the tenants with online service providers and online platforms, issuing 47,814 vouchers via the VinID application and supporting 167 stores with online sales initiatives through cooperations with OneID, Grabfood and Now. Meanwhile, in order to ensure the safety of its customers, Vincom Retail implemented thermal temperature screening and increased its sanitation and disinfection measures.

In addition, Vincom Retail adeptly adapted its business plan by delaying new mall openings to ensure its financial efficiency in the near-term and implementing cost saving measures, such as reducing overtime pay, utility costs and advertising and promotion expenses, deferring constructions and renovations and deferring the payment of value-added tax, corporate income tax and annual land fees. Vincom Retail also implemented work-from-home protocols which effectively helped to reduce overtime pay and capital expenditures.

Vinpearl

During the initial COVID-19 outbreak in the first quarter of 2020, Vinpearl's business was significantly affected as the majority of its bookings were cancelled as a result of government bans on international flights. In April 2020, all Vinpearl hotels and resorts were temporarily closed in compliance with the Government's social distancing policy. Starting at the end of April 2020, Vinpearl gradually resumed its business, starting with the reopening of 13 hotels and resorts, two Vinpearl golf facilities and two amusements parks. By 10 June 2020, Vinpearl had reopened an additional 15 hotels and resorts, as well as the remaining Vinpearl golf facilities and amusement parks. As of 31 December 2020, only 10 out of Vinpearl's 35 hotel properties remain temporarily closed.

Vinpearl implemented a suite of measures to mitigate the impacts of COVID-19. Given the ongoing travel restrictions, particularly on international tourism, Vinpearl pivoted to focusing on the domestic travel market and implementing a series of long-term cost saving programs. It placed additional emphasis on marketing and creating "staycation" packages to capture new customers, promoting sales through e-commerce, travel agents and corporate booking platforms. Vinpearl is currently working with domestic airlines to create post-COVID-19 promotional packages that aim to capture the pent-up demand for domestic travel. There is increasing focus on developing travel packages and marketing programs that are tailored to each customer segment to optimize on-site revenue and increase length of stay, while also attracting new customer segments who previously were unable to afford 3-star or 4-star hotels, as well as customers who are unable to travel overseas for the year. Further, Vinpearl has implemented long-term cost-savings programs to ensure its financial viability in the near term.

As a result of these initiatives, following the lifting of lockdown measures in April 2020, Vinpearl experienced a strong rebound in revenue and number of guests across its Nha Trang and Phu Quoc hospitality assets. Driven by domestic tourism, revenue increased from VND 519 billion to VND 1,183 billion, or 128%, and the number of room nights sold increased from approximately 106,800 to 207,000, or 94% in the third quarter of 2020 as compared to the second quarter of 2020. In particular, there was an overwhelming number of visitors to the new VinWonders Phu Quoc, Vinpearl Safari Phu Quoc and VinWonders Nha Trang. The effectiveness of the post-COVID promotion programs were also visible in the strong demand for hotel rooms, with the number of room nights sold reaching approximately 62,400 nights in June 2020, which was double the number in May 2020.

EMPLOYEES

As of 31 December 2020, our Group had 44,120 permanent employees. 16,222 employees have undergraduate degrees and 1,759 employees have postgraduate degrees.

INTELLECTUAL PROPERTY

Our Group's intellectual property comprises trademarks, copyrights, industrial designs, patents and domain names. Vingroup's material trademarks, such as "Vingroup," "Vinfast," "Vsmart," "Vinsmart," "Vinhomes," "VinPearl," "Vincom," "VinSchool" and "Vinmec" are registered with the National Office of Intellectual Property of Vietnam for a range of uses, and we are in the process of obtaining trademark registration certificates for our newer brands including "VinTech," "VinUni," "VinBrain," "HMS," "VinAI," "Vantix," "VinCSS," "Vin3S," "VinWonders" and "VinConnect." Vingroup has entered into trademark agreements with various members of our Group to assign such member the non-exclusive right to use certain of these registered trademarks and domain names for terms of varying duration.

RELATED PARTY TRANSACTIONS

Our Group, in the ordinary course of business, enters into various transactions with its joint ventures and associates. For details on our transactions with related parties, see Note 37 to the Group Financials included elsewhere in this Offering Circular.

LEGAL PROCEEDINGS

We are not aware of any material governmental, legal or arbitration proceedings that are currently pending or threatened.

COMPETITION

In the industrials sector, the Vietnamese motorcycle and car manufacturing market is nascent and as of 31 December 2020, VinFast is the only domestic home-grown brand in the market, with three of its models, Fadil, Lux A2.0 and Lux SA2.0, being the bestselling car model in their respective segments, according to the Vietnam Automobile Manufacturers' Association. For cars, VinFast competes primarily with Hyundai, Toyota, Kia, Mercedes and BMW. For electric motorcycles, our competitors include Yadea, Detech, DK Bike, Pega, Honda, Yamaha and Piaggio. Vsmart is a new entrant into the global smart phone and smart devices markets where there are established international manufacturers for entry-level, mid- and high-end models like Samsung and Xiaomi.

In the technology sector, VinTech's business focuses on research and development and hence, does not currently have any primary competitors. Meanwhile, with regards to One Mount Group, an ecosystem that spans across the retail, residential real estate and financial technology segment, we believe that One Mount Group offers a unique value proposition within the market. Within the retail segment, One Mount Group competes primarily with traditional sub-scale distributors as well as other technology-enabled companies such as Grab and Telio. Within the residential real estate segment, One Mount Group competes primarily with traditional brokerage agencies, online listing services, such as batdongsan.com.vn, and other online brokerage companies, such as Propzy. Within the financial technology segment, One Mount Group competes with e-wallet companies, such as Momo, and other traditional consumer lending institutions, such as FE Credit.

In the residential real estate sector, Vinhomes competes primarily with foreign real estate developers such as CapitaLand and Keppel Land and domestic Vietnamese real estate developers such as Novaland on certain key metrics, including location, facilities and supporting infrastructure, services and pricing.

In the commercial retail real estate leasing sector, Vincom Retail primarily competes with other major domestic retailers and developers as well as a growing number of foreign retailers and developers, including AEON, Central Group and Lotte for tenants and footfall at our malls.

In the hospitality and entertainment sector, Vinpearl primarily competes with international hotel and resort operators, including InterContinental, Accor, Hyatt and Hilton, in terms of quality, cost and availability of product and service offerings.

AWARDS

We set forth in the table below details of some of the awards won by our Group.

Vingroup	<ul style="list-style-type: none"> • Named as one of the Global 2000 by Forbes Global 2020 • Named as one of the Top 50 Listed Companies (2019 and 2020) • Named as one of Asia's Fab 50 Forbes Asia 2018 • Named as the Best Retail Developer and Best Hospitality Developer in Vietnam by the Euromoney financial magazine in 2018
Vinhomes	Named as one of the Top 50 Most Valuable Brands in Vietnam (2019) by Forbes Vietnam (top 5)
Vincom	Named as one of the Top 50 Most Valuable Brands in Vietnam (2019) by Forbes Vietnam (top 10)
Vinpearl	TripAdvisor's Travellers Choice 2020 for 18 Vinpearl properties
VinFast	Awarded the Excellent Award for New Manufacturer Safety Commitment 2021 by ASEAN NCAP

In addition, several of our Group's properties also received awards in the Asia Pacific Property Awards. Vincom Center Landmark 81 was recognized as Vietnam's Best Retail Development (2019) and Vinhomes Ocean Park was recognized as Vietnam's Best Mixed-Used Development (2019).

DESCRIPTION OF MATERIAL INDEBTEDNESS

Our Group has utilized bank borrowings and issued corporate bonds to fund our existing capital needs.

As of 31 December 2020, the total indebtedness of our Group amounted to VND 129,787 billion, comprising VND 25,972 billion in short-term loans and debts, VND 98,309 billion in long-term loans and debts and VND 5,506 billion in exchangeable bonds.

Set forth below is a summary of our material indebtedness. We did not have any material short-term loans or borrowings as of 31 December 2020.

Long-Term Loans and Borrowings

The following table sets forth certain information about our long-term bank loans and facilities (including the current portion of our long-term bank loans and facilities) as of 31 December 2020.

Arranger(s)/Lender(s)	Borrower	Guarantor	Total committed amount	Amount outstanding ⁽²⁾	Interest Rate per annum	Maturity Date
Dong Phu Hung—Binh Thuan Joint Stock Company	Vinhomes JSC	—	VND 2,285 billion	VND 1,705.0 billion	9.00%	29 October 2022
A syndicate of banks arranged by BIDV—Ha Thanh Branch	Vinfast	Vingroup	VND 10,000 billion	VND 9,000.0 billion	12-month interest paid-in-arrears saving date for individuals (+) 3.0%-3.5%	16 December 2027
BIDV—Ha Thanh Branch	Gia Lam Urban Development and Investment Co., Ltd	—	VND 3,000 billion	VND 15.9 billion	9.5% for the first period and 3.25% + BIDV individual Rate thereafter	8 October 2024
A syndicate of banks arranged by Credit Suisse, Industrial and Commercial Bank of China, Maybank Kim Eng Securities and Taipei Fubon Commercial Bank . . .	Vingroup	—	US\$300 million	US\$142.5 million	LIBOR + 5.0% ⁽¹⁾	12 July 2021
A syndicate of banks arranged by Credit Suisse, Bank of China Limited, Industrial and Commercial Bank of China Limited, Maybank Kim Eng Securities, the Hongkong and Shanghai Banking Corporation Limited and Taipei Fubon Commercial Bank Co., Ltd.	VinFast Trading And Production Limited Liability Company	Vingroup	US\$400 million	US\$340 million	LIBOR + 3.5% ⁽¹⁾	26 April 2023
A syndicate of banks arranged by Credit Suisse and the Hongkong and Shanghai Banking Corporation Limited	VinFast Trading And Production Limited Liability Company	Vingroup; Euler Hermes Aktiengesellschaft	US\$950 million	US\$900.7 million	LIBOR + 0.75% ⁽¹⁾	25 September 2030
A syndicate of banks arranged by Deutsche Bank, Mega International Commercial Bank, Taipei Fubon Commercial Bank and Maybank Kim Eng Securities	Vinmec International General Hospital JSC	Vingroup	US\$360 million	US\$360 million	LIBOR + 3.0% ⁽¹⁾	28 March 2022

Arranger(s)/Lender(s)	Borrower	Guarantor	Total committed amount	Amount outstanding ⁽²⁾	Interest Rate per annum	Maturity Date
A syndicate of banks arranged by Deutsche Bank, the Hongkong and Shanghai Banking Corporation Limited, Taipei Fubon Commercial Bank and Maybank Kim Eng Securities and Union Bank of Taiwan	Vingroup	—	US\$265 million	US\$265 million	LIBOR + 3.05% ⁽¹⁾	22 November 2024
A syndicate of banks arranged by Deutsche Bank, the Hongkong and Shanghai Banking Corporation Limited, Taipei Fubon Commercial Bank and Maybank Kim Eng Securities and Union Bank of Taiwan	Vinfast	—	US\$310 million	US\$310 million	LIBOR + 3.35% ⁽¹⁾	22 November 2024
A syndicate of banks arranged by Credit Suisse and Deutsche Bank . . .	Vinpearl JSC	Vietinbank	US\$300 million	US\$300 million	LIBOR + 3.25%	20 February 2024

Note:

(1) We have entered into a cross-currency interest rate swap contract to mitigate the risk relating to fluctuation of interest rate and exchange rate.

(2) Amount outstanding excludes loan issuance costs.

Bonds

The following table sets forth certain information about our bonds as of 31 December 2020.

Name of Issuer	Type	Total principal amount	Amount Outstanding ⁽¹⁾	Maturity Date	Interest Rate per annum
Vingroup	Secured	VND 2,000 billion	VND 2,000.0 billion	27 December 2022	10.2% for the first year and 3.3% + VPB individual saving Rate thereafter
Vinpearl JSC	Secured	VND 2,800 billion	VND 2,684.5 billion	29 June 2021	9.2% for the first half of the year and 3.25% + Interbank Interest Rate thereafter
Vincom Retail JSC	Secured	VND 3,000 billion	VND 2,600.0 billion	8 March 2022	8.1% for the first year and 3% + Vietinbank Interest Rate thereafter
Vinpearl JSC	Unsecured	US\$450 million	US\$240.6 million	14 June 2023	3.50%
VinFast Trading And Production Limited Liability Company	Unsecured	VND 10,000 billion	VND 10,000.0 billion	26 November 2022	10.00% for the first year and 4% + Interbank Interest Rate thereafter
Vincom Retail JSC	Secured	VND 2,000 billion	VND 2,000.0 billion	26 August 2025	9.5% for the first year and 3.5% + Interbank Interest Rate thereafter
Vinhomes JSC	Secured	VND 6,530 billion	VND 6,530.0 billion	30 November 2021	10.00% for the first year and 3.25% + Interbank Interest Rate thereafter
Vinhomes JSC	Secured	VND 5,470 billion	VND 5,470.0 billion	30 May 2023	9% for the first year and 3.25% + Interbank Interest Rate thereafter
Green City Development JSC	Secured	VND 2,000 billion	VND 2,000.0 billion	29 May 2023	9.5% to 31 Dec 2020 and 2.30% + VPB individual Rate thereafter
Vinpearl JSC	Secured	VND 4,000 billion	VND 4,000.0 billion	28 August 2023	10.2% for the first year and 4% + Interbank Interest Rate thereafter
Vinsmart Research and Manufacture JSC	Secured	VND 3,000 billion	VND 3,000.0 billion	20 August 2023	10% for the first year and 4% + Interbank Interest Rate thereafter

Note:

(1) Amount outstanding excludes bond issuance costs.

Vinpearl Exchangeable Bonds

On 4 October 2018, the Issuer issued US\$125,000,000 3.50% guaranteed exchangeable bonds due 2023 (the “**Further Bonds**”), to be consolidated and to form a single series with the US\$325,000,000 3.50% guaranteed exchangeable bonds due 2023 (the “**Original Bonds**” and, together with the Further Bonds, the “**2023 Bonds**”), which were issued on 14 June 2018. The 2023 Bonds are unsecured and are guaranteed by Vingroup. The net proceeds from the issue of the Bonds were used by the Issuer to develop hotel and resort real estate projects and to supplement capital in the Issuer’s subsidiaries and affiliates, with any remaining proceeds used by the Issuer for working capital and general corporate purposes.

Subject to the rights of the Issuer to call on the Bonds and as otherwise provided in the terms and conditions of the Bonds, bondholders have the right to exchange their Bonds into ordinary shares in the capital of Vingroup at any time during the exchange period and following the occurrence of a change of control.

Certain Issuances and Borrowings after 31 December 2020

Vingroup 2024 Bonds

On 18 February 2021 and 11 March 2021, Vingroup issued a total of VND 4,375 billion in bonds due 2024 through two issuances (the “**2024 Bonds**”). The 2024 Bonds bear an interest rate of 9.7% per annum in the first year and are subject to a floating interest rate in subsequent years, calculated as the average of the 12-month term interest rate of certain commercial banks plus margin. The net proceeds from the bond issuances were used by Vingroup to increase its capital investment in certain of its subsidiaries.

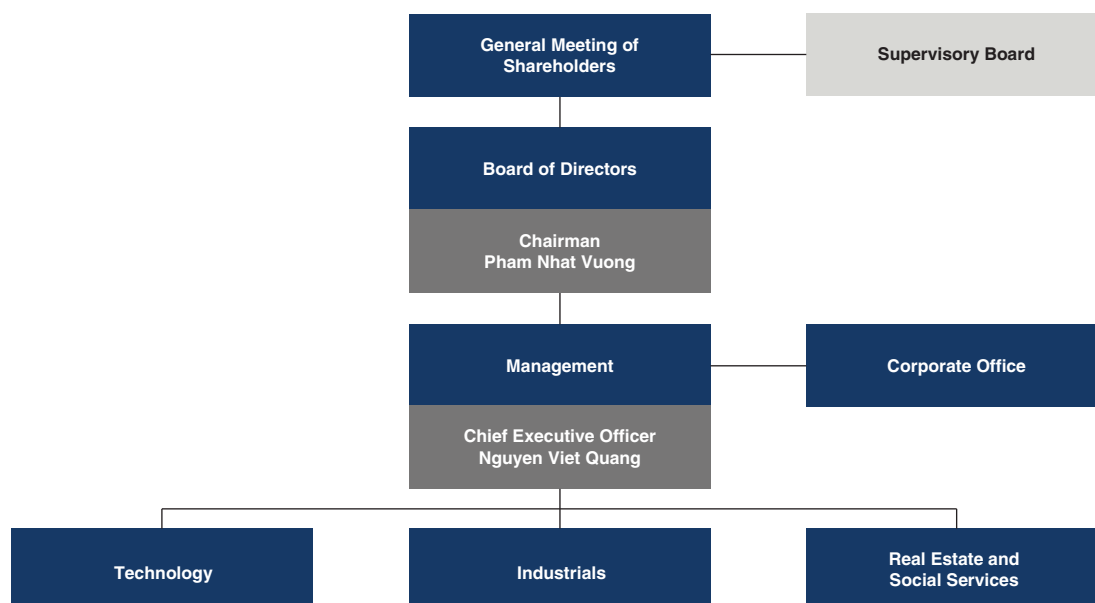
Borrowings

The following table sets forth certain information about borrowings made after 31 December 2020.

<u>Arranger(s)/Lender(s)</u>	<u>Borrower</u>	<u>Guarantor</u>	<u>Total committed amount</u>	<u>Amount outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
A syndicate of banks arranged by Credit Suisse, the Hongkong and Shanghai Banking Corporation Limited, Maybank Kim Eng Securities and Taipei Fubon Commercial Bank	Vingroup	—	US\$365 million	US\$365 million	LIBOR + 3.15% per annum	2 February 2026

CORPORATE GOVERNANCE AND MANAGEMENT

Our management reporting structure is as follows:



BOARD OF DIRECTORS

Under the Law on Enterprises, the board of directors is responsible for the overall management and direction of a joint stock company. The board of directors has the power to decide matters and implement rights and obligations of a company which are not under the authority of the general meeting of shareholders. Persons serving on the board of directors hold the same power, regardless of whether they are executive or non-executive members. All public companies are required to ensure that the board of directors maintains a balance between executive and non-executive members, with at least one-third of the board of directors being non-executive members. Listed companies (such as the Company) are subject to a more stringent board composition requirement, whereby at least one third of the board of directors must be non-managerial members (non-managerial members exclude the chief executive officer, deputy chief executive officer, chief accountant and other managerial officers in accordance with the Charter of the Company). There must be: (i) at least one independent member in the case where the board of directors is comprised of three to five members; (ii) at least two independent members in the case where the board of directors is comprised of six to eight members; and (iii) at least three independent members in the case where the board of directors is comprised of nine to 11 members. For the criteria of non-executive members and independent members of the board of directors, see “*Vietnamese Laws and Regulations—Vietnamese Securities Law—Corporate governance of a public company.*”

Our Board of Directors is elected at a general meeting of Vingroup’s shareholders and comprises nine members, one of whom serves as chairman.

The principal responsibilities of the board of directors are:

- planning the development of business and deciding the annual budget;
- determining operational objectives based on the strategic objectives approved by the general meeting of the Company’s shareholders;
- reporting to shareholders on matters such as proposed dividends, financial statements, business strategy and the general business condition of the Company; and
- formulating the organizational and management structure of the Company and the regulations within which it operates.

Pursuant to Decree 155/2020/ND-CP of the Government dated 31 December 2020 guiding the implementation of a number of articles of the Law on Securities (“**Decree 155**”), members of the board of directors are responsible for implementing their duties in an honest and diligent manner in the best interests of the shareholders and the company. Circular 116/2020/TT-BTC of the Ministry of Finance dated 31 December 2020 (“**Circular 116**”) provides that a public company may purchase liability insurance for members of the board of directors after obtaining approval from the general meeting of shareholders. Such insurance may not include insurance for liabilities of members of the board of directors in relation to any breach of law and the company charter.

Our Board of Directors comprises the following nine members:

<u>Name</u>	<u>Age</u>	<u>Address</u>	<u>Position in the Company/ Principal Occupation</u>
Mr. Pham Nhat Vuong	53	No.7 Bang Lang 1 Road, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Hanoi.	Chairman
Ms. Pham Thuy Hang	47	Group 41, O Cho Dua Ward, Dong Da District, Hanoi	Vice Chairman
Ms. Pham Thu Huong	52	No.7 Bang Lang 1 Road, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Hanoi.	Vice Chairman
Ms. Le Khac Hiep	65	No. 21, Lane 89, Thai Ha Street, Dong Da District, Hanoi	Vice Chairman and Independent Board Member
Ms. Nguyen Dieu Linh	47	No.6 Bang Lang 1 Road, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Hanoi	Vice Chairman and Authorized Spokesperson
Mr. Nguyen Viet Quang	53	No.14 Bang Lang 5 Road, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Hanoi	Vice Chairman and Chief Executive Officer
Mr. Park Woncheol ⁽¹⁾	54	103-1102, Daelim Acro River, Bangbae-dong, Seocho-gu, Seoul 06551, Korea	Board Member
Mr. Marc Villiers Townsend	62	AE 2801—The Manor, No.91 Nguyen Huu Canh Road, Binh Thanh District, Ho Chi Minh City	Independent Board Member
Mr. Ling Chung Yee Roy	44	12 Mount Sinai Drive Singapore 277073	Independent Board Member

Note:

(1) Mr. Park has been appointed to our Board of Directors as a nominee of SK Group.

Mr. Pham Nhat Vuong

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 our Group's core businesses, starting with its two initial brands, Vincom and Vinpearl. In 2012, Mr. Vuong was honoured as the first billionaire in Vietnam by Forbes and has since retained the position as the billionaire with the highest net worth in Vietnam.

Ms. Pham Thuy Hang

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

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.

Ms. Le Khac Hiep

Mr. Le Khac Hiep was elected to the Board in 2006. He was also Chairman of Vingroup from 2006 to 2011. He was appointed as 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

Ms. Nguyen Dieu Linh has been a member of the Board since 2008 and Deputy CEO of Vingroup 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

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

Mr. Park Woncheol

Mr. Park was elected to the Board in 2019. He is currently a board member of SK South East Asia Investment Pte. Ltd. and the head of a new business team at SK SUPEX Counsel. He was previously the Head of Energy Infrastructure Investment Division at Hana Alternative Asset Management, and was at GS Energy and OCI, responsible for renewable energy, power and LNG businesses. He also worked at Boston Consulting Group as a strategy consultant. Mr. Park graduated from Seoul National University with a Bachelor of Chemical Engineering. Mr. Park also holds a PhD and Masters in Chemical Engineering from Seoul National University and a Master of Business Administration from the University of Chicago (Booth). Mr. Park has been appointed to our board of directors as a nominee of SK Group.

Mr. Marc Villiers Townsend

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

Professor Ling was elected to the Board in 2011. He is the CEO and founder of FollowTrade. Concurrently, he is an Adjunct Professor in Finance at the SKEMA Business School, an Academic Program Director at SMU Academy and an Independent Board Director at several listed companies in Asia. Professor Ling spent more than 20 years in investment banking and held senior positions with JPMorgan, Lehman Brothers, Goldman Sachs and Salomon Smith Barney. During his investment banking career, Prof. Ling has originated and executed a broad range of advisory and capital market transactions including some of the most high profile transactions in the region. Professor Ling is a former Board Director of the CFA Society of Japan. He was honoured 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 the National University of Singapore with a Bachelor's degree in Business Administration (Honors) and from INSEAD with a Global EMBA.

Family Relationship

Mr. Pham Nhat Vuong is married to Ms. Pham Thu Huong, a principal shareholder of Vingroup, (see “*Principal Shareholders*”) and is the brother-in-law of Ms. Pham Thuy Hang, sister of Ms. Pham Thu Huong. Except as described, there are no other family relationships among Vingroup's Board of Directors.

MANAGEMENT

Vingroup's key management are appointed by the Board of Directors and currently comprises a Vice Chairman and Chief Executive Officer, four Deputy Chief Executive Officers and the Chief Accountant. Except for the position of Chief Executive Officer, Vingroup's key management are not appointed for a fixed term nor are they employed pursuant to any management service contracts.

Under the Company's Charter and Vietnamese Laws, the Chief Executive Officer shall decide on the daily business activities of the Company. In addition, the Chief Executive Officer has the following key responsibilities, among other things:

- to prepare and proposal annual business plan of the Company for the approval of board of directors and report to the general meeting of shareholders;

- to implement the resolutions of the board of directors and the general meeting of shareholders, the annual business plans, and investment plans of the Company that has been approved by the board of directors and/or the general meeting of shareholders;
- to decide the investment, sale of assets, sale and purchase contract, borrowing, loan, mortgage, pledge, granting guarantee, security transaction or indemnify and other type of contract has a total value of less than 10% of the total assets value of the Company as recorded in the latest financial statements, except contracts under the power of board of directors / general meeting of shareholders; and
- other responsibility as provided under the Company's Charter, resolution of the general meeting of shareholders and the board of directors, the authorization from the board of directors, his/her labour contract and Vietnamese Laws.

Our management currently comprises the following members:

<u>Name</u>	<u>Age</u>	<u>Address</u>	<u>Position</u>
Mr. Nguyen Viet Quang	53	No.14 Bang Lang 5 Road, Vinhomes Riverside Urban Zone, Viet Hung Ward, Long Bien District, Hanoi	Chief Executive Officer
Ms. Mai Huong Noi	52	Room 207-208 D5 Trung Tu, Trung Tu Ward, Dong Da District, Hanoi	Deputy Chief Executive Officer
Mr. Pham Van Khuong	62	No.69 Phung Hung Street, Hang Ma Ward, Hoan Kiem District, Hanoi	Deputy Chief Executive Officer
Ms. Duong Thi Hoan	43	Room 2405 Vincom apartments, 114 Mai Hac De Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Deputy Chief Executive Officer
Ms. Nguyen Thi Thu Hien	48	No. 7, Lane 218/74, Tay Son Street, Dong Da District, Hanoi	Chief Accountant

See “— *Board of Directors*” for a brief biography of Mr. Nguyen Viet Quang.

Ms. Mai Huong Noi

Ms. Mai Huong Noi has been a Board Member since 2008 and Deputy CEO since 2012. She was also CEO of Vingroup 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

Mr. Pham Van Khuong was appointed Deputy CEO in 2007. He has nearly 40 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. Duong Thi Hoan

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

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.

Term of office

According to the Charter, the term of office for the Chief Executive Officer is three years and the board of directors is permitted to reappoint the Chief Executive Officer after the end of three years. The appointment of the Chief Executive Officer may be terminated on the grounds set forth in the Company's Charter, the Enterprise Law and the Labour Law. There is no fixed term of office for the Company's Deputy Chief Executive Officers and the board of directors is authorized under our Charter to appoint and dismiss any of our Deputy Chief Executive Officers.

Supervisory Board

The supervisory board is elected at a general meeting of Vingroup's shareholders and currently consists of three members, each appointed for a five-year term, which can be renewed with shareholders' approval at a general meeting.

Under Vietnamese laws and Vingroup's Charter, the members of a company's board of directors are not allowed to be members of its supervisory board, and members of the supervisory board are required to be independent of the board of directors. Members of the supervisory board must have expertise in economic, finance, accounting, law, business management or other expertises relating to the company's business. Members of the supervisory board must not (i) be family members of the board of directors, general director and other managers; or (ii) hold other managerial positions in Vingroup. Members of the supervisory board are not necessarily shareholders or employees of Vingroup. More than 50% of the members of the supervisory board must permanently reside in Vietnam. The Head of the supervisory board of Vingroup must be accountant or auditor, and must have expertise in economic, finance, accounting, law, business management or other expertises relating to the company's business (by possessing a university degree (or higher) in such areas), unless the charter of the company imposes higher standards.

The supervisory board is responsible for inspecting the validity and legality of our Group's business activities and financial reports.

Under the laws of Vietnam and Vingroup's Charter, the supervisory board has the following key responsibilities, among other things:

- (a) to supervise the conduct of the board of directors and Chief Executive Officer in the management and operation of the business;
- (b) to inspect the unreasonableness, unlawfulness, untrustworthiness and carelessness of the management and operation of business activities, of the organization of accounting and statistical tasks, and of the preparation of financial statements;
- (c) to evaluate business performance reports, annual and semi-annual financial statements, and management evaluation reports of the board of directors, and submit reports on these evaluations to the annual meetings of the general meeting of shareholders;
- (d) to review the accounting books and other documents, and the management and operation the business, whether at its discretion or at the request of a substantial shareholder;
- (e) to report to the board of directors any member of the board of directors or the Chief Executive Officer or another manager who fails to comply with the obligations of a manager of Vingroup;
- (f) to convene a meeting of the general meeting of shareholders in certain cases;
- (g) to request the court or arbitration tribunal to revoke a decision of the general meeting of shareholders if (1) the order and procedures for convening the general meeting of shareholders did not comply with the law and the charter of Vingroup or (2) the order and procedures for issuing a resolution and the content of the resolution breach the law or the charter of Vingroup;
- (h) to report directly to the State Securities Commission or other State administrative bodies if it discovers any breach of the law or Vingroup's charter committed by a member of the board of directors or by a manager;
- (i) to review all related party transactions for potential conflicts of interest and all conflicts of interest to ensure that proper measures to mitigate such conflicts of interest have been put in place;
- (j) to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any law, rule and regulation which has or is likely to have a material impact on Vingroup's operating results and/or financial position;

- (k) to review risk management policies and guidelines and monitor compliance therewith; and
- (l) to participate in discussions at general meetings of shareholders, board meetings and other meetings.

The supervisory board will meet on a quarterly basis to discuss and examine the following matters where the supervisory board deems necessary:

- (a) seek external professional auditors or a qualified audit firm to review the internal audit of Vingroup, including reviewing the audit plans of external auditors, including the inspection results of internal auditors, external auditors and their assessments on internal accounting management system, their letters to the board of management and respective responses from the board of management given that the choice of external auditor or audit firm was approved in advance by the general meeting of shareholders.
- (b) to review the internal examination results and responses from the Managers; to ensure all shortcomings in the internal audit process shall be fixed appropriately and diligently based on any findings of external auditors or audit firms and any action taken by the supervisory board, the shareholders or the board of directors, where necessary and appropriate, to fix those shortcomings based on the findings; to review reports on the internal management system before seeking for an approval of the general meeting of shareholders.

The quorum for a meeting of the supervisory board shall be two-thirds of the total members of the supervisory board. Each member of the supervisory board shall have the right to vote on any matters submitted to the supervisory board for approval, except for the case where that member has benefits in relevant matters and such benefits conflict with the company's interest. The supervisory board will approve the resolutions, make a decision based on the majority votes (equal to or more than 50%) of the members of supervisory board present and have the voting rights on such matters (regardless of directly present, via conference call or in other communication manners).

Our Supervisory Board currently comprises the following:

<u>Name</u>	<u>Age</u>	<u>Address</u>	<u>Position</u>
Mr. Nguyen The Anh	46	No.25 Lo Duc Street, Pham Dinh Ho Ward, Hai Ba Trung District, Hanoi	Head of the Supervisory Board
Mr. Dinh Ngoc Lan	46	No.32, Lane Cho Kham Thien, Dong Da District, Hanoi	Supervisory Board Member
Ms. Do Thi Hong Van	48	Room 103B, A16, Nghia Tan Ward, Cau Giay District, Hanoi	Supervisory Board Member

Mr. Nguyen The Anh

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 from 1995 to 1997, he worked at Vietcombank’s Secretariat Office. He received a B.S. degree in Economics and a Master of Political Economics from the National University of Vietnam.

Mr. Dinh Ngoc Lan

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

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.

Remuneration of Board of Directors, Management and Supervisory Board

The aggregate total compensation paid by us to members of our Board of Directors and management for the year ended 31 December 2020 was VND 50 billion.

The aggregate total compensation paid by us to members of our Supervisory Board for the year ended 31 December 2020 was VND 2 billion.

PRINCIPAL SHAREHOLDERS

The following table sets forth details about the direct interests in Vingroup held by shareholders holding more than 5.0% of Vingroup's ordinary shares issued as of the date of this Offering Circular:

<u>Name of Shareholder</u>	<u>Number of ordinary shares held</u>	<u>% of shares held</u>
Pham Nhat Vuong ⁽¹⁾	876,002,651	25.43%
Vietnam Investment Group JSC ⁽¹⁾	1,120,117,989	32.52%
SK Investment VINA II Pte. Ltd.	205,752,212	5.97%
Others ⁽²⁾	1,242,896,204	36.08%
Total	<u>3,444,769,056</u>	<u>100.0%</u>

Notes:

- (1) Mr. Pham Nhat Vuong controls Vietnam Investment Group JSC, and therefore Vietnam Investment Group is an Affiliate of Mr. Pham Nhat Vuong.
- (2) Includes 151,056,477 ordinary shares held by Ms. Pham Thu Huong, the Vice Chairwoman of Vingroup, who is the wife of Mr. Pham Nhat Vuong and therefore his Affiliate.

The table above includes 84,000,000 convertible dividend preference shares issued by Vingroup to Hanwha Vietnam Opportunity Private Fund 1 (“**HVOPF**”) for a consideration of approximately US\$400 million in August 2018. The preference shares issued to HVOPF are convertible into 62,338,466 ordinary shares, or 1.81% of Vingroup's ordinary shares issued as of 31 December 2020 after taking into account such conversion (assuming all preferences shares are converted), based on the initial conversion price of the preference shares.

SHARE PRICE

Vinhomes' shares have been listed on the HSX since 16 May 2018.

The following table sets forth the average, high, low and period end closing market price of Vinhomes' shares quoted on the HSX.

<u>Period</u>	<u>Vietnamese dong</u>			
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Period End</u>
Year:				
2018	83,117	96,000	61,800	73,400
2019	86,881	99,500	73,200	84,800
2020	77,592	90,300	54,800	89,500
2021 (through April 12)	98,806	105,800	87,400	101,800
Month:				
October 2020	76,986	79,500	75,600	76,000
November 2020	78,614	83,800	75,700	82,600
December 2020	86,226	90,300	83,300	89,500
January 2021	97,405	103,400	87,400	93,500
February 2021	99,647	105,800	88,300	101,600
March 2021	98,887	103,000	95,700	97,300
April (through April 12)	100,500	101,800	98,900	101,800

On April 12, 2021, the closing market price of Vinhomes' shares was VND101,800 on the HSX.

DESCRIPTION OF THE SHARES

The Bonds being offered in the Offering are associated with the right of exchange into ordinary shares (the “Offer Shares”) of Vinhomes Joint Stock Company (“Vinhomes”). The following statements are brief summaries of the rights and privileges of shareholders of Vinhomes conferred by the laws of Vietnam and its Charter (the “Vinhomes Charter”).

Share Capital

As of 28 February 2021, Vinhomes had an issued and paid-up share capital of VND 33,495.14 billion, comprising 3,349,513,918 Shares with par value of VND 10,000 each.

All the issued and outstanding shares are ordinary shares and recorded in the depository register, which is kept at and maintained by the Vietnam Securities Depository (“VSD”). Each ordinary share ranks *pari passu* with each other in terms of voting rights, dividends and other benefits associated with it. Vinhomes recognizes the persons whose names are recorded in the “Register of Shareholders” of Vinhomes, which is the depository register at the VSD, as the owners of its Shares and shareholders of Vinhomes.

Issues of New Shares

New shares may be issued to existing shareholders, or otherwise to any persons including non-shareholders subject to the resolution of the general meeting of shareholders. Vinhomes’s shareholders will make decisions on classes of shares or the total number of shares of each class which may be offered for sale in a general meeting of shareholders. Issuance of any new shares of Vinhomes by way of public offering must be approved by the SSC. Any change in the charter capital of Vinhomes must be registered with the Department of Planning and Investment of Hanoi, the locality where Vinhomes is headquartered, within 10 days from the completion of the issuance of shares. The existing listing rules of HSX require Vinhomes to apply to HSX for the admission to listing of the Offer Shares.

Shareholders have a pre-emptive right to subscribe for any new shares offered for sale in proportion to the number of existing shares held by each of them (“**Pre-emptive Right**”). This Pre-emptive Right may be waived by a resolution of the general meeting of shareholders. Under Vietnamese law, if Vinhomes issues new shares and offer such shares to all existing shareholders on a pro rata basis, it will need to comply with the public offering requirements. Upon the listing of the Offer Shares on HSX, a person holding shares through the VSD book-entry settlement system may only exercise his Pre-emptive Right as an existing shareholder if his name appears on the depository register at the VSD on the book closure date fixed by Vinhomes or the VSD (acting on Vinhomes’s authorization) for the purpose of the issuing new shares to existing shareholders. After the list of shareholders on the depository register is confirmed by the VSD, the securities firms or custodian banks of the shareholders or (with respect to any shareholder that have not deposited their shares at the VSD and have not appointed a securities firm or custodian bank for such purpose) Vinhomes will send a notice (“**Notice**”) to all shareholders’ permanent residences or mailing addresses by registered mail according to the register of shareholders.

If the Notice is sent by Vinhomes, the Notice must be accompanied by a subscription form issued by Vinhomes (“**Subscription Form**”). If the Subscription Form is not returned to Vinhomes within the deadline as specified, the relevant shareholder will be deemed to have declined his Pre-emptive Rights. If the Notice is sent by the securities firms or custodian banks of the shareholders, the relevant shareholders will exercise their Pre-emptive Rights at their respective securities firms or custodian banks and through the VSD system. An existing shareholder may transfer his Pre-emptive Rights to other persons.

If the shares to be issued are not fully subscribed for by the existing shareholders and (if applicable) the transferees of a shareholder’s Pre-emptive Right, any unsubscribed shares will be allotted under the control of the board of directors. The board of directors of Vinhomes can allot the options for subscribing for the unsubscribed shares to the existing shareholders of Vinhomes or to anyone in a manner the board of directors deems appropriate, provided that the unsubscribed shares may not be sold on terms and conditions more favourable than those offered to the existing shareholders, unless it has obtained the prior approval from the general meeting of shareholders or such unsubscribed shares are sold through a stock exchange.

Shareholders

Shareholders are the owners of Vinhomes and have rights and obligations corresponding to the number and types of shares they own. The liability of each shareholder is limited to the par value of the shares held by such shareholder.

Transfer of Shares

Shares of non-founding shareholders are freely transferable, except for newly listed shares held by the shareholders subject to the statutory lock-up requirements. For more details please see “*Vietnamese Stock Market—Overview of the Ho Chi Minh City Stock Exchange—Trading Restrictions*”.

Under Decree 155/2020/ND-CP of the Government dated 31 December 2020 guiding the implementation of the Law on Securities and Decision 85/QĐ-SGDHCM of the HSX dated 19 March 2018 promulgating the HSX listing regulations, each of the following persons must undertake to hold 100% of their shares for six months from the listing date and 50% thereof for the following six months: (i) any shareholder whose representative is the chairman of the board of directors or a member of the board of directors, chairman of the supervisory board, or member of the supervisory board, chief executive officer or deputy chief executive officer, chief accountant, financial executive officer, other equivalent managerial officers appointed by the board of directors or the general meeting of shareholders; and (ii) any major shareholder (owning directly or indirectly 5.0% or more of the voting shares in Vinhomes) who is a related party of the above persons. For companies where shareholders are either Government agencies or the state entities, shares held by such persons are excluded for the purposes of this lock-up.

Upon the listing of the shares on HSX, the shares must be transferred via HSX, except for shares being bequeathed or donated or some other cases where pursuant to HSX regulations and laws shares will be transferred via the VSD. Rights and obligations of shareholders are effectively conferred on the transferees of the HSX-listed shares upon full payment of the cost of the shares being transferred and the transferred shares are recorded in the securities depository account opened in the name of the relevant transferee or (if the transferred Shares are not deposited with the VSD) the names of the transferees being recorded in the depository register of shareholders maintained by the VSD.

General Meeting of Shareholders

Vinhomes’s general meeting of shareholders consists of all shareholders having voting rights and is the supreme corporate body of Vinhomes. The general meetings of shareholders include annual and extraordinary meetings. Vinhomes’s Board of Directors will convene an annual general meeting of shareholders in Vietnam within four months (or by no later than six months if approved by the competent authorities) from the last day of the previous fiscal year.

Vinhomes’s Charter provides that the shareholders are entitled to discuss and approve certain matters, including:

- audited annual financial statements;
- reports of the board of directors;
- reports of the supervisory board;
- annual business plan;
- annual dividend rates for each type of shares;
- Vinhomes’s development direction, as well as plans to implement this direction. For avoidance of doubt, the general meetings of shareholders shall not decide the medium-term development plan of Vinhomes;
- classes of shares and the number of new shares of each class to be offered for sale, as well as directing the board of directors to decide details for the issuance and offering of shares or other types of convertible/exchangeable stocks, including offering and/or issuance plans (whether private or public), plans for the use of proceeds, repayment plans, exchange plans, and depository receipts offering plans;
- the number of members of the board of directors and the supervisory board, and their election, removal or dismissal;
- the allowance payable to the members of the board of directors and the supervisory board as well as reports on such allowances;
- any amendments and additions to the Charter, excluding amendments and modifications of charter capital through the offering or selling of new shares (within the number of shares authorized to be offered for sale), or as a result of the conversion/exchange of convertible/exchangeable stocks into Vinhomes’s issued shares, and such amendments and modifications shall be subject to the board of directors’ approval;
- any violation of the board of directors or the supervisory board causing loss to Vinhomes and its shareholders;
- disposal of or investment in assets which have a value equal to or greater than 35% of the value of Vinhomes’s assets, based on its latest audited financial statements;

- redemption by Vinhomes of more than 10% of the total number of shares sold of each class;
- reorganization, liquidation or dissolution of Vinhomes;
- authorizing the board of directors to perform certain tasks, subject to Vinhomes's authorization; and
- other matters as provided in the Law on Enterprises.

The board of directors may call an extraordinary general meeting of shareholders: (i) whenever the board of directors deems appropriate for the interests of Vinhomes; (ii) if Vinhomes's auditors deem a meeting necessary to discuss the audit report or financial situation of Vinhomes; (iii) if the annual financial statements, quarterly financial reports, bi-annual financial reports or the audited financial statements show that the equity of Vinhomes has suffered a loss of 50% or more as compared to the beginning of the relevant period; (iv) when the number of members of the board of directors or the supervisory board or the number of the Independent Directors is lower than the number required by law or the number of members of the board of directors is decreased by one-third of the number stipulated by the Charter; (v) upon request by a shareholder or a group of shareholders holding 5% of the total ordinary shares; or (vi) upon request of the supervisory board if the supervisory board has evidence to believe that any member of the board of directors seriously breaches his/her obligations or intends to misuse his/her power.

The convenor of a meeting of the general meeting of shareholders shall send a notice of invitation to the shareholders on the list of shareholders entitled to attend the meeting no later than 21 calendar days prior to the date of the meeting. The notice of invitation must contain (i) the name, head office address, enterprise code of the institutional shareholders or name and permanent residential address of individual shareholders, (ii) time and location of the meeting, and (iii) other requirements applicable to attendees. The notice must be sent by a method guaranteed to reach the contact addresses of the shareholders and concurrently must be published on Vinhomes' website.

The notice of invitation must be accompanied by the following documents:

- the agenda of the meeting, documents to be used in the meeting and draft resolution for each matter in the agenda; and
- voting slips.

A quorum for a meeting of the general meeting of shareholders is constituted by the presence of shareholders, either in person or by proxy, representing at least 51% of the voting shares. If there are not enough attendees, the shareholders' meeting must be reconvened within 30 days of the original planned date. The quorum for the reconvened meeting of the general meeting of shareholders shall be the presence of the shareholders, either in person or by proxy, representing at least 33% of the voting Shares. If the quorum for the second meeting is not met within 60 minutes from the proposed opening of the meeting, a third meeting can be reconvened within 20 days of the planned date for the second meeting. The third meeting shall be quorate regardless of the number of shareholders present in person or by proxy, and the shareholders present at such meeting shall have the power to decide all issues and resolutions which could have been passed at any general meeting of shareholders.

Dividends

In any fiscal year, Vinhomes may, with the approval of the shareholders, declare annual dividends in Vietnamese dong to be paid to the shareholders based on the amount recommended by the board of directors. The board of directors may declare an interim dividend if payment of the interim dividend is consistent with Vinhomes's financial resources and obligations. Under the Law on Enterprises and the Charter of Vinhomes, dividends can be paid upon any shares in cash, in shares or other assets, subject to approval by the general meeting of shareholders. The amount of dividends may be determined based on Vinhomes's net profit, and dividends are to be paid out of Vinhomes's retained earnings.

In deciding payment of dividends, Vinhomes's board of directors has to consider whether Vinhomes has fulfilled, among other things, its tax obligations and other financial obligations as required by law and whether it has set aside sufficient capital for required provisions. Vinhomes may not pay dividends if such payment results in it being unable to settle any outstanding financial obligations that are due.

Voting Rights

A shareholder is entitled to attend, speak and vote, in person or by proxy, at any general meeting of shareholders. A proxy need not be a shareholder. Upon the listing of the Offer Shares on HSX, a person holding shares through the VSD book-entry settlement system may only attend, speak and vote at a general meeting of the shareholders as a shareholder if his name appears on the depository register at the VSD on the book closure date fixed by

Vinhomes or the VSD (acting on Vinhomes's authorization) for the purpose of the proposed meeting of shareholders.

A resolution of the shareholders shall be passed by at least 51% of the voting shares of the shareholders present in person or by proxy and voting at such meeting except that the following matters must be decided by a resolution of the attending shareholders holding at least 65% of the voting shares of the shareholders present in person or by proxy and voting at such meeting:

- classes of shares and total number of shares of each class;
- changes of business lines and business sectors of Vinhomes;
- change of the organizational structure of Vinhomes;
- amendments or supplements to the Charter of Vinhomes;
- investment projects or disposal of assets of which the values are equal to or higher than 35% of the total asset value as recorded in the latest audited financial statements; and
- restructuring or dissolution of Vinhomes.

A resolution on certain matters may also be passed by the shareholders by way of circulating the resolutions to the shareholders for approval without convening a meeting in person. In this case, passing of such resolution requires the approval of the shareholders holding at least 51% of the voting shares.

Subject to the approval of the general meeting of shareholders or the principles of election approved by the general meeting of shareholders from time to time, the shareholders are entitled to use cumulative voting for the allocation of their votes regarding the election of the members of the board of directors and the Supervisory Board.

Bonus and Rights Issues

Any issue of bonus shares to existing shareholders of Vinhomes must be approved by the general meeting of shareholders.

Takeovers under Vietnamese Law

Under the Law on Securities, there are limited circumstances where a public tender offer is required in acquisitions of ordinary shares, in particular:

- any organization or individual together with its/his/her related persons wishing to purchase voting shares which results in the ownership of 25% or more of Vinhomes's outstanding voting shares; or
- any organization or individual together with its/his/her related persons holding 25% or more of Vinhomes's voting shares wishing to purchase further that leads to direct or indirect ownership of 35%, 45%, 55%, 65%, 75% or more of Vinhomes's outstanding voting shares.

After completion of a public tender offer, unless all of the outstanding voting shares of Vinhomes have already offered, the offeror holds at least 80% of the total issued and outstanding shares, the purchaser must purchase, within 30 days, shares held by the remaining shareholders if they so request with terms and conditions on the offer price and method of payment similar to those of the public tender offer.

A public tender offer for the ordinary shares must be pre-approved by and registered with the SSC. Within five days from the completion date of the tender offer, the purchaser is required to report the result of the tender offer to the SSC, and to make a public disclosure of the public tender offer, and if applicable, to make a public announcement of the continuation of a tender offer.

The offeree must publicly disclose the public tender offer, and in the event the target company is a listed company, by posting a public disclosure on the website of the relevant stock exchange where the Offer Shares are listed. Within ten days from the receipt of the public tender offer documents, the Board of Director must send to the SSC and shareholders an opinion of the target company on the public tender offer. The offeror is required to conduct the public tender offer through a securities company in Vietnam acting as its agent.

Liquidation or Other Return of Capital

Upon voluntary dissolution of Vinhomes or Vinhomes becoming bankrupt and after Vinhomes has fully paid its debts and obligations, the shareholders may receive part of the residual assets in proportion to the number of ordinary shares held by them. Vietnamese law provides that residual assets after liquidation of a bankrupt

company shall belong to its shareholders, but does not specifically contemplate procedures for the bankrupt company to return such residual assets or proceeds from this disposal to the shareholders.

Limitations on Rights to Hold or Vote on Shares

Under Vietnamese law, foreign ownership limitation on a public company may be set by its general meeting of shareholders subject to certain regulatory maximums applicable to certain registered business lines. Vinhomes's foreign ownership limit has been set at 49% of its charter capital, of which 2.9% has been reserved for future use. In the event that the Bonds are to be exchanged and the initial 49% foreign ownership limit is exhausted, Vinhomes intends to use a portion of the 2.9% reserve to effect such exchange of the Bonds.

Vinhomes is a listed company on the HSX and any trading of shares of Vinhomes in Vietnam must be done through the HSX trading system. The HSX (together with the VSD) is responsible for supervising and controlling the foreign shareholdings in listed companies. Any trades on the HSX made by foreign investors are tracked by the HSX on its automatic system and the shareholding level in the listed companies available for acquisition by foreign investors is reported daily by the VSD. Under the trading rules of the HSX, a buy order or part of such buy order of a foreign investor for shares listed on the HSX which has not been carried out will be automatically cancelled if there is no more room in such companies available for acquisition by foreign investors and subsequent orders for the shares of such companies entered into the HSX system will not be accepted.

Minority Rights

In addition to the rights of a shareholder, a shareholder or a group of shareholders holding 5% or more of the total ordinary shares have rights: (i) to nominate members to the board of directors; (ii) to call a shareholders' general meeting where the board of directors seriously breaches the rights of shareholders or obligations of managers or makes a decision which is beyond its power, or where no new board of directors has been elected after six months since the expiry of the term of the board of directors; (iii) to examine and receive a copy of or excerpt from the list of shareholders eligible to participate and vote at shareholders' meetings; (iv) to examine and receive excerpts from the minutes and resolutions of the board of directors, half-year and annual financial reports prepared under VAS and IFRS and reports of the supervisory board; and (v) to request the supervisory board to inspect each particular issue relating to the management and administration of Vinhomes where it is considered necessary, and (vi) rights in accordance with the Law on Enterprises.

VIETNAMESE STOCK MARKET

The information presented in this section has been extracted from publicly available documents that have not been prepared or independently verified by us, the Joint Lead Managers or any of our or their respective subsidiaries, affiliates or advisers in connection with the Offering. The following information is in general nature for the purposes of information only, and does not purport to be a comprehensive or exhaustive description of all of the matters of the Vietnamese stock market.

The Vietnamese Stock Market

Since HSX officially opened on 8 August 2007, over 500 stocks have been listing on the exchange as of 31 December 2020. The discussion below summarizes the principal features of trading shares on the HSX.

Overview of the Ho Chi Minh City Stock Exchange

Reference	Reuters: VNI Bloomberg: VNINDEX www.hsx.vn
Currency of trade and settlement	Vietnamese dong
Trading days	Monday—Friday (GMT+07:00)
Holidays	<ul style="list-style-type: none">• January 1: New Year• Vietnamese (Chinese) New Year (actual dates vary)• April (tenth day of the third lunar month): King Hung Commemorations• April 30: Liberation Day• May 1: Labour Day• National Day (2nd September of the Gregorian calendar and the previous or next day)
Face value	Equities: VND 10,000 Bonds: VND 100,000 or its multiple(s)
Boards	One main board only
Trading hours	<i>Equities</i> 1: 09:00-09:15 (Open) (limit order/at-the-open orders) 2: 09:15-11:30 (Continuing) (limit order/market orders) 3: 13:00-14:30 (Continuing) (limit order/market orders) 4: 14:30-14:45 (Close) (limit order/at-the-close orders) 5: 14:45-15:00 (Put-through only) <i>Put-through orders can be executed in all sessions. On the first day of a newly listed stock, put-through orders are not accepted.</i>

Procedures for placing an order

Basic account set-up	<p>To start trading in Vietnam, investors must establish relationships with a custodian, a broker and a bank.</p> <ul style="list-style-type: none">• The bank and custodian manage all corporate actions related to the investor's holdings and report the investor's business activities to the relevant authorities as required by law.• A Foreign Investor directly executing share investment transactions must register a securities trading code number and open a securities trading account with a broker. The broker receives and executes all trades in accordance with trading rules and securities laws. Brokers are required for transactions of listed securities.
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Order types and validity	LO: Limit order and valid the entire day. PT: Put-through orders, i.e., block trading. Minimum size is 20,000 shares. Put-through transactions are matched through the exchange's trading system and appear on the board. ATO: At the Open Orders. Market orders valid in opening sessions only and have priority over limit orders. ATC: At the Close Orders. Market orders valid in closing sessions only and have priority over limit orders. MP: Market orders valid in continuous matches with best price until full volume is completed.	
Daily price change limit	Equities:	
(i.e., cap and collar)	7% of previous day's closing price, 20% of listing price if first day of listing.	
<i>(price ceiling and floor on the day)</i>		
Price Units / Ticks (i.e., Quote unit)	Price unit if current price is (VND):	Equities
<i>(the smallest multiple that shares can be priced at)</i>	< 10,000	VND 10
	10,000 to 49,950	VND 50
	≥ 50,000	VND 100
	<i>Does not apply to PT transactions (can be traded at any price within the daily price change limit).</i>	
Board lot	100 shares, each order cannot exceed 500,000 shares.	
<i>(smallest multiple of shares per transaction)</i>	<i>Does not apply to PT transactions (can be traded in any quantities above the minimum requirement). The PT transactions required to be not less than 20,000 shares</i>	
Amending and cancelling orders	Open/Close sessions: Orders cannot be cancelled, except for cancelling wrong orders and inputting new orders with HSX's approval. Continuous sessions: Unmatched portions of any order can be cancelled at any time at client's request. All sessions: Amendments to trader's account number are prohibited. ATC and LO cannot be cancelled or amended. PT session: N/A	
Matching priority	(Pricing Time Quantity principle) #1—Price priority: priority to the highest bid (when buying) and the lowest ask (when selling). #2—Time priority: for orders at the same price, priority is given to orders received by the exchange first. Partial fills are possible.	
Settlement	T+2, after market close or T+0 subject to certain restrictions.	
<i>(cash/stocks are received after 4:30 p.m. on settlement day)</i>		
Odd lots	Odd lots may be sold to brokers.	
<i>(shares owned in quantities below 100 on HSX)</i>		
Brokerage commission for trades	Securities companies may charge brokerage commission for trades at rates of 0.15% to 0.50% of total traded value for trades of shares and fund units.	

Trading restrictions

Foreign ownership restrictions	If foreign ownership restrictions apply to a public company, the VSD and HSX will not permit Shares to be sold to Foreign Investors if the applicable foreign ownership restrictions would be breached.
Other restrictions	<p>Funding requirements: Investors must have sufficient funds in their Vietnamese dong bank account if buying, or sufficient shares, if selling.</p> <p>Same day buy/sell: Legally possible but not yet practically possible pending the SSC's guidance.</p> <p>Short selling: Legally possible but not yet practically possible pending the SSC's guidance.</p> <p>Minimum level of public shareholding: As a condition for listing on HSX, at least 20% of the voting shares must be held by at least 300 shareholders who are not major shareholders.</p>

Order matching and price determination

Open/Close	Buy and sell orders are queued for matching at a specific time at the single lowest price that generates the highest trading volume. This matching method is used to determine the opening and closing price of stocks. Orders in periodic sessions are matched at the end of the session only, during which ATO/ATC orders have priority over limit orders.
Continuous	The trading systems of each exchange continuously match the first buy and sell order in the queue and, at the same time, confirm each executed transaction via the terminal of the broker/trader.
Put-Through Trade	The buyer and the seller (or their representatives) directly negotiate the order price and quantity, but a deal is only concluded when it is matched in the exchange trading system during any session that allows Put-Through Trade. The trading system also allows brokers to advertise their indication of interest to find potential buyers/sellers. The executed price must follow the price range for that particular stock on the day the trade is executed.
FOL intraday	<p>When the FOL of a particular stock is reached during trading hours, all current buy orders from foreign entities will automatically be cancelled by the system.</p> <p>Additionally, the systems will reject buy orders from foreign entities for the remainder of the day (sell orders are always accepted, however). Shares that Foreign Investors sell to non-foreign parties are added to the number of shares available to Foreign Investors after the settlement period . This rule also applies to PT transactions. It is possible for a foreign buyer to transact a PT with a foreign seller even if the FOL for that particular stock has reached the limit.</p>
Reference price	On HSX, the reference price is equal to the previous day's closing price as determined in the close session (not including PT transactions). In cases where the closing price could not be determined, the closing price is equal to the last price at which shares were transacted on that day. If no shares were traded, the second previous day is taken, and so on.

Disclosure requirements

Disclosure based on internal person trading (including substantial shareholders)	If a shareholder wishes to buy or sell shares and such shareholder or its Affiliated Persons is an "Internal Person" the shareholder must disclose the intended transaction to the SSC, the relevant stock exchange and the company at least three working days before trading.
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Upon receipt of the notice, the stock exchange will publish the information on its website and the shareholder will be allowed to trade on the next trading date from that point onwards and within 30 days after the date of its disclosure to the SSC, the stock exchange and the company. Should the shareholder complete its intended trades, or should the given period expire (whichever occurs first), the shareholder must disclose the results of its trades within five days of the date of completion or expiry.

For these purposes, “**Affiliated Person**” means:

- a) an enterprise and its internal person;
- b) an enterprise and any organization or individual that holds more than 10% of voting shares or stakes of such enterprise;
- c) any organization or individual that directly or indirectly supervises or is directly or indirectly supervised by another organization or individual; two organizations or individuals under the management of the same entity;
- d) an individual and his/her biological parent, adoptive parent, father- or mother-in-law, spouse, biological child, son- or daughter-in-law, sibling, brother- or sister-in-law;
- e) an organization or individual that is the representative of another organization or individual in a contract; or
- f) other organizations and individuals that are relevant persons as defined by the Law on Enterprises.

For these purposes, “**Internal Person**” means

- a) chairman of the board of directors or members of board of directors, legal representative, general director (director), deputy general director (deputy director), financial director, chief accountant and persons holding equivalent positions elected or by the GMS or designated by the board of directors; and
- b) the chief and members of the supervisory board, members of the internal audit boards, secretaries, administrators and authorized spokespersons.

Disclosure based on major ownership . . . Anytime a shareholder acquires 5% of the voting shares or more, including the amounts held by its Affiliated Persons, it must disclose the same within seven days of the date of the transaction.

(equal or more than 5% of total voting shares)

The same applies if the stake is reduced to below 5%.

Anytime a major shareholder (including its Affiliated Persons) increases or reduces its stake by 1% of the voting shares or more, it must also disclose its new ownership level each time it passes that threshold.

VSD services

Share registration services

Shares in public companies must be centrally registered at the VSD. All shares registered at the VSD are in book-entry form.

Securities depository services

Shares in public companies must be centrally deposited at the VSD before being traded. Shareholders deposit their shares with members of the VSD, who will redeposit their clients' shares at the VSD.

VSD members have to open a depository account for each client and manage the clients' assets separately. Clients' shares deposited with VSD members are clients' assets and managed separately from members' assets.

Clearing and settlement

VSD members manage information on share ownership in the book-entry depository accounting system. Ownership transfer of centrally deposited shares is carried out by book-entry instead of physical transfer of share certificates.

Clearance and settlement are the final steps for completing the share trading process. For these purposes, all data of trading results are sent to the VSD by stock exchanges at the close of trading sessions. Cash clearing is executed by the VSD for each member based on netting between the amount receivable and the amount payable for transactions having the same trading date on stock exchanges and having the same settlement date, segregated by domestic investor accounts, Foreign Investor accounts and the house accounts of members.

Market capitalization

As of 31 December 2020, the total market capitalization of HSX and the Hanoi Stock Exchange (“**HNX**”) was roughly VND 4,293.1 trillion (approximately US\$186.7 billion), of which HSX market capitalization was roughly VND 4,080.8 trillion (approximately US\$177.4 billion) and HNX market capitalization was roughly VND 212.3 trillion (approximately US\$9.4 billion).

The table below presents the market capitalization of HSX and HNX as of the dates indicated:

	As of 31 December		
	2018	2019	2020
	(VND trillions)		
HSX	2,875.5	3,279.6	4,080.8
HNX	192.1	192.0	212.3
Total	3,067.6	3,471.6	4,293.1

OTHER VIETNAMESE LAWS AND REGULATIONS

Set forth below is a summary of certain principal laws and regulations of Vietnam in effect and to which we are subject as of the date of this Offering Circular. This summary does not purport to be a complete review of all laws and regulations of Vietnam that are applicable to us.

Vietnamese Laws on Enterprises and Investment

The Law on Enterprises No. 59/2020/QH14 (the “**Law on Enterprises**”) and the Law on Investment No. 61/2020/QH14 (the “**Law on Investment**”) adopted by the National Assembly of Vietnam on 17 June 2020, which came into effect in Vietnam on 1 January 2021, improved the quality and efficiency of Vietnam’s investment climate by providing conditions that are favourable for both domestic and foreign investors in the establishment and operation of companies in Vietnam.

(1) Shareholder Rights

Under the Law on Enterprises, shareholders of a joint stock company, including minority shareholders, have the right to vote at a general meeting of shareholders (“GMS”). A shareholders’ resolution on most of the matters subject to a decision of shareholders is generally passed by a vote of shareholders representing more than 50% (or a higher threshold if prescribed by the company’s charter) of the voting shares present in person or by proxy at a GMS. With respect to key matters such as resolutions relating to the classes of shares and the number of shares of each class to be offered for sale, changes in business lines, change in organizational and management structure of the company, re-organization and/or dissolution of the company, and investments in or sales of assets equal to or exceeding 35% (or another percentage as provided in the company’s charter) of the total value of the assets of the company as recorded in the latest financial statements, a proposal to pass such resolutions will require the approval of shareholders representing at least 65% (or a higher threshold if prescribed by the company’s charter) of the voting shares held by those presenting in person or by proxy at a GMS. In order to pass a resolution by way of collecting written opinion, the approval of shareholders representing more than 50% (or a higher threshold if prescribed by the company’s charter) of the total voting shares of the company will be required.

A shareholder or a group of shareholders holding at least 5% (or a smaller threshold as provided in the company’s charter) of the total ordinary shares of the company in question will be entitled to (i) review and make a copy or extract of the meeting minutes and resolutions, and decisions of the board of directors, interim and annual financial statements of the company and reports of the supervisory board (if any), contracts, transaction documents which are required to be approved by the board of directors and other documents apart from the documents relating to commercial secrets, business secrets of the company; (ii) request the convening of a general shareholders’ meeting in circumstances prescribed by law or the charter; and (iii) where appropriate, request the supervisory board to investigate a particular issue relating to the management and/or administration of operations of such company. A shareholder or a group of shareholders holding at least 10% (or a smaller threshold as provided in the company’s charter) of the total ordinary shares will be entitled to nominate candidates to the board of director and/ or the supervisory board.

A shareholder voting against the re-organization of the company (such as division, separation, consolidation or merger) or against a change in the rights and obligations of shareholders stipulated in the company’s charter may demand that the company in question redeem its shares at market price or at a price determined in accordance with the provisions prescribed in the company’s charter. In the case that the shareholder and the company cannot reach an agreement on the price, the two parties may request a valuation organization to determine the price.

(2) Corporate Governance of a Non-public Joint Stock Company

Under the Law on Enterprises, a non-public joint stock company shall be organized in either of the following two models. The first model consists of the GMS, the board of directors, the supervisory board and chief executive officer. The second model consists of the GMS, the board of directors and the chief executive officer; and in this case, at least 20% of the board of directors must be independent and there must be an audit committee affiliated to the board of directors.

An independent member of the board of directors must satisfy, among others, the following qualifications:

- (i) not being a person currently working (or having worked in at least three preceding years) for the company or its parent company or its subsidiary;

- (ii) not being a person currently entitled to salary or remuneration from the company (except for allowances that members of the board of directors are entitled pursuant to the company's regulations);
- (iii) not being a person whose spouse, biological/adoptive father/mother, biological/adopted child or biological sibling is a major shareholder of the company, or a manager of the company or its subsidiary;
- (iv) not being a person directly or indirectly owning at least 1% of the total voting shares in the company; and
- (v) not being a person having been a member of the board of directors or member of the supervisory board of the company for at least five preceding years, except those who are appointed for two consecutive terms.

(3) *Related Party Transactions of a Non-public Joint Stock Company*

The concept of a related person of a company is broadly defined under Law on Enterprises as any organization or individual having a direct or indirect relationship with the company, and includes the following persons:

- the parent company, the manager and the legal representative of the parent company, and the person competent to designate the manager of the parent company;
- subsidiaries, the manager and the legal representative of the subsidiaries;
- an individual or organization or group of individuals or organizations that is/are capable of controlling the operation of the enterprise through owning or acquiring shares or contributed capital amounts or through the decision-making process of enterprise;
- managers of the company, legal representative or controller;
- spouses, biological parents, adoptive parents, parents-in-laws, biological children, adopted children, children-in-law, biological siblings, siblings-in-law of the managers, legal representative, controllers, members/partners and shareholders holding the controlling stakes/shares;
- any individual that is the authorized representative of the companies or organizations mentioned in three first points above;
- Any enterprise in which an individual, company or organization mentioned in the above points owns shares at a level entitling it to control the decision-making of the company.

While the concept of a related person is broadly defined under the Law on Enterprises, the law does not regulate all related party transactions but only the contracts or transactions entered into by a joint stock company and any of the following related persons: (i) shareholders, authorized representative of the corporate shareholders holding more than 10% of total number of ordinary shares of the company, and their related persons; (ii) members of the board of directors, the director, the general director and their related persons; and (iii) a company in which a member of the board of directors, a controller, the director or general director and other managers of the company hold shares or contributes capital or in which their related persons jointly or severally own more than 10% of charter capital (each, a **“Statutory Related Party Transaction”**).

The Law on Enterprises sets out certain statutory requirements for the approval of Statutory Related Party Transactions. If the value of a Statutory Related Party Transaction of a joint stock company is less than 35% of the total assets recorded in the latest financial statements of the company unless another smaller percentage or value is specified in the company's charter, such Statutory Related Party Transaction must be approved by the board of directors, and member(s) of the board of directors who have interest in the transaction must abstain from voting. Any Statutory Related Party Transaction with a value of 35% or more of the total assets recorded in the latest financial statements of such company requires a resolution of the GMS. The person representing the company to execute such Statutory Related Party Transactions shall notify the board of directors and the supervisory board of the parties participated in such Statutory Related Party Transactions and enclose the draft of contract or main contents of the Statutory Related Party Transactions. The board of directors shall make a decision on approval of the contract within 15 days from the date of receipt of the notice, except where the company charter provides for other time-limit. The members of the board of directors or the shareholders having related interests are not allowed to vote on such Statutory Related Party Transaction.

Contracts or transactions for borrowing, lending or sale of assets with a value of more than 10% of the total value of assets recorded in the latest financial statements of the company entered into by the company on one hand and shareholder(s) holding 51% or more of the total number of voting shares in the company or their related persons on the other hand must also require a resolution of the GMS. The shareholders having related interests are not allowed to vote on such contracts or transactions.

Multiple-member Limited Liability Company (“LLC”)

A company may also be incorporated in the form of a multiple-member LLC. The charter capital of a multiple-member LLC is not divided into shares but consists of capital contribution portions which are contributed by the members. A multiple-member LLC cannot have more than 50 members.

Under the Law on Enterprises, the organizational structure a LLC shall consist of the members’ council (“MC”), the chairperson of the MC and the director or general director.

Under the Law on Enterprises, members of a LLC have the right to attend and vote at the MC’s meeting. A MC’s resolution on most of the matters subject to a decision of the MC will be passed by the vote of such members representing at least 65% of the charter capital present in person or by proxy at a meeting, save for certain matters which are subject to the approval of members representing 75% of the charter capital present in person or by proxy at a meeting, including sales of assets equal to or exceeding 50% (or such lower percentage or value as provided in the company’s charter) of the total value of the assets of the company as recorded in its latest financial statements, amendments and supplements to the company’s charter, and the restructuring and/or dissolution of the company. The company’s charter may stipulate a different threshold for the passing of MC’s resolutions.

Under the Law on Enterprises, transactions between a LLC on one hand and the following persons on the other hand will be subject to the approval of the MC: (i) members, their authorized representatives, the director or general director, the legal representative of the company, and their related persons; and (ii) the managers of the parent company, persons who have the power to appoint such managers and their related persons. The signatory on behalf of the Company in such transaction shall send to the MC and the inspector a notice of entities involved in such transaction and enclose the draft contract or a notice of main contents of the transaction needed to be conducted. Unless otherwise stipulated in the company charter, the MC shall make a decision on approval or disapproval of such transaction within 15 days from the date of receipt of the notice. The transaction shall be approved upon agreement by the members representing at least 65% of the total voting capital. Members who are related to such transactions are not allowed to vote on resolutions regarding it.

Vietnamese Securities Law

In Vietnam, securities and securities market are regulated by the Law on Securities which was promulgated on 26 November 2019 (taking effect as from 1 January 2021) (“**Law on Securities**”). The State Securities Commission (the “**SSC**”) is the organ charged with the organization, development and supervision of the country’s securities market. Before February 2004, the SSC had operated as an organ reporting directly to the Prime Minister. On 19 February 2004, the management of the SSC was transferred to the Ministry of Finance (the “**MOF**”).

Vietnamese securities law recognizes the following types of securities: shares, bonds, fund certificates (which are issued by securities investment funds), share purchase rights, warrants, secured warrants, depository receipts, derivative securities and other types of securities prescribed by the Government.

(1) Financial reporting requirements for a public company

Under Vietnamese law, all public companies must publicly disclose their: (i) audited annual financial statements within 10 days of issuance, and in any case no later than 90 days following the end of each fiscal year; (ii) annual report in prescribed form within 20 days after disclosure of the audited annual report and in any case no later than 110 days following the end of each fiscal year; (iii) notice of the GMS, including all the meeting documents at least 21 days before the meeting date (as a related point, meeting minutes and shareholders’ resolutions must be published within 24 hours following the end of the meeting); (iv) report on corporate governance in prescribed form no later than 30 days following the end of the first 6 months of the year and of the calendar year; (v) private placement, public offer, securities issuance, listing, trading registration in accordance with the regulations on offer for sale, issuance, listing and trading registration of securities; (vi) information on their foreign ownership limit and changes thereto; and (vii) information on redemption of its shares or sale of treasury shares in accordance with the regulation on share redemption and sale of treasury shares.

In addition to these requirements, a “**large scale public company**” (i.e. public company having equity of VND 120 billion or more as recorded in its latest audited annual financial statements) or a listed company must also publicly disclose: (i) its reviewed semi-annual financial statements within 5 days of issuance, and in any case no later than 45 days from the end of the relevant period; and (ii) its quarterly financial statements or reviewed quarterly financial statements (if any) within 20 days from the end of the financial quarter (and within 5 days of issuance in respect of reviewed quarterly financial statements, and in any case no later than 90 days following the end of each quarter). If the large-scale public company or listed company is a holding company or a superior accounting units, the quarterly and semi-annual reports must be disclosed within 30 days and 60 days, respectively, following the end of the relevant financial period. The quarterly financial results need not be reviewed or audited, while semi-annual statements must be reviewed by an independent auditor and the annual financial statements must be audited.

Under Vietnamese law, public companies are subject to the requirement of disclosing information on companies’ websites, on the electronic information portal of the SSC and relevant stock exchanges. The disclosure shall cover: (i) periodic information; (ii) irregular information; and (iii) any other information on demand as prescribed by the law.

(2) Corporate governance of a public company

In addition to the Law on Enterprises, the corporate governance of a public company is also subject to the Law on Securities and Decree 155/2020/ND-CP of the Government dated 31 December 2020 on guiding the implementation of Law of Securities (“**Decree 155**”).

(a) Board of directors and members in a public company

The board of directors of a public company must have from three to 11 members, in which at least one-third of them must be non-executive members. The board of directors of a publicly listed company must have at least:

- one independent member, if the board has three to five members;
- two independent members, if the board has six to eight members; or
- three independent members, if the board has nine to 11 members.

In addition, the board of directors of a publicly listed company must appoint at least one administrative manager of the company.

A member of the board of directors must not sit on the board of more than five other companies. In addition, the chairperson and the CEO of the public company cannot be the same person.

(b) Transactions with shareholders

A non-banking public company is only permitted to provide loans or guarantees to its shareholders and/or related persons of the shareholders in the following circumstances:

- (i) the borrower/obligor is an institutional shareholder of that company and/or an individual being the related person of an institutional shareholder of that company, *provided that* such institutional shareholder is a subsidiary of that company without shareholding or capital contribution portions held by the State, and such institutional shareholder has held shares in that company before 1 July 2015; and
- (ii) the borrower/obligor is an institutional entity being a related person of a shareholder of that company, *provided that* such borrower/obligor and the public company are within the same group of companies (including as a parent company and its subsidiaries) and such transaction is approved by shareholders at a general meeting of shareholders or the board of directors of the public company pursuant to its charter or as otherwise permitted by law.

(c) Conflicts of interest

Transactions between a public company and related persons are must comply with the Law on Enterprises and Law on Securities. The definition of “related person” under Law on Securities also covers, in addition to the categories of related persons under the Law on Enterprises, any organization or individual having a relationship with each other in the following cases:

- an enterprise and its insiders; a public fund or public securities investment company and its insiders;
- an enterprise and any organization or individual owing more than 10% per cent of the number of voting shares or capital contribution of such enterprise;

- an organization or individual who in a relationship with another organization or individual directly or indirectly controls or is jointly controlled by such other organization or individual, or is subject to the same control with such other organization or individual;
- an individual and his/her biological parents, adoptive parents, parents-in-law, spouse, offspring, adopted children, daughter-in-law, son-in-law, siblings, brother-in-law or sister-in-law;
- a securities investment fund management company and securities investment funds or securities investment companies managed by such securities investment fund management company; or
- a contractual relationship in which one organization or individual is the representative of the other.

Except for being approved by the GMS, a public company is not allowed to provide loans or guarantees to its directors, members of supervisory board, CEO, other managers who are not a shareholder, and related persons thereof, unless the borrower/obligor and the public company are within the same group of companies (including as a parent company and its subsidiaries). A “Statutory Related Party Transaction” of a public company under the Law on Securities also covers transactions involving, in addition to the persons mentioned under the Law on Enterprises, (i) members of the supervisory board, (ii) other managers and (iii) their related persons.

Managers of a public company have the following duties under Vietnamese law in order to avoid conflicts of interest:

- the members of the board of directors, the members of the supervisory board, the CEO and other managerial personnel must disclose their related interests to the company pursuant to the Law on Enterprises and the applicable regulations;
- the members of the board of directors, the members of the supervisory board, the CEO and other managerial personnel and their related persons must only use the information made available to them owing to their position for the interests of that public company;
- the members of the board of directors, the members of the supervisory board, CEO and other managerial personnel must notify the board of directors and the supervisory board of transactions between him/her or his/her related person on one side and the public company, a subsidiary of that public company or a company in which that public company has the controlling stake of more than 50% of the charter capital on the other side as required by applicable laws;
- the members of the board of directors shall not be entitled to vote for a matter in favour of their interests or their related person’s interests; and
- the members of the board of directors, the members of the supervisory board, CEO and other managerial personnel and their related persons must not use confidential information of the public company or disclose such information to others to implement relevant transactions.

(d) Disclosure

Besides the public disclosure requirements applicable to a public company mentioned above, a public company is also required to disclose, among other things, the salaries of each member of the board of directors, of the CEO and other managers in a separate section of its annual financial statement(s) and report such information to shareholders at a general meeting of shareholders.

(3) Issuance of International Corporate Bonds

Issuance of bonds is mainly governed by Decree 153/2020/ND-CP of the Government dated 31 December 2020 on the issuance of corporate bonds (“**Decree 153**”), as implemented by Circular 122/2020/TT-BTC dated 31 December 2020 of the Ministry of Finance. The issuance of international bonds is also governed by Circular 17/2013/TT-NHNN of the State Bank of Vietnam (the “**SBV**”) dated 16 July 2013 guiding foreign exchange management in the issuance of international bonds which are not guaranteed by the government, as amended by Circular No. 29/2015/TT-NHNN dated 22 December 2015 of the SBV. According to Article 25 of Decree 153, enterprises may issue bonds (convertible or non-convertible) if they meet the conditions under the relevant regulations, including (but not limited to) the following:

- having established and operated as joint stock companies or limited liability companies under the Vietnamese legislation;
- satisfying the conditions on capital adequacy ratio and other restrictions ensuring safety during operation provided in specialized branch law;

- satisfying the provisions on foreign exchange control and the provisions of the law on non-government guaranteed foreign loans borrowed by enterprises and repayment of such loans;
- having a bond issuance plan approved by a competent body; and
- for convertible bonds, the issuer must be a joint-stock company, ensuring the ratios of foreign investors participations as prescribed by applicable laws and ensuring the interval of at least six months between the two issue tranches.

A plan on issuance of convertible bonds must be adopted by the GMS of the issuer whilst a plan on issuance of non-convertible bonds is subject to approval of the GMS or the board of directors, members' council or representatives of equity owners of the issuer, depending on the type of relevant corporate entity and its charter.

To offer corporate bonds to international market and to list the bonds on a foreign stock exchange, an issuer is required to obtain the following key regulatory approvals under Vietnamese law:

- to obtain a confirmation from the SBV that the issue size of the bonds falls within Vietnam's overall limit on foreign commercial borrowings for the relevant year;
- to obtain registration approvals from the SSC for the offering of the bonds to international market pursuant to Article 26 of Decree 153/2020/ND-CP, and for the listing of the bonds on foreign stock exchanges pursuant to Article 127 of Decree 155/2020/ND-CP; and
- to obtain registration by the SBV of the issuance of the international bonds pursuant to Article 12 of Circular 17/2013/TT-NHNN (as amended).

The issuer is also required to provide a written notice of pre-issuance public disclosure to the Vietnam Stock Exchange ("VNX") and Hanoi Stock Exchange ("HNX") at least 1 business day prior to issue date, and after the issue is completed, submit reports on result of its international bond offering to the SSC, SBV, the VNX and the HNX. In addition, the issuer is also required to make a number of public disclosures and periodical and final reports to the SBV and the HNX and the VNX on the status of the bonds' principal and interest payments and the status of utilization of the issue proceeds.

(4) Listing on Foreign Stock Exchanges

The listing of bonds on Foreign Stock Exchange is mainly governed by Decree 155. The Law on Securities and Decree 155 permit organizations to list securities on foreign stock exchanges, as long as they comply with applicable securities regulations, including (but not limited to) the following:

- the issuer shall not engage in a business line in which participation by foreign investors is prohibited, and the issuer must comply with the foreign investor participation limit under applicable laws (as the case may be);
- the offshore listing shall have been approved by the GMS (for joint stock companies), members' council (for multi-member limited liability companies) or the company's owner (for one-member limited liability companies);
- the offshore listing must comply with foreign exchange regulations;
- the issuer shall satisfy the conditions for listing on the foreign stock exchange which has a co-operation agreement with the SSC or a stock exchange in Vietnam; and
- for issuer operating in certain conditional business sectors, the issuer must obtain approval of the relevant competent authority (as the case may be).

The issuer must submit an offshore listing application to the SSC for approval, make public disclosure relating to the listing and, post-listing, it has on-going compliance obligations regarding preparation of financial statements and public disclosure under the disclosure rules in Vietnam and of the offshore stock exchange.

(5) Foreign Ownership Limits

Under Decree 155, foreign investors are allowed to own up to 100% of the shares of any public company (including listed company), unless that public company operates in a "restrictive market approach" business line under the laws on investment or a business line for which other relevant laws apply foreign ownership limits. In addition, if that public company operates in a "restrictive market approach" business line but there

is not yet any specific provision on the foreign ownership limits, then the maximum foreign ownership ratio is 50% of the charter capital of such company.

Vietnamese Land Law

Overview of the Land System in Vietnam

All land belongs to the people of Vietnam and is administered by the State.

Although private freehold ownership over land is not permitted, persons may have legal rights to use land in Vietnam, and are regarded as land users. Legitimate owners of land use rights and property or buildings constructed on land are entitled to obtain ‘a certificate of land use rights, and ownership of residential houses, and other assets-attached to land’ (the “**LURC**”). This certificate constitutes *prima facie* evidence of the rights of land users and property owners. They also provide the basis for users to exercise their rights, such as to transfer, to mortgage or to dispose of their land use rights or properties. The current regime of land management and use, including the rights and obligations of land users, is set forth in the Land Law No. 45/2013/QH13 which was adopted by the National Assembly on 29 November 2013 and took effect as from 1 July 2014 and its implementing regulations (the “**Land Law**”).

The State determines, amongst other things, the following matters in relation to land: the land use period, land allocation and lease of land, land recovery, the purpose of the use of particular land, land evaluation, land use fees, land rental rates, land tax, land-related transaction registration and the rights and obligations of land users. Land use rights are determined by reference to the category of land use (agricultural, non-agricultural which includes residential and industrial land and unused land) and the types of land users.

Land use rights may be acquired through (i) allocation by the State; (ii) lease from the State; (iii) through an auction organized by the competent authority; (iv) lease from an authorized lessor; and (v) taking transfer of land use rights (in the form of exchange, assignment, inheritance, gift, donation or capital contribution).

Land use rights can be allocated or leased to property developers by the relevant governmental authorities with a land use fee (in the case of land allocation) or land rental paid in lump sum or annually by the developers (in the case of land lease). However, only land use rights that are allocated to the developers can be used to construct residential property for sale. Land use rights that are leased to the developers (whether with land rental paid in lump sum or annually) can only be used to construct residential property for lease or other public facilities for commercial purpose. Enterprises who pay the land use fees not using State budget funds or pay land rental in lump sum will have rights such as being able to mortgage the land use rights and the assets attached to the land, to use the land use rights for the provision of guarantees and to make capital contributions in the form of the land use rights. In comparison, an enterprise which elects to pay the land use fees using State budget funds or to pay land rental by annual instalments can only use the assets attached to the land to make capital contribution or exercise collateral rights.

All legitimate land users are entitled to obtain land use right certificates in their name. Similarly, all legitimate owners of property or buildings constructed on land are entitled to obtain certificates of property ownership. These certificates constitute conclusive evidence of the rights of land users and property owners. They also provide the basis for users to exercise their rights, such as to transfer, to mortgage or to dispose of their land use rights or properties.

Vietnamese Laws on Residential Housing

The existing Law on Residential Housing was adopted on 25 November 2014 and took effect as from 1 July 2015 (the “**Law on Residential Housing**”). The Law on Residential Housing provides a legal framework for housing development and construction in Vietnam and aims to strongly encourage organizations and individuals from all sectors of the economy to participate in housing development. Vietnamese nationals can purchase houses at any location in Vietnam regardless of their registered place of business or registered place of residence. All overseas Vietnamese can purchase houses in Vietnam if they lawfully enter Vietnam even only for a visit. Foreign individuals who lawfully enter Vietnam and are not entitled to preferential treatment rights or diplomatic or consulate immunities can purchase apartments or separate houses in projects for development of commercial residential housing in Vietnam, subject to certain limitations (for example, the ownership term shall not exceed 50 years from the issuance of the relevant ownership certificate and may be extended upon its expiry, and foreigners cannot, in aggregate, own more than 30% of the apartments in an apartment building, or in an area having a population equivalent to that of a ward; 10% of separate houses in an area where there is only one project with the number of separate houses below 2,500, or 10% of separate houses in each project where there are more than 02 projects with the aggregate number of separate house equivalent to 2,500; and where there is

only one project with the number of separate houses equivalent to 2,500, the foreigners cannot own more than 250 separate houses).

Vietnamese Law on Real Estate Business

The existing Law on Real Estate Business was adopted on 25 November 2014 and took effect as from 1 July 2015 (the “**Law on Real Estate Business**”) and provides a legal framework for real estate businesses such as legal capital requirements, property development, sale and lease of real estate, transfer of land, etc., and property support services including real estate brokerage, appraisals and apartment management services. Decree No. 76/2015/ND-CP was issued on 10 September 2015 to provide guidelines on certain issues, including conditions applicable to organizations and individuals engaged in the real estate business, sample contracts used in the real estate business, transfer of contracts for hire purchase of existing houses and buildings, transfer of contracts for purchase and sale or hire purchase of residential houses to be constructed in the future, and procedures for transfer of the whole or a part of a real estate project.

Scope of Real Estate Businesses and Services

The Law on Real Estate Business still retains the dual treatment of Vietnamese nationals and foreigners with regard to real estate business. Vietnamese organizations and individuals are permitted to conduct all types of business available under the Law on Real Estate Business, including:

- (i) to purchase houses and construction works for sale, lease out or grant hire purchase;
- (ii) to lease houses and construction works for sub-leasing;
- (iii) in case of land allocated by the state, to invest in construction of residential houses for sale, lease or grant of hire purchase; to transfer land use right in the form of division of land into plots for sale; and to invest in construction of technical infrastructure of cemeteries and graves for transfer of land use right attached to such technical infrastructure;
- (iv) in case of land leased from the state, to invest in construction of residential houses for lease; and to invest in construction of houses and buildings other than residential houses for sale, lease or grant of hire purchase;
- (v) in case of land in respect of which land use right is recognized by the state, to invest in construction of houses and buildings for sale, lease or grant of hire purchase;
- (vi) in case of land transferred from organizations, family households, or individual, to invest in construction of houses, and construction works for sale, lease or grant of hire purchase;
- (vii) in case of land leased from organizations, family households, or individual, to invest in construction of houses and construction works for lease in accordance with the land use purpose;
- (viii) to receive a part of or entire real estate projects from investors to construct houses and construction works for sale, lease or grant of hire purchase; and
- (ix) to receive, to lease land use rights from organizations, family households or individuals to invest in construction of technical infrastructure for transfer or lease of land with such technical infrastructure.

A foreign-invested enterprise, on the other hand, is only allowed to engage in the activities described in sub-paragraphs (ii), (iv) and (viii), and to invest in construction of houses on land allocated by the state for sale, lease, or grant of hire purchase and construction of houses and construction works on land leased in industrial parks, industrial complexes, export-processing zones, high-tech zones or economic zones for trading in accordance with the land use purpose. In general, foreign investors are required to develop property rather than to purchase developed property for the purpose of carrying out real estate business in Vietnam.

Real Estate Available for Trading

All types of real estate such as civil works, industrial works, road traffic works, agriculture and rural development works, and technical infrastructure, whether in existence or to be constructed in the future, are available for trading, provided that construction works being public assets must be permitted by the competent state authorities to be made available for trading. Land use rights permitted to be transferred, leased or subleased in accordance with the Land Law are also tradable.

Real Estate Development Rules

As from the effective date of the Law on Real Estate Business (i.e. 1 July 2015), any enterprise engaging in real estate business (excluding real estate brokerage, management and consulting services) must have a charter capital of at least VND 20 billion. Pursuant to the Law on Enterprises, the charter capital of an enterprise must be fully paid up within 90 days from the issuance of relevant enterprise registration certificate. This regulation requires project developers to have a strong financial capacity.

The Law on Real Estate Business sets forth tightened regulations on trading of real estate constructed in the future. Two significant aspects are requirements on completion of building foundation and bank guarantee for pre-sale. A project developer may sell or grant hire purchase of apartments constructed in the future only after completion of the building foundation and if the conditions for sale of such apartments are notified to and are confirmed to be satisfactory by the provincial Department of Construction. In addition, financial obligations of the project developer to the home buyers must be guaranteed by a qualified commercial bank pursuant to which, in case the project developer fails to hand-over the residential houses according to the undertaken schedule, the bank shall refund the advance payment and other payments to the home buyers in accordance with the sale and purchase agreement and the guarantee. These requirements aim to protect the home buyers, although it may affect the capital mobilization of the project developer.

The Law on Real Estate Business also introduces certain requirements on pre-sales and capital mobilization for development of housing projects. For instance, a domestic developer of a property project is restricted from collecting pre-sales more than 70% of the full sale price before handover of the property and is not permitted to use pre-sale funds for purposes other than to develop such apartment project. Developers of housing projects can borrow funds for the development but only from credit institutions and financial institutions operating in Vietnam.

In October 2015, the Government issued Decree No. 99/2015/ND-CP (“**Decree 99**”) implementing the Law on Residential Housing which took effect as from 10 December 2015. Decree 99 allows project developers to raise financing only through the following sources of funds:

- (i) via capital contribution, investment cooperation, business cooperation, or joint business, in which case the laws permit project developers to pay profits to the counter-parties (in the form of cash or shares) and restrict project developers from using such contract to distribute housing units, to offer the right to purchase housing units, or to accept deposits in consideration of the right to purchase housing units;
- (ii) collecting pre-sales from purchasers for the housing units; and
- (iii) borrowing from credit institutions and financial institutions operating in Vietnam.

A project developer may mobilize funds under paragraph (i) after the project approvals have been granted, land clearance has been completed, the land border handover minutes have been certified and the notice on satisfaction of conditions for mobilizing funds has been issued by the provincial Department of Construction. However, it may not mobilize funds under paragraph (ii) until after completion of the building foundation and if the conditions for sale of such residential houses are notified to and are confirmed by the provincial Department of Construction.

These are tighter regulations compared with previous regulations which allow the developer to pre-sell housing products by way of capital contribution contract or business cooperation contract in order to distribute housing products.

The Government also issued Decree No. 100/2015/ND-CP dated 20 October 2015 on development and management of social houses which took effect as from 10 December 2015 pursuant to which, a developer of commercial residential project with a land area of less than 10 hectares in urban areas of grade 3 or above (e.g., Hanoi, HCMC) is required to choose one of the following methods for development of social residential houses: (i) using 20% of the project land area for construction of social residential houses; (ii) converting a number of houses having value equal to 20% of the price of the project land into social residential houses; or (iii) contributing an amount equivalent to 20% of the price of the project land to the state budget.

In addition, new regulations on banking may affect the development of real estate projects, in particular, The SBV’s Circular 22/2019/TT-NHNN dated 15 November 2019 on prudential requirements reduced the ratio of short-term funding sources used for long term funding activities by a commercial bank at (i) 40% from 1 January 2020 to 30 September 2020, (ii) 37% from 1 October 2020 to 30 September 2021, (iii) 34% from 1 October 2021 to 30 September 2022, and (iv) 30% from 1 October 2022. This regulation also raises the risk weight of receivables from real estate business financing from the previous 150% to 200% and requires the banks to maintain a capital adequacy ratio of 150% for consumer lending of VND 4 billion or more.

Vietnamese Labour Code

The Labour Code of Vietnam (the “**Labour Code**”) was adopted by the National Assembly on 20 November 2019 and came into effect on 1 January 2021. The Government and the Ministry of Labour, War Invalids and Social Affairs have also issued various regulations to implement the Labour Code, including the regulations on labour contracts.

Pursuant to the Labour Code and its implementing regulations, any labour contract must be in writing and signed by and between an employee and the legal representative of a company, except for those with a term of less than one month. A labour contract must include the following mandatory items: identities of the employer and the employee, scope of work and duties, working hours and length of break, wage or salary and payment method, work place, term of contract, regimes for promotion and wage raise, labour hygiene and safety provisions, social and health insurance, and training and improvement of occupational skills. The term of a labour contract could be indefinite term, or fixed term where two parties may fix the term of the contract for a duration of up to 36 months.

Vietnamese regulations on automobile and electronic manufacture

Under Decree 116/2017/ND-CP (as amended by Decree 17/2020/ND-CP), an automobile manufacturing company must be granted with a certificate of satisfaction of conditions for the manufacture and assembly of automobiles by the Ministry of Industry and Trade.

Under Vietnamese law, an automobile manufacturing company must have vehicle warranty and maintenance centers which meet the requirements provided by applicable laws. The vehicle warranty and maintenance centers can be owned by such company, leased from other parties or belonging to the authorized dealer network of such company. In addition, such company must have legal right to use a factory, assembly line, welding line, painting line, quality control line and testing road which meet the requirements provided by law. In addition, automobile and electronic manufacturing businesses are subject to other laws and regulations in Vietnam, including, among others, environmental regulations.

Vietnamese Environmental Regulations

Law on Protection of Environment No. 55/2014/QH13 passed by the National Assembly on 23 June 2014 sets out the general legal framework for the protection of the environment in Vietnam and rights and obligations of individuals and organizations in relation to environment protection. It aims to limit adverse impact on the environment, recover from environmental incidents, degradation and pollution, control environmental hazards and exploitation, rehabilitate the environment, encourage reasonable exploitation and proper use of natural resources.

Depending on the nature and scale of each project (for example, a manufacturing plant or a clinic), either one of the following shall be required:

- (i) an environmental impact assessment report (“**EIAR**”); or
- (ii) an environmental protection undertaking (the “**EPU**”) prior to 1 January 2015 or an environmental protection plan (the “**EPP**”) as from 1 January 2015.

The EIAR will be submitted to the Ministry of Natural Resources and Environment, local people’s committee or other ministries with respect to certain projects falling within the scope of management of such ministries.

Prior to 1 January 2015, the EPU must be registered with and acknowledged by the People’s Committee at district level or the People’s Committee at commune level (as assigned by the People’s Committee at district level). As from 1 January 2015, the EPP must be registered and acknowledged by the provincial Department of Natural Resource and Environment, the People’s Committee at district level, the People’s Committee at commune level or the management authority of the industrial zones, economic zones, or export processing zones.

After approval has been obtained from the relevant authorities, the competent authorities may from time to time conduct regular inspections to ensure that the relevant environment standards are complied with.

Vietnamese Fire Safety Laws and Regulations

Prior to the commencement of most commercial construction works (for example, of guest houses and hotels), a developer must submit have the fire prevention and fighting design of the project appraised by the provincial or central Police Department of Fire Prevention, Fighting, Relief and Rescue, subject to the scale of the construction works, and obtain the relevant certificate before the competent authority can approve the design of the construction works and grant the construction permit, only upon which construction works can commence. Upon

completion of construction, the completed building must be subject to further fire prevention and fighting tests and be issued with a certificate of acceptance of fire safety before the building can be put into operation.

Vietnamese Law on Tourism

The hospitality business in Vietnam is under the supervision of Ministry of Culture, Sports and Tourism (“**MCST**”). The MCST assists the Government in performing State administration of tourism. It is also the government agency responsible for drafting and submitting to the Government and National Assembly for promulgating regulations on this sector. Together with the MCST, provincial People’s Committees perform State administration of tourism in their localities, formalize tourism development strategies, master plans, plans, mechanisms and policies in conformity with local conditions.

The National Assembly passed the new Law on Tourism on 19 June 2017, which took effect as from 1 January 2018 (the “**Law on Tourism**”). The Law on Tourism regulates tourism resources and activities, rights and obligations of tourists and other organizations and individuals engaged in tourism business and tourism-related activities. In particular, the Law on Tourism sets out the conditions for accommodation businesses including the resort industry. The mandatory conditions for establishing a resort include regulatory approvals, security, environment sanitation, safety, and fire prevention and protection. Moreover, the resort must meet the minimum standards as required for each type and grade of the establishment. The MCST and the provincial People’s Committee are responsible for classifying resorts in Vietnam pursuant to standards promulgated by the MCST. To implement the Law on Tourism, the Government has promulgated Decree No. 168/2017/ND-CP on 31 December 2017 which took effect as from 1 January 2018. This decree provides detailed guidance on, among others, the minimum standards of facilities used in accommodation business and evaluation and recognition of hotel ratings in Vietnam. Pursuant to the MCST’s instructions under its Official Letter No. 120/TCDL-LH dated 8 February 2018, conditions and procedures for establishing branches or representative offices of foreign tourism enterprises in Vietnam are now subject to the relevant regulations governing the establishment of branches and representative offices of foreign traders pursuant to Decree 07/2016/ND-CP dated 25 January 2016 guiding the implementation of the 2005 Commercial Law.

Law on Food Safety

Vietnam does not have a unified food law; instead, there are sets of overlapping laws and regulations that regulate food safety, hygiene, product quality and standards. Food safety and hygiene is currently regulated by Law No. 55/2010/QH12 on Food Safety on 1 July 2011 (the “**Food Safety Law**”). The Food Safety Law regulates, among other things, food safety in production and trading, food advertising and labelling, remedies for food safety incidents, food safety risk analysis and the responsibilities of state food safety management. In addition, Decree 163/2004/ND-CP of the Government dated 7 September 2004 (“**Decree 163**”) specifically identifies and regulates in detail the food products that are subject to food safety and hygiene and sets out specific requirements for food safety and hygiene, safety standards and inspection. On 2 February 2018, the Government issued Decree 15/2018/ND-CP implementing certain articles of the Food Safety Law (“**Decree 15**”). By virtue of the issuance of Decree 15, certain provisions of Decree 163 are no longer effective and applicable.

Moreover, the food safety is also regulated by various decisions and circulars issued from time to time by the Ministry of Health, the Ministry of Agriculture and Rural Development and other ministries provide guidelines on food safety and hygiene. In order to operate resort business, the investor Company shall need varied certificates and licenses from different levels and departments of authorities.

Vietnamese regulations on healthcare

The Ministry of Health (the “**MOH**”) is the Government agency responsible for supervising healthcare activities and services in Vietnam. The MOH has various specialized departments, such as Drug Administration which regulates the pharmaceutical sector, including drug prices and registration of pharmaceutical products, the Department of Medical Examination and Treatment Management which regulates the establishment, licensing and operation of hospitals, clinics, medical practitioners, medical examinations and treatments, and Department of Health Environment Management which oversees environmental aspects of healthcare activities.

The Law on Medical Examination and Treatment, which was passed on 23 November 2009 and took effect on 1 January 2011, and Decree 109/2016/ND-CP of the Government dated 1 July 2016 (as amended) provide for the establishment, licensing and operation of hospitals and medical clinics, as well as granting of medical practicing licenses for medical practitioners, and the conducting of and techniques used in medical examination and treatment. Private general hospitals must obtain operation licenses from the MOH. Hospitals must satisfy certain criteria in order to be granted an operation license, including specific conditions on its (i) scale, (ii) facilities,

(iii) medical equipment, (iv) organization and (iv) personnel. Medical practitioners must satisfy requirements for practicing licenses, including (i) qualification, (ii) experience, and (iii) for foreign practitioners, language proficiency or having appropriately qualified translators.

Vietnamese regulations on education

The establishment and operation of kindergartens, schools and universities in Vietnam are under the supervision of various authorities, including the local district or provincial People's Committee, the Ministry of Education and Training ("MOET") and the Prime Minister.

Under Decree 46/2017/ND-CP of the Government dated 21 April 2017 (as amended by Decree 135/2018/ND-CP of the Government dated 4 October 2018), a company must obtain an approval from the Chairman of the district or provincial People's Committee in order to establish a kindergarten or school. The investment capital for a private university must be at least VND 1,000 billion (excluding the value of land used for construction of the university).

In order to put the kindergarten, school or university into operation, the company must obtain an approval from the Director of district or provincial Department of Education and Training or the Minister of MOET allowing the company to commence operations of the kindergarten, school or university. The kindergarten, school or university must satisfy certain criteria, including but not limited to its facilities, curriculum, syllabus, teaching and learning materials, personnel and capital resources.

Vietnamese regulations on social enterprise

Under the Laws on Enterprises, an enterprise is defined as a social enterprise when (i) it is registered and operates to resolve a number of social and environmental issues for social targets for the whole operation term; and (ii) it reinvests at least 51% of its total profits to resolve the registered social and environmental issues. A company could either be established as a social enterprise or converted into one after being registered with the local Department of Planning and Investment ("DPI"). The social target of a social enterprise will be registered with the local DPI. Under Vietnamese law, a social enterprise is entitled to enjoy certain preferential policies, including, among others, investment incentives and access to foreign non-governmental aid to resolve social and environmental issues. In addition, social enterprises in education and healthcare sectors may also enjoy tax incentives.

TAXATION

The following summary is based on applicable tax laws that are in effect on the date of this Offering Circular, and is subject to changes in such laws, including changes that could have retroactive effect. The following summary does not take into account or discuss the tax laws of any jurisdiction other than the ones described below. Prospective purchasers in all jurisdictions are advised to consult their own tax advisers as to tax consequences applicable to the acquisition, ownership and disposition of the Bonds or Exchange Shares, including, in particular, the effect of any foreign, state or local tax laws to which they are subject.

Vietnam Taxation

The statements made in this Offering Circular regarding taxation are general in nature and based on certain aspects of the tax laws of Vietnam and administrative guidelines issued by the relevant authorities in force as of the date of this Offering Circular and are subject to the enactment of such budget measures, and any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The following is a summary of the material Vietnam tax consequences to a holder of the Bonds or Exchange Shares. The statements below are not to be regarded as advice on the tax position of any holder of the Bonds or Exchange Shares or of any person acquiring, selling or otherwise dealing with the Bonds or Exchange Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds or Exchange Shares.

The statements made in this Offering Circular do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds or Exchange Shares and do not purport to deal with the tax consequences applicable to all categories of investors some of which (such as dealers in securities) may be subject to special rules. Prospective holders of the Bonds or Exchange Shares are advised to consult their own tax advisers as to the Vietnam or other tax consequences of the acquisition, ownership or disposition of the Bonds or Exchange Shares, including, in particular, the effect of any foreign state or local tax laws to which they are subject.

The interpretation and application of relevant laws and regulations by the Vietnamese tax authorities may be subject to more rapid and unpredictable changes than in a jurisdiction with more developed capital markets. In particular, the interpretation and application of such provisions will in practice rest substantially with local tax authorities. Changes in interpretation and application of such provisions may affect the tax consequences described herein.

The below sections only consider the Vietnamese tax implications for non-resident holders of the Bonds or Exchange Shares and do not address the implications for Vietnamese investors. Vietnamese investors should seek specific professional legal and tax advice from their own advisers before trading in the Bonds or Exchange Shares.

Vietnamese Income Tax Implications for Holders of the Bonds

The discussion below applies to both institutional holders of the Bonds and individual holders of the Bonds. For the purposes of this section, the term “institutional holder” refers to any holder of the Bonds as applicable which is an entity that is treated as a body corporate for tax purposes, including companies, trusts, and limited partnerships which hold the Bonds.

Interest Payments on the Bonds

Interest paid to holders of the Bonds will be subject to a 5.0% withholding income tax on the interest amount on the Bonds at the time the Issuer makes payment of such interest. “Interest” subject to this 5.0% withholding income tax covers coupon, premium, bonus, default interest and other payments that may be considered as a payment of interest on the Bonds.

Under the section “*Terms and Conditions of the Bonds—Taxation*,” interest paid is net of withholding tax, therefore holders of the Bonds will receive the full interest amount free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or government charges of whatever nature imposed, levied, collected, withheld or assessed by or within any relevant taxing jurisdiction (including Vietnam). The Issuer will be liable for declaring and paying any applicable taxes, duties, assessments or government charges on such interest payments to the Vietnamese Government. See “*Terms and Conditions of the Bonds—Taxation*.”

Offshore Trading of the Bonds

Vietnamese tax regulations do not explicitly contemplate the tax treatment of income arising from the trading of offshore listed bonds and if such income is taxable in Vietnam, it is unclear how the tax is withheld and declared. However, based on a 2009 private tax guidance by the Vietnamese tax authority to us (then named Vincom Joint Stock Company) in the context of the listing of certain convertible bonds, it could be construed that income from the transfer of a Bond listed in the SGX-ST is not taxable in Vietnam.

Income tax relief may be available for capital gains tax under the tax treaties between Vietnam and the home countries where the transferors are residents, subject to the provision of the relevant tax treaty. Certain formalities need to be fulfilled in accordance with Vietnamese regulations to affect the tax treaty relief, if any.

Under the tax treaty between Singapore and Vietnam and its second Protocol, capital gains derived by a resident of Singapore from property other than immovable property and other than movable property regulated under Clauses 1, 2, and 3 of Article 13 of the tax treaty between Singapore and Vietnam, and as amended under Article VII of the second Protocol shall be taxable only in Singapore. Accordingly, under this tax treaty, capital gains derived in the sale of the Bonds by a resident of Singapore shall not be taxable in Vietnam.

Redemption or Repurchase of the Bonds

Where the Bonds are redeemed or repurchased with accrued and unpaid interest to the redemption date or at a premium or bonus, current Vietnam tax regulations do not provide clear guidance on treatment of income from repurchase of the Bonds at a premium as income from bonds trading or income from interest. As the purchaser in this case is the issuer, the nature of premium is similar to interest, in such case, a 5.0% withholding tax should be applied on the accrued and unpaid interest amount, premium and/or bonus. However, a recent ruling from a local tax authority on taxes applied to the repurchase of bonds prior to its maturity date stated that individual investors transferring bonds to the issuer have to pay personal income tax on securities transfer at a rate of 0.1% on the sales proceeds. Similarly, it may be inferred from such ruling that the same treatment could be applied to the repurchase of bonds from institutional investors, with a 0.1% corporate income tax on the sales proceeds.

Notwithstanding this, as the regulations are unclear on tax treatment in this case, the bond holders should apply the 5.0% tax rate, unless they have specific guidance from the tax authorities allowing the application of 0.1% rate similarly to the above individual case.

Under the section “*Terms and Conditions of the Bonds—Taxation*” and subject to certain exceptions set out therein, holders of the Bonds will receive the full amount of interest and premium free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or government charges of whatever nature imposed, levied, collected, withheld or assessed by or within any relevant taxing jurisdiction (including Vietnam). See “*Terms and Conditions of the Bonds—Taxation*.”

Exchange of the Bonds for Exchange Shares

If the Bonds are exchanged for the Exchange Shares, it remains unclear whether the tax authority will view the transaction as a combination of bonds redemption and subsequent purchase of the Exchange Shares. If this is the case, the potential tax treatment for Bondholders could be similar to the case for the redemption or repurchase of the Bonds.

Investors are advised to seek official guidance from local tax authority on the above tax treatment.

Vietnamese Value Added Tax (“VAT”)

Under current VAT regulations, interest, bonus and premium received on the Bonds are not subject to VAT filings and payment in Vietnam.

The trading of securities issued by a Vietnamese company, including the Bonds, is not subject to VAT in Vietnam.

Vietnamese Income Tax Implications for Holders of the Exchange Shares

The discussion below applies to both institutional holders of the Exchange Shares and individual holders of the Exchange Shares. For the purposes of this section, the term “institutional shareholder” refers to any holder of the Exchange Shares (as applicable) which is an entity that is treated as a body corporate for tax purposes, including companies, trusts, and limited partnerships which hold the Exchange Shares.

Dividends from the Exchange Shares

Dividends received by institutional shareholders will be taxed differently, depending on the form of the dividends:

- Cash dividends from after-tax profits are not subject to further corporate income tax in Vietnam when paid to institutional shareholders.
- With respect to stock dividends and/or stock bonuses paid to institutional shareholders, the current tax laws are silent on the tax treatment for institutional shareholders. Based on several tax rulings issued by the Vietnamese tax authorities, institutional shareholders should not be subject to corporate income tax on the value of stock dividends and/or bonuses recorded on the books of issuers, if the value of stock dividends is equivalent to the value of dividends to be received. Upon sales of any dividend and/or bonus stocks in a public company, non-resident institutional shareholders will be subject to a 0.1% withholding tax on the value of the sale transaction. As the Exchange Shares are listed on HSX, such withholding tax will be deducted by the securities firms acting as brokers for non-resident institutional shareholders prior to remittance of the sale proceeds to such institutional shareholders.

Dividends received by individual shareholders will be taxed differently, depending on the form of the dividends:

- Cash dividends will be subject to a 5.0% withholding tax on the amount paid out to the resident and non-resident individual shareholders.
- Stock dividends and/or stock bonuses will not be subject to any withholding tax at the time the Exchange Shares are delivered as a stock dividend or stock bonus to the individual shareholders. However, based on tax regulations and guidance, upon a sale by the shareholder of the Exchange Shares which are the same as the Shares received as a stock dividend or stock bonus, a 5.0% withholding tax will apply to the income realized on the stock dividend or stock bonus, computed at 5.0% of the lower of: (x) the aggregate par value, and (y) the aggregate market value of the Exchange Shares being sold, in addition to the 0.1% withholding tax on the total sale price of Exchange Shares.

In accordance with the regulations on tax administration, tax on investment income of individual shareholders derived from the transfer of stock dividends, stock bonuses, stock from reinvested profit and stock used for capital contribution, as well as withholding tax on securities transfer, shall be withheld, declared and paid to the local tax authorities. Such withholding tax will be withheld by the securities firms or custodian banks acting as brokers for such shareholders prior to the remittance of the sale proceeds to such shareholders.

Income tax relief may be available for capital gains tax, pursuant to tax treaties between Vietnam and the home countries where the transferors are residents, and subject to the provisions of the relevant tax treaties. Certain formalities need to be fulfilled in accordance with Vietnamese regulations to affect the tax treaty relief, if any.

Sale of the Exchange Shares

Any sale of the Exchange Shares will be subject to a withholding income tax, at a rate of 0.1% of the full transaction price for the Exchange Shares, which will be withheld by the securities firms or custodian banks acting as brokers for such shareholders prior to the remittance of the sale proceeds to such shareholders in accordance with prevailing laws.

Income tax relief may be available for capital gains tax, under tax treaties between Vietnam and the home countries where the transferors are residents, subject to the provision of that relevant tax treaty. Certain formalities need to be fulfilled in accordance with Vietnamese regulations to affect the tax treaty relief, if any.

Vietnamese Value Added Tax ("VAT")

Under current VAT regulations, interest, dividends, bonus and premium received on the Exchange Shares are not subject to VAT filings and payment in Vietnam.

The trading of securities issued by a Vietnamese company, including the Exchange Shares, is not subject to VAT in Vietnam.

SUBSCRIPTION AND SALE

The Joint Lead Managers have, pursuant to the subscription agreement dated 13 April 2021 (the “**Subscription Agreement**”), agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe, or procure subscribers for, US\$500,000,000 in principal amount of the Bonds at a price equal to 100.00% of their principal amount.

The Subscription Agreement entitles each of the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

Lock-up and Undertaking

No member of our Group nor any person acting on any of their behalf will, without the prior written consent of the Joint Lead Managers, (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a) or (b) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Joint Lead Managers between the date hereof and the date which is 90 days after the Closing Date, except for:

- (a) the Bonds and the delivery of the Shares on an exchange of the Bonds;
- (b) issuances of Shares to the Issuer’s or Vinhomes’s employees or directors of up to 5.0% of the total issued and outstanding share capital of Vinhomes as of 13 April 2021 (or the equivalent amount of stock acquisition rights) pursuant to any Employee Share Scheme (as defined in the Conditions);
- (c) issuances of Shares for stock splits or free share distributions;
- (d) transfers of Shares required by applicable law or regulation or by a competent authority;
- (e) acceptances of general or public tender offers made in accordance with the relevant public takeover rules, the provision of an irrevocable undertaking to accept such an offer, a sale to an offeror (or potential offeror) which is named in a public announcement of a firm intention to make an offer (or possible intention to make such an offer) or a sale of Shares to an offeror (or potential offeror) during an offer period (as defined by the relevant public takeover rules);
- (f) transfers of Shares pursuant to any scheme of compromise or arrangement providing for the acquisition by any person or persons acting in concert for 50% or more of the equity share capital of Vinhomes or any disposal of Shares in connection with a scheme of reconstruction under laws applicable to Vinhomes;
- (g) transfers of Shares pursuant to any offer by Vinhomes to repurchase Shares, provided that such offer is being made on a pro rata basis to all shareholders of Vinhomes;
- (h) existing and future mortgages, charges, release or pledges over Shares to any third party as collateral, or the transfer of such Shares on enforcement of any such security;
- (i) issuance or transfer of Shares, other instruments convertible or exchangeable into Shares, other derivatives over Shares or other equity instruments to a strategic purchaser or strategic investor of the Issuer and/or the Company not exceeding 7.5% of share capital of the Company, provided that the Company shall procure that such strategic purchaser or strategic investor, as the case may be, agrees to a substantively similar lock-out between the date of such issuance or transfer and the date which is 90 days after the Closing Date; or
- (j) any agreement, undertaking or commitment to do any of the actions in (a) to (i) above.

No member of our Group nor any person acting on our behalf will, without the prior written consent of the Joint Lead Managers, at each annual general meeting of Vinhomes (prior to the redemption or exchange in full of the Bonds), vote in favour of any proposed resolution approving any amendments to the Charter that might have any material and adverse impact on the terms and conditions of the Subscription Agreement, the Trust Deed and the Agency Agreement.

In addition, no member of our Group nor any person acting on our behalf will, without the prior written consent of the Joint Lead Managers, issue or agree to issue any other notes, bonds or other debt securities of whatsoever nature between the date hereof and the Closing Date.

Selling Restrictions

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

Neither the Issuer nor any Joint Lead Manager has made any representation that any action will be taken in any jurisdiction by the Joint Lead Managers or the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular (in preliminary proof or final form) or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Joint Lead Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Offering Circular (in preliminary proof or final form) or any such other material, in all cases at its own expense. Neither Joint Lead Manager is authorized to make any representation or use any information in connection with the issue, subscription and sale of the Bonds other than as contained in this Offering Circular (in final form) or any amendment or supplement to it.

United States

The Bonds and the Shares to be delivered on or in connection with an exchange of the Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager has represented and warranted that it has not offered or sold, and agreed that it will not offer or sell, any Bonds (or the Shares to be delivered on or in connection with an exchange of the Bonds) constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S. Accordingly, none of the Joint Lead Managers nor any persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds or the Shares to be issued on or in connection with an exchange of the Bonds. Terms used in this paragraph have the meaning given to them by Regulation S.

The Joint Lead Managers have represented and warranted that they have not entered and agree that they will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of the Bonds, except with their respective affiliates or with the prior written consent of the Issuer.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds or Shares to be delivered upon exchange of the Bonds within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act.

European Economic Area

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of Directive 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager represents and agrees, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

Other Regulatory Restrictions

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Hong Kong

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with MAS. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Bonds or Shares or caused the Bonds or Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or Shares or cause the Bonds or Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds or Shares, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the

SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”). Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for benefit of, any resident of Japan (which term as used in this Offering Circular means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

The People's Republic of China

Each Joint Lead Manager has represented, warranted and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (the “**PRC**”) (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws and regulations of the PRC.

Vietnam

The Bonds may not be offered or sold directly or indirectly in Vietnam or to, or for the benefit of, any resident in Vietnam (which term as used in this Offering Circular shall have the same meaning as that defined in the 2005 Ordinance on Foreign Exchange, which includes:

- (a) credit institutions and foreign bank branches established and operating in Vietnam in accordance with the Law on Credit Institutions;
- (b) any economic institutions not being credit institutions incorporated under the laws of Vietnam and operating in Vietnam;
- (c) state bodies, units of the people's armed forces, political organizations, socio-political organizations, socio-political-professional organizations, social organizations, socio-professional organizations and social funds and charitable funds of Vietnam operating in Vietnam;
- (d) representative offices in foreign countries of the entities in sub-clause (a), (b), and (c) above;
- (e) diplomatic representative offices, consulate representative offices and representative offices in international organizations of Vietnam in foreign countries;

- (f) Vietnamese citizens residing in Vietnam, Vietnamese citizens residing abroad for a period of less than 12 months, and Vietnamese citizens working for any of the organizations stipulated in sub-clause (d) and (e) above and the individuals accompanying such citizens;
- (g) Vietnamese citizens travelling overseas for purposes of tourism, study, medical treatment or visits;
- (h) foreigners permitted to reside in Vietnam for a duration of 12 months or more excluding the case of foreigners in Vietnam for study, medical treatment, tourism, or working for diplomatic representative offices, consulates, representative offices of international organizations or representative offices of foreign organizations in Vietnam regardless of the residency period; and
- (i) branches in Vietnam of foreign economic institutions and forms of presence in Vietnam of foreign parties participating in investment activities in accordance with the provisions of the law on investment, and operating offices of foreign contractors in Vietnam.

LEGAL MATTERS

Certain legal matters as to English law will be passed upon by Latham & Watkins LLP, legal counsel to the Issuer and Allen & Overy LLP, legal counsel to the Joint Lead Managers.

Certain legal matters as to Vietnamese law will be passed upon by VILAF, legal counsel to the Issuer and Allen & Overy Legal (Vietnam LLC), legal counsel to the Joint Lead Managers.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN VAS AND IFRS

The following paragraphs summarize the principal areas in which there could be certain differences between IFRS and VAS that could be significant to the Issuer and our Group's respective balance sheets and income statements as of and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular, considering the standards that were effective as of the date of this Offering Circular.

However, this summary should not be construed as being exhaustive, and no attempt has been made to identify possible future differences between VAS and IFRS, or to identify future differences that may affect the Group's or Vinhomes' respective financial statements as a result of transactions or events that may occur in the future. In certain respects, the financial statements reflect adjustments made in accordance with applicable statutory requirements and regulatory guidelines, and accounting practices in Vietnam, which change from time to time and may have been applied retrospectively. As a result, the periods covered by the financial statements and the Group's and Vinhomes' results on a period-by-period basis may not be directly comparable.

We have not quantified these differences nor performed a reconciliation of any of the Group's or Vinhomes' financial statements to IFRS in this Offering Circular. Had we undertaken any such quantification or reconciliation, other potential accounting and disclosure differences may have come to our attention that are not summarized below. Accordingly, we cannot offer any assurances that the differences described below would, in fact, be the accounting principles creating the principal differences between the Group's or Vinhomes' respective financial statements prepared under VAS compared to IFRS, nor that the summary below represents all principal differences between VAS and IFRS related to the Group or Vinhomes.

Potential investors should consult their own professional advisors for an understanding of the differences between IFRS and VAS, and how these differences might affect the financial information set out herein.

PRESENTATION AND DISCLOSURES OF THE FINANCIAL STATEMENTS

Standard financial statements format

Enterprises reporting under VAS are required to apply a preset chart of accounts prescribed by Circular 200/2014/TT-BTC (“**Circular 200**”), Circular 202/2014/TT-BTC (“**Circular 202**”) and VAS issued by the Ministry of Finance.

There is no preset chart of accounts required by IFRS.

Statement of changes in equity

VAS requires a complete set of financial statements that comprises a balance sheet, an income statement, a cash flow statement and notes to financial statements, which includes notes of changes in equity.

IFRS requires a complete set of financial statements that comprises a statement of profit or loss, a statement of other comprehensive income, a statement of financial position, a statement of changes in equity, a statement of cash flows and notes to financial statements.

Income statement

VAS does not require the presentation of other comprehensive income or total comprehensive income.

IFRS requires the presentation of total comprehensive income, which presents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners.

VAS only requires one statement displaying components of profit or loss.

IFRS allows two options for an enterprise to present all items of income and expense recognized in a period: either in a single statement of comprehensive income; or in two statements: a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income).

Disclosure on management's judgments, assumptions and estimations

There is no specific requirement on disclosure on management's judgments, assumptions and estimations under VAS 21.

IFRS requires disclosure of (i) judgments, apart from those involving estimations, which management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognized in the financial statements, (ii) key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Disclosure of interests in other entities

There is no such disclosure requirement in VAS other than the Appendix 1 of Circular 202, which contains a template for the form of the consolidated financial statements, rather than specific and detailed disclosure requirement.

Under the requirements of IFRS 12, an entity shall disclose the information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows.

Operating segments

Under VAS, an entity is required to present operating segments defined by VAS 28 which may be different from management's perspective. An entity should present a reconciliation between the information disclosed for reportable segments and the information in the financial statements. The reconciliation contains a separate column for information not belonging to the reported segments.

IFRS 8 uses the management approach under which segment information is presented on the same basis as that used for internal reporting purposes. Under IFRS 8 operating segments are components of an entity, identified based on internal reports on each segment that are regularly used by the entity's chief operating decision-maker to allocate resources to the segment and to assess its performance. IFRS 8 requires an entity to provide reconciliations of all reportable segment's information to information presented in consolidated financial statements, in which all material reconciling items shall be separately identified and described.

CASH FLOW STATEMENT

Impact of IFRS 16 on cash flow

In the statement of cash flows, a lessee is required to classify cash payments for the principal portion of the lease liability within financing activities. Cash payments for the interest portion of the lease liability are classified applying the requirements in IAS 7 for interest paid.

In the cash flow statement, the part of the lease payments that reflects interest on the lease liability can be presented as an operating cash flow (if it is the entity's policy to present interest payments as operating cash flows). Cash payments for the principal portion of the lease liability are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

There is no such requirement under VAS.

Classification of interest paid

VAS requires that, except for banks and financial institutions, (i) paid interest belongs to cash flows from operating activities; (ii) interest income receipt and dividend receipt belong to cash flows from investing activities or operating activities; and (iii) the amount of paid dividend belongs to cash flows from financing activities.

IFRS requires that (i) paid interest belongs to cash flows from operating or financing activities; (ii) interest income receipt and dividend receipt belong to cash flows from investing or operating activities; and (iii) the amount of paid dividend belongs to cash flows from financing or operating activities.

Cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control

There is no such requirement under VAS.

IFRS requires that cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control be classified as cash flows from financing activities.

FAIR VALUE MEASUREMENT

Fair value measurement

There is no specific guidance for measurement of fair value under VAS.

IFRS has the definition of fair value, setting out a single framework for measuring fair value and disclosure requirements for fair value measurements. IFRS explains that a fair value measurement requires an entity to determine the following:

- the particular asset or liability being measured for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis;

- the market in which an orderly transaction would take place for the asset or liability; and
- the appropriate valuation technique(s) to use when measuring fair value. The valuation technique(s) used should maximize the use of relevant observable inputs and minimize unobservable inputs. Those inputs should be consistent with the inputs a market participant would use when pricing the asset or liability.

BUSINESS COMBINATION

Definition of control

Under VAS, control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities. A combining entity shall be presumed to have obtained control of another combining entity when it acquires more than one-half of that other entity's voting rights, unless it can be demonstrated that such ownership does not constitute control. Even if one of the combining entities does not acquire more than one-half of the voting rights of another combining entity, it might have obtained control of that other entity if, as a result of the combination, it obtains:

- power over more than one-half of the voting rights of the other entity by virtue of an agreement with other investors; or
- power to govern the financial and operating policies of the other entity under a statute or an agreement; or
- power to appoint or remove the majority of the members of the board of management or equivalent governing body of the other entity; or
- power to cast the majority of votes at meetings of the board of management or equivalent governing body of the other entity.

Under IFRS, an investor controls an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- power over the investee. An investor has power over an investee when the investor has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's returns;
- exposure or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

Temporary control

Under VAS, a subsidiary should be excluded from consolidation when:

- control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future (normally under 12 months); or
- it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent.

The equivalent guidance has been suspended under current IFRS.

Measurement of non-controlling interest at acquisition date

For each business combination, the acquirer shall measure at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets and, in the event of liquidation, the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. Under VAS, there is no fair value option.

Under IFRS, for each business combination, the acquirer shall measure at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets.

Acquisition-related transaction costs

Under VAS, acquisition-related costs are costs incurred by the acquirer to affect a business combination and is capitalized as a cost of investment.

Under IFRS, acquisition-related costs are costs the acquirer incurs to affect a business combination. Those costs include finder's fees, advisory, legal and accounting, etc. The acquirer shall account for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received.

Goodwill

Under VAS, after initial recognition, goodwill is measured at cost less any accumulated amortization and accumulated impairment losses. Goodwill is amortized over a maximum of 10 years on a straight-line basis. Upon a reduction of the investments in subsidiaries without loss of control, the unamortized goodwill is reduced by an amount related to the reduction of effective rate over the subsidiary.

Under Circular 202, goodwill is subject to annual impairment review. If the goodwill is impaired during the year and the impaired amount is higher than the amortization of that year, the goodwill will be derecognized by the impairment amount. However, there is no guidance to measure the amount of impairment under VAS.

Under IFRS, after initial recognition, goodwill is measured at cost less any accumulated impairment losses. The measurement of impairment goodwill is guided by IAS 37 about impairment of the cash-generating unit. In addition, there is no change in goodwill in equity transactions without the loss of control.

Contingent consideration

VAS requires that when a business combination agreement provides for a contingent consideration on future events, the acquirer shall include the amount of that contingent consideration in the total consideration at the acquisition date if the contingent is probable and can be measured reliably. If contingent consideration is not included in the cost of the combination at the time the combination is initially accounted for because it is either not probable or cannot be measured reliably, if that contingent consideration subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the total consideration of the combination.

Under IFRS, any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be re-measured until it is finally settled within equity.

Measurement of retained interest when the parent loses control while retaining significant influence over the investee

When the parent loses control over a subsidiary, VAS requires the re-measurement of the retained interests with significant influence after loss of control at cost or carrying amount using equity accounting.

When the parent loses control over a subsidiary, IFRS requires the revaluation of any non-controlling interests retained at fair value.

INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Held for sales

Investment in an associate/joint venture that meets the held for sale is accounted at cost.

Investment or a portion of an investment in an associate/joint venture that meets the held for sale criteria must be classified as non-current asset held for sale in accordance with IFRS 5. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method until disposal of the portion that is classified as held for sale takes place. After the disposal takes place, an entity shall account for any retained interest in the associate or joint venture in accordance with IFRS 9 unless the retained interest continues to be an associate or a joint venture, in which case the entity uses the equity method.

Elimination of downstream and upstream transactions

VAS requires gains or losses from transactions between a group, joint ventures and associates to be recognized only in the consolidated financial statements corresponding to the ownership of other parties, on the principle that:

(a) For downstream transactions:

- If there is a loss arising from contributing capital in non-monetary assets or selling assets to joint ventures and associates, investors must immediately record such loss in the consolidated income statement.

- If there is a gain resulting from making capital contribution in non-monetary assets or selling assets to joint ventures and associates, investors will only record gains corresponding to the ownership of other parties in the joint venture or associates. Unrealized gains are recorded as deferred revenue under VAS before being realized in the consolidated income statement.

(b) For upstream transactions:

- When a joint venture or an associate incurs losses from the sale of assets to a group, investors only record losses corresponding to the ownership of our Group in the consolidated income statement.
- When a joint venture or an associate incurs gain from the sale of assets to a group, investors must not record the interest corresponding to their ownership from that transaction.

IAS 28 requires that gains and losses resulting from ‘upstream’ and ‘downstream’ transactions involving assets that do not constitute a business, as defined in IFRS 3, between an entity (including its consolidated subsidiaries) and its associate or joint venture be recognized in the entity’s financial statements only to the extent of unrelated investors’ interests in the associate or joint venture. The entity’s share in the associate’s or the joint venture’s gains or losses resulting from these transactions is eliminated. When downstream transactions provide evidence of a reduction in the net realizable value of the assets to be sold or contributed, or of an impairment loss of those assets, those losses shall be recognized in full by the investor. When upstream transactions provide evidence of a reduction in the net realizable value of the assets to be purchased or of an impairment loss of those assets, the investor shall recognize its share in those losses.

PROPERTY, PLANT AND EQUIPMENT

Criteria for recognition

Under VAS, property, plant and equipment (“PPE”) are known as tangible fixed assets and are initially recognized at cost. PPE which are individually below VND 30 million are classified under Long-Term Prepaid Expenses and depreciated over their useful lives. There is no guidance for impairment testing of PPE. Under VAS, it mentions estimates of the cost of dismantling, removing and restoring the site on which it is located. However, these costs are recognized as expense, and not capitalized into the cost of PPE.

Under IFRS, PPE are also initially recognized at cost. However, under IFRS, the cost of an item of PPE also includes the estimate of the costs of dismantling, removing and restoring the site on which it is located.

Subsequent measurement

Under VAS, PPE should be carried at cost, less depreciation, after initial recognition. Revaluation of PPE is not allowed unless prescribed in regulations of the relevant state. PPE are not subject to impairment testing under VAS 3 and impairment write-down of PPE is not allowed under VAS 3.

IFRS sets out two accounting models for measuring PPE: cost model and revaluation model. Any entity can set up either a cost model or a revaluation model as an accounting policy, and apply it to the entire group of categories. It is compulsory that an impairment indicator be reviewed periodically. If there is an indication that an asset may be impaired, an impairment test is required to be performed under IAS 36.

Under the guidance of Circular 200, large overhaul expenses can be recorded as prepaid expenses and allocated to profit and loss within three years of being incurred. Under IFRS, these expenses are capitalized to cost of the PPE if they meet the recognition criteria of a PPE. If not, they are written off when incurred.

Classification of Land Use Right

Under Circular 200, where procured tangible fixed assets are houses, architectural objects associated with the land use right, the land use right value must be separately determined and recognized as intangible fixed asset or prepayment.

IAS 16 does not require the classification of land use right as an intangible asset or prepayment. However, when the land use right is associated with a lease contract, it will be accounted for in accordance with IFRS 16.

INTANGIBLE FIXED ASSETS

Criteria for recognition

Under VAS 04, an asset must satisfy the criteria listed below to be recognized as intangible fixed asset:

- (a) the definition of an intangible fixed asset; and

(b) the four recognition criteria below:

- certainty of future economic benefits;
- the asset's historical cost can be determined reliably;
- an estimated the useful life of more than one year; and
- the meeting of all value criteria prescribed by current regulations (i.e. VND 30 million under Circular 45/2013/TT-BTC).

Under IFRS, the recognition of an item as an intangible asset requires an entity to demonstrate that the item meets (i) the definition of an intangible asset and (ii) the recognition criteria. It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Under VAS 04, pre-operating expenses can be recorded as prepaid expenses and allocated into profit and loss within three years of being incurred. Under IFRS, they are written off when incurred.

Subsequent measurement

Under VAS, intangible assets are known as intangible fixed assets and recognized at cost less accumulated amortization. Revaluation or write down for impairment is not allowed. Land use rights with indefinite useful life are recorded at historical cost and are not amortized.

IFRS sets out two accounting models for measuring intangible assets: cost model and revaluation model at fair value. Intangible assets with finite useful lives are amortized and assessed at the end of each reporting period whether there is any indication that an asset may be impaired. Land use rights with infinite useful life are recorded at historical cost and are not amortized, but are tested for impairment annually at the individual level.

Useful life

Under VAS 04, the depreciation period of an intangible asset shall not exceed 20 years absent a written explanation specifying a compelling reason to do otherwise.

Under IFRS, there are no such criteria.

INVESTMENT PROPERTIES

Subsequent measurement

Under VAS, investment property is property being land-use rights, a building, part of a building or both, infrastructure held by the owner to earn rental or for capital appreciation or both. Investment properties for earning rental are carried at cost less depreciation. Investment properties for capital appreciation are carried at cost, without depreciation, but are subject to impairment assessment. There is no specific guidance for impairment recognition.

As investment properties are carried at cost under VAS, transfers between investment property, owner-occupied property and inventories do not change the net-book value of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Under IFRS, there are two models to account for investment properties. Investment properties can be (i) carried at cost less depreciation and impairment; or (ii) carried at fair value, in the profit and loss statement.

When a company applies the fair value model, IAS 40 states that: "the transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting, in accordance with IAS 16, IFRS 16 or IAS 2 shall be its fair value at the date of change in use. If an owner-occupied property becomes an investment property that will be carried at fair value, an entity shall apply IAS 16 for owned property and IFRS 16 for property held by a lessee as a right-of-use asset up to the date of change in use. The entity shall treat any difference at that date between the carrying amount of the property in accordance with IAS 16 or IFRS 16 and its fair value in the same way as a revaluation in accordance with IAS 16."

Investment Properties Under Construction ("IPUC")

IPUC are classified as Construction in Progress and are measured at cost under Circular 200.

IAS 40 introduced the IPUC term. IPUC are subject to requirements of measurement and disclosure that are similar to investment properties, save for the case where the fair value of IPUC cannot be reliably determined, in which case IPUC can be measured at cost and subject to impairment testing.

Reclassification criteria

Under VAS 05, investment property is property, being land-use rights or a building, or part of a building, or both, infrastructure held by the owner or by the lessee under a finance lease to earn rental or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business.

Under IAS 40, the definition of investment property is the same as VAS 05, with the exception of the additional requirement for the recognition of “right of use asset” in accordance with IFRS 16.

IMPAIRMENT OF ASSETS

Recognition and measurement

Under VAS, there is no specific guidance for the impairment of assets.

Under IFRS, an assessment has to be made at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use and is determined for each CGU. A CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

BIOLOGICAL ASSETS

Recognition, measurement and presentation

Circular 200 provides guidance that agricultural produce harvested from biological assets should be measured at incurred costs accumulated until the time of harvest. Biological assets are recognized as part of inventory.

Under IAS 41, a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less selling costs, except for the case in which the fair value cannot be measured reliably. Biological assets are presented as a separate line item in the consolidated statement of financial position.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Recognition and measurement

Under VAS, there is no guidance for accounting for non-current assets held for sale and discontinued operations.

Under IFRS, non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less selling costs. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Property, plant and equipment and intangible assets, once classified as held for sale, are not depreciated or amortized.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable periods, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income and the entity is required to disclose a separate net cash flow attributable to the operating, investing and financing activities of the discontinued operations.

FINANCIAL INSTRUMENTS

Classification

Under VAS, on 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC (“**Circular 210**”) providing guidance for the adoption of IFRS requirements on presentation and disclosure of financial instruments. This circular classifies financial instruments into: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets; and financial liabilities at fair value through profit or loss and financial liabilities carried at amortized cost. The above described classification of financial instruments is solely for presentation and disclosure purposes. Circular 200 issued by the Ministry of Finance has subsequently made this disclosure requirement optional under VAS.

Under IFRS 9, an entity shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both: (a) the entity's business model for managing the financial assets and (b) the contractual cash flow characteristics of the financial asset. There are three types of financial asset or asset component of a financial instrument:

- a financial asset shall be measured at amortized cost;
- a financial asset shall be measured at fair value through other comprehensive income (“FVOCI”); and
- a financial asset shall be measured at fair value through profit or loss (“FVPL”).

At reporting date, financial assets of a group only include financial assets measured at amortized cost and financial assets measured at FVPL.

Reclassification

VAS is silent on the criteria for the reclassification of a financial asset. Article 19 of Circular 210 states that: “When reclassifying financial instruments, an entity shall disclose the value of reclassified financial instruments and the causes and effects of such reclassification in the financial statements”.

Under IFRS 9, when, and only when, an entity changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with the definition of the financial assets' classification.

Measurement

Under VAS, financial instruments are initially recognized at their nominal values. Subsequently, financial assets (other than investments in equity instruments) and financial liabilities are measured at amortized cost using the effective interest rate method. Investments in equity instruments over which a group does not exercise control or significant influence are recognized at cost less allowance for diminution in the value of the investments. For derivative financial instruments, there is no specific accounting standard.

Under IFRS 9, on initial recognition, financial assets are normally measured at their fair value on the date that they are initially recognized. The initial measurement of other financial instruments is also based on their fair value, but adjusted in respect of any transaction costs, impact of time value of money or credit risk that are incremental and directly attributable to the acquisition or issue of the instrument.

Subsequently, these financial instruments are measured as follows:

- financial assets at amortized cost (debt instruments): After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment.
- financial assets at FVOCI (debt instruments): After initial measurement, such financial assets are subsequently measured at fair value with unrealized gains and losses recognized in OCI. On derecognition, unrealized gains or losses previously recognized in OCI are reclassified from OCI to profit or loss under operating income.
- financial assets designated at FVOCI (equity instruments): Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32, Financial Instruments: Presentation and are not held for trading. Gains and losses on these financial assets are never recycled to profit or loss.
- financial assets at FVPL: Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Disclosures

Under VAS, guidance on disclosure of financial instrument is regulated under Circular 210, which is similar to IAS 32 and IFRS 7.

Under IFRS, a more comprehensive and detailed set of requirements on disclosures of risk arising from financial instruments is provided for under IFRS 7. This includes that, for each type of risk arising from financial instruments, an entity shall disclose its exposures to risk and how they arise along with its objectives, policies and processes for managing it and the methods used to measure those risks. In respect of quantitative disclosure, for each type of risk arising from financial instruments, an entity shall disclose summary quantitative data about its exposure to that risk at the end of the reporting period. This disclosure shall be based on the information provided internally to key management personnel of the entity.

Impairment of financial assets

Under VAS, there's no requirement on impairment assessment for financial assets, except for guidance on allowance/provision for devaluation of certain financial investments and on allowance/provision for doubtful receivables as specified by Circular 48/2019/TT-BTC and Circular 200 issued by the Ministry of Finance.

IFRS 9 introduces the single, forward-looking "expected loss" impairment model, replacing the "incurred loss" impairment model under IAS 39.

- A group is required to recognize expected credit losses for the financial assets not measured at FVPL. No expected credit loss ("**ECL**") is recognized on equity investments.
- ECLs are measured in a way that reflects the following:
 - an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
 - the time value of money; and
 - reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
- The ECL allowance is based on the credit losses expected to arise over the life of the asset ("**Lifetime ECL**"), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month expected credit loss (the "**12-month ECL**"). The 12-month ECL is the portion of Lifetime ECL that represents the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both 12-month ECL and Lifetime ECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.
- Loss allowances are recognized based on 12-month ECL for debt instruments that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:
 - the financial instrument has a low risk of default;
 - the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
 - adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS

Recognition and measurement

There is no existing treatment under VAS which is equivalent to IFRS 2 and IAS 19. Therefore, there is no specific standard on the recognition and measurement in respect of equity compensation and the defined benefits plan. Under VAS, when there is a shares issuance, the par value of share would be recognized as share capital, and the difference between consideration paid and par value would be recognized as share premium.

IFRS requires the fair value of shares and options awarded to employees to be recognized over the period to which the employees' services relate. For equity-settled share-based payments transactions, goods and services received and the corresponding increase in equity are measured at the fair value of the goods and services received at grant date. If the entity cannot reliably estimate the fair value of the goods and services received, as will often be the case with employee services, it should measure their value and the corresponding increase in equity by reference to the fair value of the equity instruments granted.

Recognition of severance allowance

In addition, under the Vietnam Labour Code, a company has to pay severance allowance to eligible employees based on years of service and the employees' compensation at the date of termination or resignation. Under VAS, a company calculates and provides the severance allowance based on the amount required to be settled at the balance sheet date.

Under IFRS, the severance allowance is classified as a defined benefit plan and the resulting liability and expense are measured using actuarial techniques under IAS 19.

LEASES

Recognition

Under VAS 06, lease payments for an operating lease are recognized as expenses by the straight-line method during the entire lease term.

IFRS 16 (effective since 1 January 2019 and replacing IAS 17) requires that at the commencement date, a lessee shall recognize a right-of-use asset and a lease liability which comprises lease payments during the lease terms and other adjustments regardless of the finance lease or operating lease. In the income statement, lessees will have to present interest expense on the lease liability and depreciation on the right-of-use asset. A lessee shall apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Sales and leaseback

Regarding a sales and leaseback transaction, where the lease is an operating lease, VAS 06 requires that if the transaction price is higher than the fair value, the excess over the fair value must be deferred and amortized into profit and loss corresponding to the lease payments over the entire period during which the asset is expected to be used and the fair value is recognized as profit or loss at the date of risk and rewards related to goods are transferred to customers.

IFRS 16 requires initially that an entity shall apply the requirements for determining when a performance obligation is satisfied in IFRS 15 to determine whether the transfer of an asset is accounted for as a sale of that asset under a sale and lease back transaction.

If the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset: (a) the seller-lessee shall continue to recognize the transferred asset and shall recognize a financial liability equal to the transfer proceeds. It shall account for the financial liability in accordance with IFRS 9; (b) the buyer-lessor shall not recognize the transferred asset and shall recognize a financial asset equal to the transfer proceeds. It shall account for the financial asset in accordance with IFRS 9.

If the transfer of an asset by the seller-lessee satisfies the requirements of IFRS 15 to be accounted for as a sale of the asset, then: the seller-lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Accordingly, the seller-lessee shall recognize only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor at the date of control of goods transferred to customers and any transaction price above market terms shall be accounted for as additional financing provided by the buyer-lessor to the seller-lessee. The buyer-lessor shall account for the purchase of the asset by applying the applicable standards and for the lease by applying the lessor accounting requirements in this standard.

Operating leases: incentives

Under VAS, there is no clear guidance about the accounting treatment for benefit of incentives.

Under IAS 17, the lessee shall recognize the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Under IFRS 16, lease incentives are subtracted from lease payment to calculate the lease liability and right of use.

REVENUE

Recognition

Under VAS, revenue arising from transactions is determined per the agreement between the enterprise and the buyer, as the fair value minus trade discount, payment discount, reductions in the price of goods sold and value of returns of goods sold.

VAS does not provide specific steps for revenue recognition.

In addition, VAS requires that revenue shall be recognized if it simultaneously meets the following five conditions:

- the entity has transferred the majority of risks and rewards associated with the right to own the products or goods to the buyer;
- the entity no longer holds the right to manage the goods as the goods owner, or the right to control the goods;
- revenue is determined with relative certainty;
- the entity has gained or will gain economic benefits from the sale transaction; and
- it is possible to determine the costs related to the sale transaction.

Under IFRS 15, an entity shall recognize as revenue the amount of the transaction price.

IFRS 15 requires the application of a five step model for revenue recognition, which includes the following steps: (i) identifying the contract; (ii) identifying the performance obligation; (iii) determining transaction price; (iv) allocation of transaction price to performance obligations; (v) revenue recognition.

Determining transaction price requires an entity to adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer with a significant benefit of financing the transfer of goods or services to the customer.

In addition, IFRS 15 requires an entity to recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Agent versus principal

There is no specific VAS guidance for criteria to determine whether the entity is acting as a principal or an agent.

IFRS 15 requires an assessment of whether the entity is regarded as an agent or principal in sales transactions based on three criteria: whether (i) the entity is primarily responsible for fulfilling the promise to provide the specified goods or service; (ii) the entity has the inventory risk before the specified good or service is transferred to a customer or after transfer of control to the customer; and (iii) the entity has discretion in establishing the price for the specified good or service.

Construction contract

VAS 15 requires that where a construction contract stipulates that the customer is allowed to make payments according to the value of work done, the revenues and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers in the period and reflected in the billed invoices.

IFRS 15 requires that revenues related to construction contracts, which satisfy criteria of over-time revenue recognition, be recognized in profit and loss by measuring the progress towards completion of the performance obligation. An entity shall apply a single method of measuring progress for each performance obligation satisfied over time and the entity shall apply that method consistently to similar performance obligations and in similar circumstances. Methods of measuring progress include output methods and input methods. The output methods recognize revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Meanwhile, under the input method, the progress is determined by the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

Interest income

VAS 14 allows for a time proportion basis to record interest revenue.

When IFRS 15 (which replaces IAS 18) and IFRS 9 become effective, interest revenue will be recognized under IFRS 9 instead of IFRS 15 and interest revenue will be calculated by using the effective interest method.

GENERAL INFORMATION

1. Vingroup is established in Vietnam under the Law on Enterprises as a joint stock company with registered number 0101245486 and having its registered office at No. 7 Bang Lang 1, Vinhomes Riverside Ecological Urban Area, Viet Hung Ward, Long Bien District, Hanoi, Vietnam.
2. The terms of the Offering and the issue of the Bonds were approved by a resolution of the GMS of Vingroup passed on 31 March 2021 and resolutions of the board of directors of Vingroup passed on 11 March 2021.
3. Approval-in-principle has been obtained for the Bonds to be listed on the SGX-ST. Approval-in-principle for the listing of the Bonds is not to be taken as an indication of the merits of the Bonds, the Exchange Shares, the Issuer, our Group or its subsidiaries (including Vinhomes). Approval has also been obtained from the SSC for the listing of the Bonds on the SGX-ST. The Bonds will be traded on the SGX-ST in minimum board lot size of US\$200,000 for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore where the Bonds may be presented or surrendered for payment or redemption in the event that the Global Certificate is exchanged for definitive certificates. In addition, in the event that the Global Certificate is exchanged for definitive certificates, an announcement of such exchange shall be made by or on behalf of the Issuer through SGX-ST and such announcement will include all material information with respect to the delivery of the definitive certificates, including details of the paying agent in Singapore.
4. The Exchange Shares are listed on the HSX. Applications have been made to the SSC for the transfer of the Exchange Shares arising on exchange of the Bonds. The SSC has issued a guidance for the transfer of the Exchange Shares provided that further application to the SSC will be required upon exchange.
5. Copies of the charter of Vingroup and copies of the Trust Deed and the Agency Agreement will be available for inspection during usual business hours on any weekday (except Saturdays, Sundays and public holidays) at Vingroup's registered office upon prior written request for so long as any of the Bonds are outstanding.
6. The Bonds have been accepted for clearance through Euroclear and Clearstream.
7. The Issuer has applied for and obtained the Letter No. 2152/NHNN-QLNH dated 1 April 2021 from the SBV, confirming that the total nominal amount of the issuance of Bonds (up to US\$500,000,000) falls within the national foreign commercial borrowing limit of Vietnam for 2021.
8. The Issuer has applied and obtained a Letter No. 1334/UBCK-QLCB dated 8 April 2021 from the SSC certifying the receipt of sufficient documents in connection with the registration for the offering and listing of the Bonds.
9. Except as disclosed in this Offering Circular, our Group has obtained all consents, approvals and authorizations required as of the date hereof under the laws of Vietnam in connection with the issue of the Bonds.
10. Except as disclosed in this Offering Circular, up to date hereof, there has been no material adverse change in the business operations, financial condition, results of operation, cash flow or prospects of our Group since 31 December 2020.
11. Our Group is not involved in any litigation or arbitration proceedings or any regulatory investigations relating to claims or amounts which are material in the context of the issue of the Bonds nor, so far as our Group is aware, is any such litigation or arbitration pending or threatened.
12. Copies of the Trust Deed, the Agency Agreement and the published financial statements of our Group will be available (i) at the specified offices of each of the Paying Agents during normal business hours (being 9.00am to 3.00pm), so long as any of the Bonds are outstanding or (ii) may be provided by email to such holder requesting copies of such documents, subject to the Agents being supplied by the Issuer with copies of such documents.
13. The audited consolidated financial statements of Vingroup as of and for the years ended 31 December 2018, 2019 and 2020 and the audited consolidated financial statements of Vinhomes as of and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular have been audited by Ernst & Young, as stated in their respective reports included elsewhere in this Offering Circular.

INDEPENDENT AUDITORS

Certain financial information included in this Offering Circular has been derived from the audited consolidated financial statements of the Group as of and for the years ended 31 December 2018, 2019 and 2020 and the audited consolidated financial statements of Vinhomes as of and for the years ended 31 December 2018, 2019 and 2020.

The audited consolidated financial statements of the Group and Vinhomes were prepared and presented in accordance with VAS, and audited by Ernst & Young in accordance with Vietnamese Standards on Auditing.

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Vingroup Joint Stock Company

Consolidated financial statements

For the year ended 31 December 2020



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Vingroup Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Vingroup Joint Stock Company ("the Company") is a joint stock company established under the Law on Enterprise of 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
Mr. Le Khac Hiep	Vice Chairman and Independent Board member
Ms. Nguyen Dieu Linh	Vice Chairwoman
Mr. Nguyen Viet Quang	Vice Chairman
Mr. Park Woncheol	Member
Mr. Marc Villiers Townsend	Independent Board member
Mr. Ling Chung Yee Roy	Independent Board member

BOARD OF SUPERVISION

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

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

Vingroup Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

Members of 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 Diu	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 2020 in accordance with the Letter of Authorisation No. 029/2018/GUQ-TGD-VINGROUP dated 2 May 2018.

AUDITORS

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



Vingroup Joint Stock Company

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 2020.

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 2020 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 Hoàng Ngar
Deputy Chief Executive Officer

Hanoi, Vietnam

19 March 2021



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Ernst & Young Vietnam Limited
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16 Phan Chu Trinh Street
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Hanoi, S.R. of Vietnam

Tel: +84 24 3831 5100
Fax: +84 24 3831 5090
ey.com

Reference: 60729565/21908183-HN

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 19 March 2021 and set out on pages 6 to 91, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

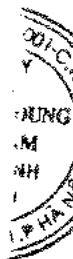
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as 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 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.





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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 2020, 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.



Phung Manh Phu
Deputy General Director
Audit Practising Registration
Certificate No. 2598-2018-004-1

Hanoi, Vietnam

19 March 2021

Nguyen Manh Hung
Auditor
Audit Practising Registration
Certificate No. 2401-2018-004-1



CONSOLIDATED BALANCE SHEET
as at 31 December 2020

Currency: VND million

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		166,013,805	197,392,876
110	I. Cash and cash equivalents	5	29,403,688	18,446,968
111	1. Cash		9,076,372	7,639,369
112	2. Cash equivalents		20,327,316	10,807,599
120	II. Short-term investments		10,413,625	11,172,867
121	1. Held-for-trading securities	6.1	5,897,650	9,539,371
123	2. Held-to-maturity investments	6.2	4,515,975	1,633,496
130	III. Current accounts receivable		52,395,927	63,871,798
131	1. Short-term trade receivables	7.1	16,026,874	16,640,800
132	2. Short-term advances to suppliers	7.2	15,346,915	16,519,157
135	3. Short-term loan receivables	8.1	8,539,910	21,022,039
136	4. Other short-term receivables	9	12,789,024	10,062,709
137	5. Provision for doubtful short-term receivables	10	(306,796)	(372,907)
140	IV. Inventories	11	62,495,269	83,808,756
141	1. Inventories		63,606,541	85,969,752
149	2. Provision for obsolete inventories		(1,111,272)	(2,160,996)
150	V. Other current assets		11,305,296	20,092,487
151	1. Short-term prepaid expenses	12	2,753,060	3,254,545
152	2. Value-added tax deductible		4,584,086	3,905,190
153	3. Tax and other receivables from the State	22	913,987	68,800
155	4. Other current assets	13	3,054,163	12,863,952

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CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2020

Currency: VND million

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		256,489,962	206,347,877
210	I. Long-term receivables		7,379,649	1,464,432
215	1. Long-term loan receivables	8.2	6,015,000	1,207,650
216	2. Other long-term receivables	9	1,364,649	256,782
220	II. Fixed assets		125,639,869	108,268,894
221	1. Tangible fixed assets	14	103,813,162	88,298,602
222	Cost		122,699,550	100,039,030
223	Accumulated depreciation		(18,886,388)	(11,740,428)
227	2. Intangible fixed assets	15	21,826,707	19,970,292
228	Cost		24,847,891	21,348,251
229	Accumulated amortisation		(3,021,184)	(1,377,959)
230	III. Investment properties	16	34,725,866	33,872,258
231	1. Cost		41,248,115	39,078,518
232	2. Accumulated depreciation		(6,522,249)	(5,206,260)
240	IV. Long-term assets in progress		67,921,619	48,057,748
242	1. Construction in progress	18	67,921,619	48,057,748
250	V. Long-term investments		7,413,828	3,950,881
252	1. Investments in associates, jointly controlled entities	19.1	2,725,460	2,147,468
253	2. Investments in other entities	19.2	4,576,705	1,707,083
254	3. Provision for long-term investments	19.2	(123,532)	(188,865)
255	4. Held-to-maturity investments	6.3	235,195	285,195
260	VI. Other long-term assets		13,409,131	10,733,664
261	1. Long-term prepaid expenses	12	8,342,477	6,681,695
262	2. Deferred tax assets	36.3	1,545,853	645,493
268	3. Other long-term assets	13	1,032,337	1,032,337
269	4. Goodwill	20	2,488,464	2,374,139
270	TOTAL ASSETS		422,503,767	403,740,753

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2020

Currency: VND million

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		286,651,052	283,152,164
310	I. Current liabilities		169,222,607	181,293,250
311	1. Short-term trade payables	21.1	18,511,262	17,563,738
312	2. Short-term advances from customers	21.2	37,277,334	51,470,178
313	3. Statutory obligations	22	7,805,236	5,991,675
314	4. Payables to employees		938,186	1,141,362
315	5. Short-term accrued expenses	23	24,674,957	16,493,327
318	6. Short-term unearned revenues	24	4,950,452	2,524,522
319	7. Short-term other payables	25	43,450,189	52,864,324
320	8. Short-term loans and debts	26	25,971,982	32,995,790
321	9. Short-term provisions	28	5,643,009	248,334
330	II. Non-current liabilities		117,428,445	101,858,914
333	1. Long-term accrued expenses	23	1,107,530	487,397
336	2. Long-term unearned revenues	24	5,320,738	4,999,981
337	3. Other long-term liabilities	25	6,257,218	1,029,794
338	4. Long-term loans and debts	26	98,309,224	84,430,440
339	5. Exchangeable bonds	27	5,505,646	10,259,215
341	6. Deferred tax liabilities	36.3	551,776	470,023
342	7. Long-term provisions	28	376,313	182,064

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2020

Currency: VND million

Code	RESOURCES	Notes	Ending balance	Beginning balance
400	D. OWNERS' EQUITY		135,852,715	120,588,589
410	I. Capital	29	135,852,715	120,588,589
411	1. Issued share capital		34,447,691	34,309,140
411a	- Ordinary shares with voting rights		33,824,306	33,685,755
411b	- Preference shares		623,385	623,385
412	2. Share premium		35,411,957	33,996,368
414	3. Other owners' capital		7,235,206	7,235,206
415	4. Treasury shares		(2,284,059)	(2,284,059)
417	5. Foreign exchange differences reserve		(42,408)	(11,784)
420	6. Other funds belonging to owners' equity		67,845	52,845
421	7. Undistributed earnings		4,359,645	3,119,758
421a	- Undistributed earnings by the end of prior year		3,107,392	5,135,161
421b	- Undistributed earnings/(losses) of current year		1,252,253	(2,015,403)
429	8. Non-controlling interests		56,656,838	44,171,115
440	TOTAL LIABILITIES AND OWNERS' EQUITY		422,503,767	403,740,753

Van Thi Hai Ha
Preparer

Nguyen Thi Thu Hien
Chief Accountant



Ma Huong Noi
Deputy Chief Executive Officer

Hanoi, Vietnam

19 March 2021

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2020

Currency: VND million

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	30.1	110,755,497	130,161,398
02	2. Deductions	30.1	(265,464)	(125,384)
10	3. Net revenue from sale of goods and rendering of services	30.1	110,490,033	130,036,014
11	4. Cost of goods sold and services rendered	31	(93,177,227)	(92,484,797)
20	5. Gross profit from sale of goods and rendering of services		17,312,806	37,551,217
21	6. Finance income	30.3	31,068,411	14,000,889
22	7. Finance expenses	32	(12,804,561)	(8,181,371)
23	In which: Interest expenses and issuance costs		(11,402,385)	(7,525,182)
24	8. Shares of loss of associates, joint controlled entities	19.1	(265,278)	(688,443)
25	9. Selling expenses	33	(7,253,585)	(14,248,448)
26	10. General and administrative expenses	33	(13,403,089)	(12,677,438)
30	11. Operating profit		14,654,704	15,756,406
31	12. Other income	34	982,699	832,187
32	13. Other expenses	34	(1,694,848)	(951,169)
40	14. Other loss	34	(712,149)	(118,982)
50	15. Accounting profit before tax		13,942,555	15,637,424
51	16. Current corporate income tax expense	36	(10,282,745)	(8,286,824)
52	17. Deferred tax income	36	885,763	366,013
60	18. Net profit after tax		4,545,573	7,716,613
61	19. Net profit after tax attributable to shareholders of the parent	29.1	5,464,627	7,545,915
62	20. Net (loss)/profit after tax attributable to non-controlling interests	29.1	(919,054)	170,698

CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
70	21. Basic earnings per share	38	1,691	2,433
71	22. Diluted earnings per share	38	1,658	2,383



Van Thi Hai Ha
Preparer



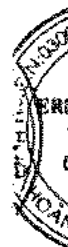
Nguyen Thi Thu Hien
Chief Accountant



Mai Huong Noi
Deputy Chief Executive Officer

Hanoi, Vietnam

19 March 2021



CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2020

Currency: VND million

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		13,942,555	15,637,424
	Adjustments for:			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill) and gain from bargain purchase		10,063,535	8,337,680
03	Provisions		6,833,379	2,629,024
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency		230,354	6,516
05	Profits from investing activities		(20,863,970)	(12,853,241)
06	Interest expenses (including issuance costs)	32	11,402,385	7,525,182
08	Operating profit before changes in working capital		21,608,238	21,282,585
09	Decrease/(increase) in receivables		5,078,359	(12,230,443)
10	Decrease/(increase) in inventories		16,938,693	(16,411,200)
11	(Decrease)/increase in payables (other than interest, corporate income tax)		(9,604,723)	39,864,097
12	Increase in prepaid expenses		(1,745,361)	(1,909,881)
13	Decrease in held-for-trading securities		3,641,722	535,050
14	Interest paid		(10,552,304)	(7,221,315)
15	Corporate income tax paid	22	(9,409,698)	(7,941,805)
20	Net cash flows from operating activities		15,954,926	15,967,088
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(27,543,989)	(55,175,557)
22	Proceeds from disposals of fixed assets and other long-term assets		1,249,983	422,482
23	Loans to other entities and payments for purchase of debt instruments of other entities		(4,183,635)	(16,422,931)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		9,963,339	38,074,294
25	Payments for investments in other entities (net of cash held by entity being acquired)		(21,962,349)	(61,532,925)
26	Proceeds from sale of investments in other entities (net of cash held by entity being disposed)		25,139,678	34,006,507
27	Interest, dividends and distributed profit received		1,123,131	762,065
30	Net cash flows used in investing activities		(16,213,842)	(59,866,065)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2020

Currency: VND million

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares (including capital contribution from non-controlling interests)		8,974,955	24,156,142
32	Capital redemption and repurchase of issued shares		(42,980)	(10,703,530)
33	Drawdown of borrowings		41,249,657	63,707,975
34	Repayment of borrowings		(38,958,120)	(26,182,542)
36	Dividends paid, profit distributed to non-controlling interests		(7,188)	(2,188,673)
40	Net cash flows from financing activities		11,216,324	48,789,372
50	Net increase in cash and cash equivalents for the year		10,957,408	4,890,395
60	Cash and cash equivalents at the beginning of the year		18,446,968	13,557,055
61	Impact of exchange rate fluctuation		(688)	(482)
70	Cash and cash equivalents at the end of the year	5	29,403,688	18,446,968

Van Thi Hai Ha
Preparer

Nguyen Thi Thu Hien
Chief Accountant



Mai Huong Noi
Deputy Chief Executive Officer

Hanoi, Vietnam

19 March 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2020 and for the year then ended

1. CORPORATE INFORMATION

Vingroup Joint Stock Company ("the Company") is a joint stock company established under the Law on Enterprise of 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.

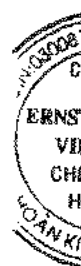
The Group's normal course of business cycle of real estate business starts at the time of application for investment certificate, commencement of site clearance, construction and ends at the time of completion. Thus, the Group's normal course of business cycle of real estate trading is from 12 to 36 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 2020 is: 320 (31 December 2019: 418).

As at 31 December 2020, the Company and its subsidiaries (collectively referred to as "the Group"):

- ▶ Have 114 subsidiaries (as at 31 December 2019: 91 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

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 system.

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 consolidated financial statements are prepared in Vietnam dong ("VND") which is also the Company's accounting currency. For the purpose of preparing the consolidated financial statements for the year ended 31 December 2020, 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 2020.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation (continued)

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.

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, 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.

In case the Group contributes capital by non-monetary assets or disposes assets to an associate or joint venture, the gain resulting from the transaction is recognised in the Group's consolidated income statement only to the extent of the unrelated investors' interests in that associate or joint venture. The remaining part of the gain is recognised in unearned revenue and after that recognised in the Group's consolidated income statement in accordance with the time in which the asset recovered in financial statements of that associate or joint venture

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 2019.

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 not more than three months and investments with maturity of not more than three months since investment date 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories (continued)

Cost includes:

- ▶ Freehold and leasehold rights for land;
- ▶ Amounts paid 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 property 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 hospitality 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories (continued)

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.

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.

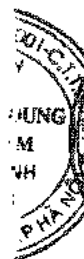
3.6 Leased assets

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leased assets (continued)

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.

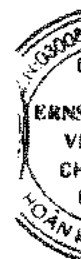
The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and Land use right certificate being issued, are recorded as intangible fixed asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management,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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Depreciation and amortisation

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 - 15 years
Computer software	3 - 10 years
Land use rights	36 - 48 years
Copyrights and other related intangible fixed assets	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.

3.9 Investment properties

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.

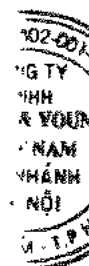
Depreciation and amortisation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

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.

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Borrowing costs

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.

3.11 Prepaid expenses

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.

3.12 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 equity instruments are issued as part of the cost of the business combination, the cost of the combination shall include the fair value of those equity instruments at the date of exchange. In case of the absence of a reliable published price, the fair value of the equity instruments can be estimated by reference to the fair value of the acquirer or the fair value of the acquiree, whichever is more clearly evident. In case the fair value exists at the acquisition date but was not used as the basis for determining the cost of the combination, that fact shall be disclosed together with the reasons for not use the fair value amount; the method and significant assumptions used to determine the cost of the equity instruments; and the aggregate difference between the cost and the fair value of the equity instruments.

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.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Business combinations and goodwill (continued)

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 at least 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. 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Investments (continued)

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 finance expenses in the consolidated income statement and deducted against the value of such investments.

3.14 Payables and accruals

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 200/2014/TT-BTC 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 goods and services 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 goods and services that do not meet the conditions for revenue recognition in the year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 returns associated with the 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 are 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 *Revenue recognition* (continued)

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.

3.21 *Construction contract*

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.

3.22 *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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.22 Taxation (continued)***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 at the time transaction incurred; 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.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.22 Taxation (continued)***Deferred tax (continued)*

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.

3.23 Exchangeable bond

Exchangeable bond 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).

3.24 Bond issuance transaction cost

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.

3.25 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 Company (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 Company (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 families 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 Huong Hai – Quang Ngai Joint Stock Company ("Huong Hai – Quang Ngai JSC")

In March 2020, the Group acquired 100% of the voting shares of Huong Hai – Quang Ngai JSC from counterparties with total consideration of VND450 billion. Thereby, Huong Hai – Quang Ngai JSC became a subsidiary of the Group. The principal activities of Huong Hai – Quang Ngai JSC are mining and mineral exploration.

Acquisition of Dai An Investment Construction Joint Stock Company ("Dai An JSC")

In May 2020, the Group acquired 100% of the voting shares of Dai An JSC from counterparties with total consideration of VND4,600 billion. Thereby, Dai An JSC became a subsidiary of the Group. The principal activities of Dai An JSC are to invest in, construct and trade real estate projects.

Acquisition of Hon Mot Tourism Joint Stock Company and Cam Ranh Investment Joint Stock Company ("Hon Mot Tourism JSC and Cam Ranh Investment JSC")

In October 2020, the Group acquired 100% of the voting shares of Hon Mot Tourism JSC and Cam Ranh Investment JSC from counterparties with total consideration of VND9,153 billion. Thereby, Hon Mot Tourism JSC and Cam Ranh Investment JSC became subsidiaries of the Group. The principal activities of Hon Mot Tourism JSC and Cam Ranh Investment JSC are to invest in, construct and provide hospitality services.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)****4.1 Acquisition of group of assets (continued)**

Acquisition of Nguyen Phu Trading and Development Investment Joint Stock Company ("Nguyen Phu JSC")

In December 2020, the Group acquired 100% of the voting shares of Nguyen Phu JSC from counterparties with total consideration of VND880 billion. Thereby, Nguyen Phu JSC became a subsidiary of the Group. The principal activities of Nguyen Phu JSC are to invest in, develop and trade real estate projects.

4.2 Business combination

During the year, the Group has acquired and consolidated new subsidiaries and business cooperated with a corporate counterparty, in which significant transactions are as below:

Business Combination with assets and business activities of components under the scope of Business Cooperation Contract ("BCC") with Phu Quoc Tourism Development and Investment Joint Stock Company ("Phu Quoc JSC") and transfer of shares of Phu Quoc JSC

In January 2020, the Group signed a BCC with Phu Quoc JSC, an existing associate which owned hotels, hospitality real estates and amusement projects in Phu Quoc. Assets and business activities under the scope of business cooperation mainly include activities of operating hotels, golf courses, beach villas in Bai Dai eco-tourism area and Vinpearl Safari (hereinafter referred to as "Cooperation component"). Therefore, the Group has consolidated the above cooperation component since the date on which the Group obtains control. Bargain purchase arising from this business combination is VND268.6 billion was recognised in the consolidated income statement.

Subsequently, the Group transferred 25% voting shares in Phu Quoc JSC (excluding Cooperation component) for total consideration of VND1,950 billion. Gain from this transaction of VND1,405 billion was recognised in the consolidated income statement (Note 30.3).

After these transactions, the Group has the right to control over and is entitled to almost risks and returns related to Cooperation component and has 5% voting shares in Phu Quoc JSC, which is presented as an investment in other entities (Note 19.2).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.2 Business combination (continued)

Business Combination with assets and business activities of components under the scope of Business Cooperation Contract ("BCC") with Phu Quoc Tourism Development and Investment Joint Stock Company ("Phu Quoc JSC") and transfer of shares of Phu Quoc JSC (continued)

The fair value of identifiable assets and liabilities of the Cooperation component on business combination date are presented as below:

Currency: VND million

Fair value recognised
on business
combination date

Assets

Cash and cash equivalents	9,070
Short-term trade receivables	1,161,810
Short-term advances to suppliers	190,256
Other receivables	1,866,829
Tangible fixed assets	4,970,173
Construction in progress	5,176,939
Deferred tax assets	125,171
Other assets	1,113,930
	14,614,178

Liabilities

Short-term trade payables	4,588,777
Loans	410,000
Deferred revenue	2,461,849
Deferred tax liabilities	192,327
Other payables	4,928,428
	12,579,381

Total net assets

2,034,797

Bargain purchase from business combination

268,626

Total purchase consideration

1,766,171

Analysis of cash flows on business combination

Cash of the acquired the Cooperation component	9,070
Cash paid for acquiring the Cooperation component up to 31 December 2020	(1,766,171)

Net cash flow on business combination

(1,757,101)

Total purchase consideration was VND1,766 billion. Loss before tax of the Cooperation component from the BCC date to 31 December 2020 is VND1,950 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)****4.2 Business combination (continued)***Acquisition of Bao Lai Investment Joint Stock Company ("Bao Lai JSC")*

In December 2020, the Group acquired 96.5% voting shares of Bao Lai JSC with total consideration of VND2,780 billion. Thereby, Bao Lai JSC and its subsidiaries became subsidiaries of the Group. The current principal activities of Bao Lai JSC are mineral exploiting, trading and other related products.

As at 31 December 2020, the Group is in the process of determining fair value of identifiable assets, liabilities or contingent liabilities and identifiable consideration of Bao Lai JSC. The provisional fair value of identifiable assets and liabilities of Bao Lai JSC at acquisition date are presented as below:

	<i>Currency: VND million</i>
	<i>Provisional fair value recognised on acquisition</i>
Assets	
Cash and cash equivalents	44,594
Short-term trade receivables	65,421
Inventories	178,318
Prepaid expenses	113,679
Fixed assets	1,536,244
Construction in progress	120,116
Other assets	96,240
	2,154,612
Liabilities	
Short-term trade payables	37,598
Loans	504,792
Other payables	48,043
	590,433
Total net assets	1,564,179
Non-controlling interests	282,918
Goodwill from business combination	932,903
Total purchase consideration	2,780,000
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	44,594
Cash paid for acquiring the subsidiary up to 31 December 2020	(2,700,000)
Net cash flow on acquisition	(2,655,406)

Total purchase consideration was VND2,780 billion. Revenue and loss before tax of Bao Lai JSC and its subsidiaries for the period from 1 January 2020 to the acquisition date was VND482 billion and VND367 billion respectively and from the acquisition date to 31 December 2020 is insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.3 Significant disposals with loss of control

Disposal of MV Viet Nam Real Estate Trading Joint Stock Company ("MV Viet Nam JSC")

During the year, the Group contributed 99.8% charter capital and then disposed 80% voting shares in MV Viet Nam JSC, an existing subsidiary, for total consideration of VND8,799 billion. Gain from this disposal of VND7,148 billion was recognised in the consolidated income statement (Note 30.3). Following this disposal, the Group no longer controls over as well as has no significant influence on MV Viet Nam JSC. The remaining investment in MV Viet Nam JSC is presented as an investment in other entities (Note 19.2).

Disposal of MV1 Viet Nam Real Estate Trading Limited Liability Company ("MV1 Viet Nam LLC")

During the year, the Group established a subsidiary, MV1 Viet Nam LLC, and then disposed 80% voting shares in this entity for total consideration of VND9,651 billion. Gain from this disposal of VND6,785 billion was recognised in the consolidated income statement (Note 30.3). Following this disposal, the Group no longer controls over but still has significant influence on MV1 Viet Nam LLC. The remaining investment in MV1 Viet Nam LLC is presented as an investment in associates (Note 19.1).

Disposal of S-Vin Vietnam Real Estate Trading Joint Stock Company ("S-Vin JSC")

During the year, the Group established a subsidiary, S-Vin JSC, and then disposed 90% voting shares in this entity for total consideration of VND3,273 billion. Gain from this disposal of VND2,948 billion was recognised in the consolidated income statement (Note 30.3). Following this disposal, the Group no longer controls over as well as has no significant influence on S-Vin JSC. The remaining investment in S-Vin JSC is presented as an investment in other entities (Note 19.2).

4.4 Significant disposals of investment in associates

Transfer of shares in Viet Thang Feed Joint Stock Company ("Viet Thang Feed JSC")

During the year, the Group transferred 40% voting shares in Viet Thang Feed JSC, an associate for total consideration of VND1,285 billion. Gain from this transaction of VND627 billion was recognised in the consolidated financial income statement (Note 30.3).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

5. CASH AND CASH EQUIVALENTS

	Currency: VND million	
	Ending balance	Beginning balance
Cash on hand	11,396	22,546
Cash at banks	9,058,857	7,602,372
Cash in transit	6,119	14,451
Cash equivalents	20,327,316	10,807,599
TOTAL	29,403,688	18,446,968

Cash equivalents as at 31 December 2020 comprise of bank deposits in VND with terms ranging from 1 month to 3 months, earning interests at rate ranging from 2.2% to 4% per annum (as at 31 December 2019: 3.9% to 5.5% per annum) and investments in corporate bonds in VND, with maturity less than 3 months from the date of investment and earning interests at rate ranging from 5% to 6.2% per annum (as at 31 December 2019: no similar corporate bonds investment).

Cash at banks and cash equivalents as at 31 December 2020 include VND180.2 billion in restricted-for-use accounts and in escrow accounts for business and other activities of the Group (as at 31 December 2019: VND268.6 billion).

Cash at banks and cash equivalents as at 31 December 2020 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
Shares/Share options (i)	5,538,327	(*)	-	9,539,371	9,539,371	-
Bonds	359,323	370,044	-	-	-	-
TOTAL	5,897,650	(*)	-	9,539,371	9,539,371	-

(i) During the year, the Group transferred 2,088,623 share options to several counterparties. Subsequently, the Group converted all the remaining share options into shares of The CrownX Joint Stock Company ("The CrownX JSC"), a newly established company, and then transferred 4,809,729 shares of this company to a corporate counterparty. As at 31 December 2020, the Group has signed deposit agreements to transfer all of the remaining shares of The CrownX JSC to a corporate counterparty.

(*) As at 31 December 2020, the Group is in the process of determining the fair value of this investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

6. SHORT-TERM AND LONG-TERM INVESTMENTS (continued)

6.2 Short-term held-to-maturity investments

Balance as at 31 December 2020 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 2% to 7.1% per annum (as at 31 December 2019: short-term bank deposits in VND have terms ranging from more than 3 months to 1 year and earning interest at rates ranging from 5% to 7.5% per annum).

Short-term bank deposits as at 31 December 2020 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	515
Long-term bonds (i)	234,680	284,680
TOTAL	235,195	285,195

- (i) Balance as at 31 December 2020 includes bonds in VND with terms ranging from 7 years to 10 years and earning interest at a reference rate plus (+) 0.8% to 1.2% per annum (as at 31 December 2019: 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).

7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

7.1 Short-term trade receivables

	Currency: VND million	
	Ending balance	Beginning balance
Receivable from sale of inventory properties	8,330,847	8,208,786
Receivable from transfer of shares	4,524,072	1,425
Receivable from production activities	1,038,603	1,953,993
Receivable from leasing activities and rendering related services	639,753	292,872
Receivable from rendering construction services and related services	460,316	5,139,171
Receivable from rendering hotel services, amusement park services and related services	254,794	351,263
Receivable from rendering hospital services and related services	189,219	194,368
Receivable from rendering real estate management services	98,603	115,562
Others	490,667	383,360
TOTAL	16,026,874	16,640,800
<i>In which:</i>		
Short-term trade receivables from related parties (Note 37)	32,202	4,789,528
Short-term trade receivables from transfer of shares to corporate counterparty No.1 (Note 4.3)	2,906,619	-
Short-term trade receivables from transfer of shares to corporate counterparty No.2 (Note 4.4)	1,617,453	-
Short-term trade receivables from other parties	11,470,600	11,851,272
Provision for doubtful debts	(35,414)	(25,406)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

7.2 Short-term advances to suppliers

Short-term advances to suppliers as at 31 December 2020 and 31 December 2019 mainly include advances to suppliers and construction contractors for developing projects of the Group and purchasing other goods and services.

As at 31 December 2020, the Group has made a provision for uncollectible advances of VND41.3 billion (31 December 2019: VND34.8 billion).

8. LOAN RECEIVABLES

8.1 Short-term loan receivables

	Currency: VND million	
	Ending balance	Beginning balance
Loans to individuals (i)	8,127,530	12,001,530
Loans to corporate counterparties (ii)	328,730	8,999,185
Current portion of long-term loans to corporate counterparties	83,650	21,324
TOTAL	8,539,910	21,022,039
Provision for doubtful short-term loan receivables	(70,638)	(70,638)

(i) Balance as at 31 December 2020 mainly includes loan receivables of VND8,128 billion maturing from November to December 2021, earning interest at a rate of 9.5% per annum and being secured by shares of a listed company.

(ii) During the year, maturity date of certain loan receivables of VND5,190 billion is extended over 12 months since 31 December 2020 and thus being reclassified to long-term loan receivables.

8.2 Long-term loan receivables

	Currency: VND million	
	Ending balance	Beginning balance
Loans to corporate counterparties (i)	6,015,000	1,207,650
TOTAL	6,015,000	1,207,650

(i) Balance as at 31 December 2020 mainly includes:

- ▶ Loan receivables of VND2,720 billion maturing in April and July 2022, earning interest at a rate of 9% per annum and being secured by the capital of the corporate counterparty and shares of a listed company;
- ▶ Loan receivables of VND2,440 billion maturing in April 2022, earning interest at a rate of 9% per annum and being secured by the capital of a corporate counterparty and shares of unlisted companies; and
- ▶ A convertible interest-free and unsecured loan receivable of VND855 billion with 3-year term made by a subsidiary to a corporate counterparty and maturing in October 2022. Accordingly, the subsidiary can convert the loan into shares of such counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

9. OTHER RECEIVABLES

		Currency: VND million	
		Ending balance	Beginning balance
Short-term:			
Interest receivables from bank deposits, deposits and loans to others	3,201,442	3,316,254	
Advances for land clearance	1,937,081	542,016	
Guarantee deposits for project development	1,024,417	770,327	
Receivable from build-transfer contract	615,740	582,831	
Receivables from payment on behalf	261,243	354,373	
Customers' advances collected by third party on behalf of the Group	1,034	3,552,949	
Receivables from deposit for investment purpose	-	125,000	
Short-term other receivables from related parties (Note 37)	4,073,549	-	
Others	1,674,518	818,959	
TOTAL	12,789,024	10,062,709	
Provision for doubtful other short-term receivables	(159,471)	(241,998)	
Long-term:			
Interest receivables from loans to others (i)	1,230,646	-	
Deposit for business co-operation contracts	73,367	73,367	
Deposit for guarantee of payment obligations	-	120,256	
Others	60,636	63,159	
TOTAL	1,364,649	256,782	

(i) Balance as at 31 December 2020 includes interest receivables from loans to corporate counterparties of which maturity date is extended over 12 months since 31 December 2020.

10. BAD DEBTS

Bad debts of the Group mainly include overdue trade receivables, advance to suppliers, loan principal receivables and interest receivables:

	Currency: VND million			
	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Overdue receivables	270,428	34,270	313,002	10,733
Overdue loans receivable	70,638	-	70,638	-
TOTAL	341,066	34,270	383,640	10,733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

10. BAD DEBTS (continued)

Details of overdue receivables which account for more than 10% of total overdue receivables:

Debtor	Ending balance		Currency: VND million Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Corporate Counterparty No. 1	-	-	138,657	-
Corporate Counterparty No. 2	82,705	-	82,705	-

11. INVENTORIES

	Ending balance		Currency: VND million Beginning balance	
	Cost	Provision	Cost	Provision
Completed inventory properties	839,714	(6,414)	958,748	(9,356)
Inventory properties under construction	53,496,581	(14,721)	70,581,103	(22,647)
Inventories for supermarkets, retail outlets and other finished goods	302,595	(250)	679,970	-
Work in progress for manufacturing activities	1,195,286	(205,314)	1,182,274	(271,287)
Completed inventories for manufacturing activities	2,109,614	(239,369)	5,532,541	(587,327)
Raw materials	4,186,783	(578,246)	5,810,242	(1,091,703)
Purchased goods in transit	741,030	(42,417)	772,066	(176,719)
Others	734,938	(24,541)	452,808	(1,957)
TOTAL	63,606,541	(1,111,272)	85,969,752	(2,160,996)

At 31 December 2020, the inventories with carrying amount of VND3,183 billion is pledged with banks to secure the Group's loans, debts and bonds.

Detail movements of provision for obsolete inventories:

	Currency: VND million	
	Current year	Previous year
Beginning balance	2,160,996	511,388
Add: Acquisition of subsidiaries	23,000	-
Add: Provision made during the year	1,064,263	2,198,940
Less: Utilisation and reversal of provision during the year	(2,136,987)	(511,216)
Less: Disposal of subsidiaries	-	(38,116)
Ending balance	1,111,272	2,160,996

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

12. PREPAID EXPENSES

	Currency: VND million	
	Ending balance	Beginning balance
Short-term		
Selling expenses related to inventory properties not yet handed-over	912,572	1,935,989
Products development expenses	750,395	321,881
Provisional corporate income tax	296,233	392,347
Tools and supplies	81,087	210,519
Others	712,773	393,809
TOTAL	2,753,060	3,254,545
Long-term		
Prepaid land rental	3,365,145	3,954,036
Tools and supplies	1,278,260	1,121,198
Pre-operating expenses	866,288	496,972
Prepaid committed profit under villas and condotels management program	263,472	550,845
Others (i)	2,569,312	558,644
TOTAL	8,342,477	6,681,695

(i) Balance as at 31 December 2020 mainly comprises prepaid expense pertaining to organise an event.

13. OTHER ASSETS

	Currency: VND million	
	Ending balance	Beginning balance
Short-term		
Deposits for investment purpose (i)	3,054,163	11,763,952
Others	-	1,100,000
TOTAL	3,054,163	12,863,952
Long-term		
Deposits for investment purpose (ii)	1,032,337	1,032,337
TOTAL	1,032,337	1,032,337

(i) Balance as at 31 December 2020 mainly comprises an unsecured and interest-free deposit of VND1,976 billion to counterparties for acquiring shares of a company operating in trading real estate properties; and

(ii) Balance as at 31 December 2020 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

14. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Currency: VND million						
Cost:						
Beginning balance	43,157,563	52,838,016	1,923,852	1,034,224	1,085,375	100,039,030
Newly purchased	144,610	341,097	245,445	124,770	67,853	923,775
Newly constructed (Note 18)	8,700,956	5,552,574	78,914	-	374,365	14,706,809
Increase due to acquisition of subsidiaries	5,865,485	1,326,051	140,457	9,969	308,618	7,650,580
Reclassified from investment properties (Note 16)	561,738	215,665	-	-	-	777,403
Reclassification	738,206	(860,634)	(3,152)	(230,183)	355,763	-
Sold, disposed	(292,156)	(135,174)	(279,805)	(36,953)	(3,696)	(747,784)
Reclassified to investment properties (Note 16)	(524,321)	(127,081)	-	-	-	(651,402)
Others	(621)	(99,981)	153,344	(9,609)	(41,994)	1,139
Ending balance	58,351,460	59,050,533	2,259,055	892,218	2,146,284	122,699,550
In which:						
Fully depreciated	172,789	511,577	54,989	125,320	133,557	998,232
Accumulated depreciation:						
Beginning balance	3,652,990	6,792,823	514,317	416,717	363,581	11,740,428
Depreciation for the year	1,765,815	3,851,355	212,160	123,267	204,963	6,157,560
Increase due to acquisition of subsidiaries	551,607	388,028	44,378	64	87,814	1,071,891
Reclassified from investment properties (Note 16)	212,780	161,610	-	-	-	374,370
Reclassification	244,706	(244,866)	(284)	(177,136)	177,580	-
Sold, disposed	(85,607)	(66,150)	(139,878)	(24,990)	(3,370)	(319,995)
Reclassified to investment properties (Note 16)	(73,740)	(56,709)	-	-	-	(130,449)
Others	6,502	(12,369)	(1,177)	(215)	(158)	(7,417)
Ending balance	6,275,033	10,813,722	629,516	337,707	830,410	18,886,388
Net carrying amount:						
Beginning balance	39,504,573	46,045,193	1,409,535	617,507	721,794	88,298,602
Ending balance	52,076,427	48,236,811	1,629,539	554,511	1,315,874	103,813,162

As at 31 December 2020, tangible fixed assets with carrying amount of VND40,225 billion are pledged with banks to secure the Group's loans, debts and bonds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

15. INTANGIBLE FIXED ASSETS

Currency: VND million

	Land use rights	Computer software	Copyrights and other related intangible fixed assets	Others	Total
Cost:					
Beginning balance	292,933	2,159,126	18,400,746	495,446	21,348,251
Newly purchased	-	360,504	18,495	46,540	425,539
Newly constructed (Note 18)	-	474,808	2,375,011	449,679	3,299,498
Increase due to acquisition of subsidiary	132,722	679	-	1,352	134,753
Others	12,396	92,636	(27,308)	(437,874)	(360,150)
Ending balance	438,051	3,087,753	20,766,944	555,143	24,847,891
In which:					
Fully depreciated	-	72,249	225	942	73,416
Accumulated amortisation:					
Beginning balance	49,171	367,072	633,323	328,393	1,377,959
Amortisation for the year	17,271	405,281	1,341,414	54,754	1,818,720
Increase due to acquisition of subsidiary	32,288	679	-	135	33,102
Others	(3,179)	55,248	(738)	(259,928)	(208,597)
Ending balance	95,551	828,280	1,973,999	123,354	3,021,184
Net carrying amount:					
Beginning balance	243,762	1,792,054	17,767,423	167,053	19,970,292
Ending balance	342,500	2,259,473	18,792,945	431,789	21,826,707

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

16. INVESTMENT PROPERTIES

Currency: VND million

	Land use rights, buildings and structures	Machinery and equipment	Total
Cost:			
Beginning balance	32,699,848	6,378,670	39,078,518
Newly constructed (Note 18)	2,068,415	551,785	2,620,200
Reclassified from tangible fixed assets (Note 14)	524,321	127,081	651,402
Disposal	(308,206)	(13,879)	(322,085)
Reclassified to tangible fixed assets (Note 14)	(561,738)	(215,665)	(777,403)
Others	(50,413)	47,896	(2,517)
Ending balance	34,372,227	6,875,888	41,248,115
Accumulated depreciation:			
Beginning balance	3,398,970	1,807,290	5,206,260
Depreciation for the year	960,162	629,099	1,589,261
Reclassified from tangible fixed assets (Note 14)	73,740	56,709	130,449
Disposal	(21,832)	(4,386)	(26,218)
Reclassified to tangible fixed assets (Note 14)	(212,760)	(161,610)	(374,370)
Others	(9,167)	6,034	(3,133)
Ending balance	4,189,113	2,333,136	6,522,249
Net carrying amount:			
Beginning balance	29,300,878	4,571,380	33,872,258
Ending balance	30,183,114	4,542,752	34,725,866

As at 31 December 2020, investment properties with carrying amount of VND6,933 billion are pledged with banks to secure the Group's loans, debts and bonds.

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 2020, 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 VND1,009 billion (for the year ended 31 December 2019: VND2,083 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 9.13% per annum (for the year ended 31 December 2019: 8.45% 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

18. CONSTRUCTION IN PROGRESS

	Currency: VND million	
	Current year	Previous year
Beginning balance	48,057,748	58,529,123
Acquisition of subsidiaries	17,473,382	23,034,155
Increase during the year	27,038,857	60,466,494
Transferred to tangible fixed assets (Note 14)	(14,706,809)	(51,578,417)
Transferred to intangible fixed assets (Note 15)	(3,299,498)	(19,415,370)
Transferred to investment properties (Note 16)	(2,620,200)	(3,908,341)
Transferred to inventories	(4,021,861)	(17,608,708)
Disposal of subsidiaries	-	(1,461,188)
Ending balance	67,921,619	48,057,748

Details for each item of which balance is higher than 10% of total balance:

	Currency: VND million	
Projects	Ending balance	Beginning balance
Vinfast project	9,874,017	5,965,855
Vinhomes Long Beach Can Gio project	12,539,036	12,456,304

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.

At 31 December 2020, the construction in progress with carrying amount of VND64 billion is pledged with banks to secure the Group's loans and debts.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

19. LONG-TERM INVESTMENTS

19.1 Investments in associates and jointly controlled entities

Name	Equity Interest (%)		Voting right (%)		Principal activities
	Ending balance	Beginning balance	Ending balance	Beginning balance	
Phu Quoc JSC	(*)	29.99	(*)	30.00	Providing hospitality and other services
Viet Thang Feed JSC	-	40.00	-	40.00	Feed producing
Hanoi Breeds JSC	26.34	37.63	37.63	37.63	Cattle breeding
Vinfast-An Phat Plastic Auto Part Company Limited	25.76	25.57	50.00	50.00	Manufacturing car plastic accessories
Vietnam Book Printing JSC	18.13	18.13	27.76	27.76	Printing
Vinfast Lithium Battery Pack LLC	33.49	33.25	65.00	65.00	Producing batteries and accumulators
Vin-ACE Technologies Company Limited	24.81	-	40.00	-	Producing electronic accessories and media devices
MV1 Viet Nam LLC (Note 4.3)	14.45	-	20.00	-	Investing, developing and trading real estate properties
Tuong Phu Natural Stone Exploiting and Processing LLC	25.85	-	40.00	-	Mining

(*) During the year, the Group transferred 25% voting shares in Phu Quoc JSC. Thereby, the Group no longer has significant influence on Phu Quoc JSC. The remaining investment in Phu Quoc JSC is presented as an investment in other entities (Note 19.2).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

19. LONG-TERM INVESTMENTS (continued)

19.1 Investments in associates and jointly controlled entities (continued)

Details of investment in these associates and jointly controlled entities are listed below:

Currency: VND million

Name	Beginning balance (*)	Additional investment	Share of profit/(loss) from associates and jointly controlled entities	Dividends/other	Transfer to	Ending balance (*)
Phu Quoc JSC	1,183,665	-	(255,000)	5,922	(934,587)	-
Viet Thang Feed JSC	626,915	-	31,186	-	(658,101)	-
Vinfast Lithium Battery Pack LLC	185,990	-	(17,257)	-	-	168,733
Vinfast-An Phat Plastic Auto Part Company Limited	97,434	-	(24,263)	-	-	73,171
Hanoi Breeds JSC	47,124	-	-	-	-	47,124
Vietnam Book Printing JSC	6,340	-	56	(485)	-	5,911
Vin-ACE Technologies Company Limited	-	6,325	-	-	-	6,325
MV1 Viet Nam LLC (Note 4.3)	-	2,412,849	-	-	-	2,412,849
Tuong Phu Natural Stone Exploiting and Processing LLC	-	11,347	-	-	-	11,347
TOTAL	2,147,468	2,430,521	(265,278)	5,437	(1,592,688)	2,725,460

(*) As at 31 December 2020, the Group is in the process of determining the fair value of these investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

20. GOODWILL

	Hanoi Southern JSC	Sai Dong JSC	Royal City JSC	Bao Lai JSC	Others	Total
Currency: VND million						
Cost:						
Beginning balance	1,629,906	2,150,488	1,002,332	-	2,764,916	7,547,642
Increases from business combination	-	-	-	932,903	80,326	1,013,229
Decreases	(54,926)	(556,754)	(152,439)	-	(53,014)	(817,133)
Ending balance	1,574,980	1,593,734	849,893	932,903	2,792,228	7,743,738
Accumulated amortisation:						
Beginning balance	1,310,763	1,413,647	828,339	-	1,620,754	5,173,503
Amortisation for the year	164,487	216,933	102,267	-	220,885	704,572
Decreases	(46,088)	(421,493)	(136,404)	-	(18,816)	(622,801)
Ending balance	1,429,162	1,209,087	794,202	-	1,822,823	5,255,274
Net carrying amount:						
Beginning balance	319,143	736,841	173,993	-	1,144,162	2,374,139
Ending balance	145,818	384,647	55,691	932,903	969,405	2,488,464

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended**21. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS****21.1 Short-term trade payables**

Currency: VND million

	<i>Balance (also amount payables)</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables to suppliers	18,511,262	17,563,738
TOTAL	18,511,262	17,563,738

21.2 Short-term advances from customers

The balance of short-term advances from customers as at 31 December 2020 and 31 December 2019 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 2020 also includes advances from the Government for the purpose of implementation of a build-transfer contract.

22. STATUTORY OBLIGATIONS

Currency: VND million

	<i>Beginning balance</i>	<i>Payables for the year</i>	<i>Payment made/offset in the year</i>	<i>Ending balance</i>
Payables				
Value added tax	559,321	3,607,375	(3,679,364)	487,332
Corporate income tax	3,060,407	10,133,851	(8,526,916)	4,667,342
Personal income tax	238,297	1,695,775	(1,732,423)	201,649
Land use fee, land rental fee and obligations under build-transfer contracts	1,662,222	212,789	(327,917)	1,547,094
Others	471,428	5,777,434	(5,347,043)	901,819
TOTAL	5,991,675	21,427,224	(19,613,663)	7,805,236
	<i>Beginning balance</i>	<i>Receivables for the year</i>	<i>Payment received/offset in the year</i>	<i>Ending balance</i>
Receivables				
Corporate income tax	65,864	882,782	(40,374)	908,272
Others	2,936	4,956	(2,177)	5,715
TOTAL	68,800	887,738	(42,551)	913,987



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

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	16,390,002	11,273,933
Accrued selling expenses	2,828,011	1,830,302
Accrued interest expenses	1,284,898	1,779,416
Accrued committed profit under villas and condotels management program	1,089,052	318,337
Others	3,082,994	1,291,339
TOTAL	24,674,957	16,493,327
Long-term		
Accrued interest expenses	1,077,494	370,071
Others	30,036	117,326
TOTAL	1,107,530	487,397

24. UNEARNED REVENUE

	Currency: VND million	
	Ending balance	Beginning balance
Short-term		
Unearned revenue for villas and condotels leasing management services	1,156,365	780,044
Unearned revenue for education services	1,453,737	1,110,313
Unearned revenue for apartments and villas management services	490,202	439,862
Unearned revenue for other services	1,850,148	194,303
TOTAL	4,950,452	2,524,522
Long-term		
Unearned revenue for villas and condotel leasing management services	3,701,397	2,768,347
Unearned revenue for apartments and villas management services	1,260,367	1,286,692
Unearned revenue for hotel and entertainment services	152,741	102,601
Unearned revenue for other services	206,233	842,341
TOTAL	5,320,738	4,999,981
<i>In which:</i>		
Unearned revenue from related parties (Note 37)	1,735,404	769,867
Unearned revenue from other parties	8,535,786	6,754,636

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

25. OTHER PAYABLES

	Currency: VND million	
	Ending balance	Beginning balance
Short-term		
Payables under deposit and other agreements relating to real estate projects (i)	30,156,595	37,934,307
Deposits for investment purpose	5,697,222	8,495,107
Apartment maintenance funds (ii)	2,297,299	1,691,419
Deposits from tenants to be refunded within the next 12 months	599,618	605,510
Others	4,699,455	4,137,981
TOTAL	43,450,189	52,864,324
<i>In which:</i>		
<i>Other short-term payables to related parties (Note 37)</i>	-	1,200,000
<i>Other short-term payables to other parties</i>	43,450,189	51,664,324
Long-term		
Deposits from tenants	1,505,571	1,615,016
Deposits from tenants to be refunded within the next 12 months	(599,618)	(605,510)
Deposits for transferring real estate project	3,727,387	-
Deposits for investment purpose	1,080,233	-
Others	543,645	20,288
TOTAL	6,257,218	1,029,794

- (i) The balance as at 31 December 2020 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 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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

26.1 Short-term loans

Lender	Ending balance	Collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam	Original currency	Maturity date
Others	VND	January 2021
	EUR, VND	(i)
		(ii)
TOTAL	1,087,885	

Details about interest rate of short-term loans as at 31 December 2020 are as follows:

Secured loans

Original currency

VND

Rate
Fixed interest rate, interest rate for the year ranging from 4.9% to 6.8% per annum.
Floating interest rate, the 12-month EURIBOR plus (+) 3% per annum.

Unsecured loans

(i) As at 31 December 2020, short-term loans are secured by the following collaterals:

- Tangible fixed assets (Note 14); and

- A number of shares of a subsidiary held by the Company.

(ii) These loans are unsecured;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

26. LOANS AND DEBTS (continued)

26.2 Long-term loans

Lender/credit arranger	Ending balance		Maturity date	Collateral
	Original currency	VND million		
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	481,600	From January 2021 to October 2025	(ii)
<i>In which: current portion</i>	VND	90,000		
Joint Stock Commercial Bank for Investment and Development of Vietnam	VND	128,625	From January 2021 to December 2024	(ii)
<i>In which: current portion</i>	VND	28,160		
Vietnam Technological and Commercial Joint Stock Bank	VND	1,371,098	January 2021	(ii)
<i>In which: current portion</i>	VND	1,371,098		
Military Commercial Joint Stock Bank	VND	218,157	From January 2021 to April 2023	(ii)
<i>In which: current portion</i>	VND	90,259		
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	329,246	From March 2021 to June 2022	(ii)
<i>In which: current portion</i>	USD	175,534		
Corporate counterparties	VND	9,839		
Lenders of the syndicated loan No.1	VND	5,320,000	From April 2022 to November 2022	(i)
<i>In which: current portion</i>	USD	18,225,639	From March 2021 to September 2030	(ii)
Lenders of the syndicated loan No.2	USD	2,125,995		
<i>In which: current portion</i>	USD	7,702,234	From April 2021 to April 2023	(ii)
Lenders of the syndicated loan No.3	USD	1,382,880	From January to July 2021	(ii)
<i>In which: current portion</i>	USD	3,224,669		
Lenders of the syndicated loan No.4	USD	3,224,669		
Lenders of the syndicated loan No.5	USD	8,327,841	March 2022	(ii)
<i>In which: current portion</i>	USD	6,945,340	From November 2021 to November 2024	(ii)
Lenders of the syndicated loan No.6	USD	539,576		
<i>In which: current portion</i>	USD	6,128,174	From November 2021 to November 2024	(ii)
Lenders of the syndicated loan No.7 (iii)	USD	467,837		
<i>In which: current portion</i>	VND	8,972,247	From March 2021 to December 2027	(ii)
Lenders of the syndicated loan No.8	VND	1,288,000		
<i>In which: current portion</i>	USD	6,782,658	From February 2022 to February 2024	(ii)
TOTAL		74,333,062		
<i>In which:</i>				
Long-term loans		63,714,809		
Current portion of long-term loans		10,618,253		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

26. LOANS AND DEBTS (continued)

26.2 Long-term loans (continued)

Details of interest rates for long-term loans as at 31 December 2020 are as follows:

<i>Loans</i>	<i>Original currency</i>	<i>Interest rate</i>
Secured loans	VND	Floating interest rate, interest rate for the year ranging from 7.6% to 10.8% per annum
Unsecured loans	VND	Fixed interest rate of 9% per annum
Secured loans without swap contract	USD	Floating interest rate, interest rate for the year ranging from 0.86% to 7% per annum
Secured loans with floating interest rate swapped for fixed interest rate (also fixed transaction rate) under swap contracts	USD	Fixed interest rate under swap contracts, interest rate for the year ranging from 4.1% to 9.25% per annum

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(i) These loans are unsecured;

(ii) As at 31 December 2020, these long-term loans are secured by the following collaterals:

- Inventories (Note 11), tangible fixed assets (Note 14), investment properties in progress (Note 16), constructions in progress (Note 18), benefits accompanied with certain inventories, the Debt Service Reserve Account at the offshore account management bank and the Revenue Account at a commercial bank with outstanding balance and accumulated other related benefits arising from such account; and
- A number of shares of a subsidiary held by another subsidiary of the Group, a number of shares of subsidiaries held by the Company and capital contribution of a subsidiary in another subsidiary of the Group.
- (iii) According to a syndicated loan agreement, the Group and/or its associate commits to maintain average monthly balance at bank accounts opened at such bank at a minimum amount specified in the agreement to ensure the sufficient and timely payment of all credit loan agreement's obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

26. LOANS AND DEBTS (continued)

26.3 Corporate bonds

<i>Underwriter</i>	<i>Ending balance (VND million)</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Collateral</i>
Vietnam Bank for Industry and Trade Securities Joint Stock Company	2,598,976	March 2022	Floating interest rate, interest rate for the year ranging from 9% to 10% per annum	(i)
Techcom Securities Company Joint Stock Company	42,269,649	From January 2021 to February 2026	Floating interest rate, interest rate for the year ranging from 8.95% to 11.4%. Fixed rate from 7.75% to 8.5% per annum	(i)
<i>In which: current portion</i>	14,265,844			
KB Securities Vietnam Joint Stock Company	3,991,634	From December 2022 to May 2023	Floating interest rate, interest rate for the year ranging from 9.5% to 10.8% per annum	(i)
TOTAL	48,860,259			
<i>In which:</i>				
<i>Long-term bonds</i>	34,594,415			
<i>Current portion of long-term bonds</i>	14,265,844			

(i) As at 31 December 2020, these bonds are secured by the following collaterals:

- Inventories (Note 11), tangible fixed assets (Note 14), investment properties (Note 16), constructions in progress (Note 18) and a payment guarantee by a trusted fund of the Asian Development Bank; and
- A number of shares of subsidiaries held by the Company and another subsidiary of the Group and a number of shares of the Company held by subsidiaries of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

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 2020 is following:

Value (USD)	Beginning balance	Movement during the year				Ending balance
		New issuance	Exchanged to shares	Due but not yet exchanged	Redemption	
	450,000,000	-	-	-	(209,400,000)	240,600,000
Currency: VND million						
				Current year	Previous year	
Initial recognition of exchangeable bonds				10,259,215	10,205,665	
Equity component				-	-	
Liability component at initial recognition				10,259,215	10,205,665	
Add: Accumulated amortisation of bond issuance cost						
Beginning balance				81,913	26,113	
Amortisation during the year				120,417	55,800	
Ending balance				202,330	81,913	
Add: Unrealised foreign exchange gain arising from revaluation				(5,227)	(2,250)	
Redemption				(4,868,759)	-	
Liability component at the end of the year				5,505,646	10,259,215	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

28. PROVISIONS

	Currency: VND million	
	Ending balance	Beginning balance
Short-term		
Provision for onerous contracts (i)	3,537,864	-
Provision for cost on purchase commitment	1,551,888	-
Warranty provision	505,621	242,220
Others	47,636	6,114
TOTAL	5,643,009	248,334
Long-term		
Warranty provision	374,297	164,873
Others	2,016	17,191
TOTAL	376,313	182,064

- (i) The balance as at 31 December 2020 mainly includes provision for obligation of organising an event (Note 33) and a deposit contract with supplier.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

29. OWNERS' EQUITY

29.1 Increase and decrease in owners' equity

	Issued share capital	Share premium	Other owners' capital	Treasury shares	Exchange rate differences	Other funds belonging to owner's equity	Undistributed earnings	Non-controlling interest	Total
<i>Previous year</i>									
Beginning balance	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	1,552,928	15,506,305	-	-	-	-	-	-	17,058,233
- Reissuance of treasury shares	-	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)	(1,459,197)	(3,191,795)
- Change of equity interest in existing subsidiaries without loss of control	-	-	-	-	-	-	-	-	-
- Repurchase of subsidiaries' shares by these subsidiaries	-	3,731,392	-	-	-	-	(3,731,961)	5,166,823	5,166,254
- Capital contribution by non-controlling interest	-	-	-	-	-	-	(4,106,759)	(3,397,428)	(7,504,187)
- Dividend declared to non-controlling interest	-	-	-	-	-	-	-	1,417,968	1,417,968
- Decrease in preference shares of subsidiaries	-	-	-	-	-	-	-	(2,193,685)	(2,193,685)
- Others	-	-	-	-	(11,784)	-	-	(3,093,749)	(3,093,749)
								(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

Currency: VND million

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

29. OWNERS' EQUITY (continued)

29.1 Increase and decrease in owners' equity (continued)

Currency: VND million

Current year	Issued share capital	Share premium	Other owners' capital	Treasury shares	Exchange rate differences	Other funds belonging to owner's equity	Undistributed earnings	Non-controlling interest	Total
Beginning 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
- Share issuance (i)	138,551	1,450,622	-	-	-	-	-	-	1,589,173
- Net profit/(loss) for the year	-	-	-	-	-	-	5,464,627	(919,054)	4,545,573
- Distribution to other funds	-	-	-	-	-	15,000	(12,366)	(2,634)	-
- Acquisition of new subsidiaries	-	-	-	-	-	-	-	(302,301)	(302,301)
- Disposal of subsidiaries	-	-	-	-	-	-	-	(60,000)	(60,000)
- Change of equity interest in existing subsidiaries without loss of control (i)	-	(35,033)	-	-	-	-	(4,212,374)	1,280,432	(2,966,975)
- Capital contribution by non-controlling interest (ii)	-	-	-	-	-	-	-	12,539,449	12,539,449
- Others	-	-	-	-	(30,624)	-	-	(50,169)	(80,793)
Ending balance	34,447,691	35,411,957	7,235,206	(2,284,059)	(42,408)	67,845	4,359,645	56,656,838	135,852,715

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

29. OWNERS' EQUITY (continued)

29.1 Increase and decrease in owners' equity (continued)

(i) Transactions resulting in change of equity interest in existing subsidiaries without loss of control that have significant impact on non-controlling interest and undistributed earnings mainly include:

- ▶ On January 2020, the Company completed the issuance of 13,855,034 ordinary shares to swap all shares owned by non-controlling interest of Sai Dong JSC, a subsidiary;
- ▶ Acquisition of 20% voting shares in Vinpearl Air JSC from counterparties;
- ▶ Acquisition of 1.28% voting shares in Vinhomes JSC and transfer these shares to counterparties;
- ▶ Acquisition of additional 4.66% voting shares in VEFAC JSC through the market order;
- ▶ Merge P&S Business Investment and Trading LLC, a subsidiary of the Group, into Vinfast LLC;
- ▶ Transfer of 10% equity interest in Green City JSC between subsidiaries within the Group;
- ▶ Transfer of 98% voting shares in Sai Dong JSC between subsidiaries within the Group;
- ▶ The contribution of non-controlling interest into VMC Holding Business Investment JSC; and
- ▶ The contribution of non-controlling interest into Vinpearl Invest JSC.

(ii) The increase in the year was mainly the contribution of non-controlling interest to OMG JSC, Vinfast LLC, VMC Holding JSC, Vinpearl Invest JSC, Vinsmart JSC.

29.2 Contributed share capital

Currency: VND million

	Ending balance			Beginning balance		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
Issued share capital	34,447,691	33,824,306	623,385	34,309,140	33,685,755	623,385
Share premium	35,411,957	27,144,762	8,267,195	33,996,368	25,729,173	8,267,195
Treasury shares	(2,284,059)	(2,284,059)	-	(2,284,059)	(2,284,059)	-
TOTAL	67,575,589	58,685,009	8,890,580	66,021,449	57,130,869	8,890,580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

29. OWNERS' EQUITY (continued)

29.3 Capital transactions with owners

	Currency: VND million	
	Current year	Previous year
Issued share capital		
Beginning balance	34,309,140	32,758,212
Share issuance	138,551	1,552,928
Ending balance	<u>34,447,691</u>	<u>34,309,140</u>

29.4 Ordinary shares and preference shares

	Shares	
	Ending balance	Beginning balance
Authorised shares	3,444,769,056	3,430,914,022
Issued shares	3,444,769,056	3,430,914,022
<i>Ordinary shares</i>	3,382,430,590	3,368,575,556
<i>Preference shares</i>	62,338,466	62,338,466
Shares in circulation	3,293,998,576	3,280,143,542
<i>Ordinary shares</i>	3,231,660,110	3,217,805,076
<i>Preference shares</i>	62,338,466	62,338,466
Treasury shares	150,770,480	150,770,480
<i>Ordinary shares</i>	150,770,480	150,770,480

The par value of outstanding share: VND10,000 per share (2019: VND10,000 per share).

According to Share Subscription Agreement on 7 August 2018, preference shares are not entitled to vote, being restricted for transfer within one year since 22 August 2018 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. The Company has the right to redeem a portion or the entire of these preference shares during a period of 5.5 years to 6.5 years from the issuance date.

29.5 Treasury shares

As at 31 December 2020, the number of shares of the Company held by subsidiaries is 150,770,480 shares, of which 131,947,198 shares are being used as collateral for a loan of a subsidiary of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

30. REVENUES

30.1 Revenue from sale of goods and rendering of services

	Currency: VND million	
	Current year	Previous year
Gross revenue	110,755,497	130,161,398
<i>In which:</i>		
Sale of inventory properties	72,239,056	64,504,850
Manufacturing activities	17,599,985	9,259,382
Leasing activities and rendering related services	6,662,044	6,791,611
Rendering of hotel services, amusement park services and related services	4,878,073	8,555,321
Rendering of hospital services and related services	2,674,749	3,025,286
Rendering of education services and related services	2,244,430	2,063,081
Sale of goods in supermarkets, convenience stores and retail outlets	-	29,743,388
Others	4,457,160	6,218,479
Less sales deduction	(265,464)	(125,384)
Net revenue	110,490,033	130,036,014
<i>In which:</i>		
Sale of inventory properties	72,167,292	64,504,850
Manufacturing activities	17,415,481	9,201,038
Leasing activities and rendering related services	6,662,044	6,791,611
Rendering of hotel services, amusement park services and related services	4,868,877	8,548,983
Rendering of hospital services and related services	2,674,749	3,025,286
Rendering of education services and related services	2,244,430	2,063,081
Sale of goods in supermarkets, convenience stores and retail outlets	-	29,702,243
Others	4,457,160	6,198,922
<i>In which:</i>		
Sale to others	110,455,046	125,223,288
Sale to related parties (Note 37)	34,987	4,812,726

30.2 Revenue and expense relating to investment properties

	Currency: VND million	
	Current year	Previous year
Rental income from leasing investment properties	6,526,977	6,342,763
Direct operating expenses of investment properties that generated rental income during the year	(3,259,637)	(2,725,857)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

30. REVENUES (continued)

30.3 Finance income

	Currency: VND million	
	Current year	Previous year
Gains from disposal of subsidiaries and other investments (i)	28,595,170	11,299,238
Interest income from loans and deposits	2,250,964	2,475,618
Others	222,277	226,033
TOTAL	31,068,411	14,000,889

(i) Gains from disposal of subsidiaries and investments mainly includes gains from disposal of subsidiaries with loss of control (Note 4.3), disposal of investment in associates (Note 4.2 and Note 4.4) and disposal of held-for-trading securities (Note 6.1).

31. COST OF GOODS SOLD AND SERVICES RENDERED

	Currency: VND million	
	Current year	Previous year
Inventory properties sold	44,228,229	29,986,659
Manufacturing activities	25,110,350	14,239,688
Leasing activities and rendering related services	3,395,295	3,138,052
Rendering of hotel services, amusement park services and related services	11,562,009	8,904,029
Rendering of hospital services and related services	2,833,990	2,965,732
Rendering of education services and related services	1,989,737	1,754,895
Goods sold in supermarkets, convenience stores and retail outlets	-	25,519,168
Others	4,057,617	5,976,574
TOTAL	93,177,227	92,484,797

32. FINANCE EXPENSES

	Currency: VND million	
	Current year	Previous year
Interest expenses	10,172,023	7,147,357
Issuance costs	1,230,362	377,825
Foreign exchange losses	268,136	151,244
Others	1,134,040	504,945
TOTAL	12,804,561	8,181,371

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

33. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	Currency: VND million	
	Current year	Previous year
Selling expenses		
- External service expenses	5,175,983	7,651,830
- Labour costs	1,387,606	4,596,982
- Depreciation and amortisation of fixed assets	96,232	1,041,151
- Others	593,764	958,485
TOTAL	7,253,585	14,248,448
General and administrative expenses		
- Labour costs	3,581,266	5,002,408
- External service expenses	2,049,541	2,750,953
- Subsidy and charity expenses	1,650,188	1,284,513
- Depreciation and amortisation of fixed assets and goodwill	1,386,416	2,006,510
- Provision and other expenses (i)	4,735,678	1,633,054
TOTAL	13,403,089	12,677,438

(i) Mainly includes provision for onerous contract (Note 28).

34. OTHER INCOME AND EXPENSES

	Currency: VND million	
	Current year	Previous year
Other income	982,699	832,187
Penalty received	265,150	176,005
Gains from disposal of fixed assets	47,087	99,598
Others	670,462	556,584
Other expenses	1,694,848	951,169
Penalty expenses	1,487,246	275,002
Loss from disposal of fixed assets	52,319	320,337
Others	155,283	355,830
NET OTHER LOSS	(712,149)	(118,982)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

35. PRODUCTION AND OPERATING COSTS

<i>Currency: VND million</i>		
	<i>Current year</i>	<i>Previous year</i>
Development costs of inventory properties	22,016,883	52,004,001
External service expenses	17,337,195	19,166,515
Raw materials	15,390,717	21,297,152
Labour costs	11,118,610	16,542,696
Depreciation, amortisation, and allocation of goodwill	10,332,161	8,337,680
Others (excluding finance expenses)	9,668,345	7,098,920
TOTAL	85,863,911	124,446,964

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%; 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 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 manufacturing activities.

Certain subsidiaries with total revenue in 2020 not exceeding VND200 billion are entitled to a 30% reduction of the CIT payable for the financial year 2020 according to the Decree 114/2020/ND-CP issued by the Government on 25 September 2020.

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

<i>Currency: VND million</i>		
	<i>Current year</i>	<i>Previous year</i>
Current tax expenses	10,282,745	8,286,824
Deferred tax income	(885,763)	(366,013)
TOTAL	9,396,982	7,920,811

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

36. CORPORATE INCOME TAX (continued)

36.1 CIT expenses (continued)

Reconciliation between CIT expenses and the accounting profit multiplied by applicable CIT rate is presented below:

	Currency: VND million	
	Current year	Previous year
Accounting profit before tax	13,942,555	15,637,424
At CIT rate applied to the Company and its subsidiaries	2,788,511	3,127,485
<i>Adjustments:</i>		
Losses of subsidiaries	4,906,468	2,469,517
Non-deductible interest expense	1,875,188	1,537,365
Income/expenses from equity transactions in the consolidated financial statements resulting from acquisitions of group of assets and business combination	538,559	(490,691)
Gain/loss from equity transactions in the consolidated financial statements	154,133	1,416,923
Goodwill allocation in the consolidated financial statements	140,915	232,498
Losses ineligible for offsetting against taxable income	-	54,673
Others	498,418	562,173
Reversal of provisions for investments in subsidiaries	(1,363,586)	(385,351)
Tax losses carried forward	(141,624)	(603,781)
Estimated CIT expenses	9,396,982	7,920,811

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

36. CORPORATE INCOME TAX (continued)

36.3 Deferred tax

	Currency: VND million		
	Consolidated balance sheet	Consolidated income statement	
	Ending balance	Beginning balance	Current year Previous year
Deferred tax assets			
Provision for accruals	749,128	30,000	719,128
Unrealised profit from inter-company transactions within the Group	446,162	57,772	388,390
Selling expenses allowable for capitalisation for tax purpose during the year	63,288	214,203	(150,914)
Fair value adjustments from merger of subsidiaries	173,444	68,205	(19,931)
Others	113,831	275,313	(161,484)
Deferred tax liabilities			
Fair value adjustments from acquisition of subsidiaries	(531,694)	(466,107)	126,741
Others	(20,082)	(3,916)	(16,167)
Net deferred tax assets	994,077	175,470	
Net deferred tax credit to the consolidated income statement			
<i>Presented on the consolidated balance sheet</i>			885,763
Deferred tax assets	1,545,853	645,493	
Deferred tax liabilities	(551,776)	(470,023)	
Net deferred tax assets	994,077	175,470	366,013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

36. CORPORATE INCOME TAX (continued)

36.4 Unrecognised deferred tax

Loss carried 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 VND41,061 billion available for offset against future taxable profits (31 December 2019: VND19,699 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.

Non-deductible interest expense

Non-deductible interest expense under Decree 132/2020/ND-CP shall be carried forward to the next tax period when determining total deductible interest expense in case the total interest expense deducted for the next tax period is lower than the level prescribed in this Decree. The deferred tax assets have not been recognised in respect of this non-deductible interest expense because future taxable profits and the conditions to deduct in subsequent tax periods cannot be ascertained at this stage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

37. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties in current year and prior year were as follows:

Related parties	Relationship	Transactions	Currency: VND million	
			Current year	Previous year
Kind Heart Foundation	Under common owners	Charity expenses incurred during the year	908,046	1,200,000
		Cash transferred to Kind Heart Foundation	2,617,100	180,000
		Receivables from rendering hospital services	38,486	153,576
		Collection from rendering hospital services	57,217	258,724
		Cash collection from Kind Heart Foundation	-	1,134,000
Phu Quoc Tourism JSC	Associate until 30 September 2020	Receivables from rendering general contractor management service	-	4,567,438
		Cash collection under business co-operation contract	-	249,112
		Receivables from selling goods and rendering services	-	124,206
Vinfast Lithium Battery Pack LLC	Jointly controlled entity	Cash collection from disposal of assets and providing materials	-	441,432
		Capital contribution in cash	-	188,906
		Receivable from disposal of assets	67,840	403,988
Vinfast-An Phat Plastic Auto Part Company Limited	Jointly controlled entity	Cash received from disposal of assets	239,323	205,399
		Capital contribution in cash	-	74,000
Vietnam Investment Group JSC	Under common owners	Payables for office, hotel rental and lunch meal to employees	58,947	66,778
		Receivables from selling goods and rendering services	102,000	44,791
Other individuals	Key management personnel	Receivable from payment on behalf of capital contribution	3,564,495	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

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 2019: 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	5,096	23,501
Phu Quoc Tourism JSC	Associate until 30 September 2020	Receivables from selling goods, rendering advisory services and general contractor management service	-	4,567,438
Vinfast Lithium Battery Pack LLC	Jointly controlled entity	Receivables from disposal of assets	27,106	198,589
			32,202	4,789,528
Other receivables (Note 9)				
Other individuals	Key management personnel	Receivable from payment for capital contribution on behalf	3,564,495	-
Kind Heart Foundation	Under common owners	Receivable from charity expenses	509,054	-
			4,073,549	-
Unearned revenue (Note 24)				
Phu Quoc Tourism JSC	Associate until 30 September 2020	Unearned revenue from disposal of fixed assets and rendering services	-	769,867
MV1 Viet Nam LLC	Associate	Unearned revenue from capital contribution in associate	1,735,404	-
			1,735,404	769,867
Other short-term payables (Note 25)				
Kind Heart Foundation	Under common owners	Charity expense payables	-	1,200,000
			-	1,200,000

Remuneration of members of the Board of Directors and Management:

			Currency: VND million	
			Current year	Previous year
Salaries and bonus			50,293	46,723
TOTAL			50,293	46,723

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

38. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or 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 or 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
Net profit after tax attributable to ordinary shareholders	5,464,627	7,545,915
Distribution to bonus and welfare fund	-	-
Net profit after tax attributable to ordinary shareholders for basic earnings	5,464,627	7,545,915
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	5,464,627	7,545,915

	Unit: shares	
	Current year	Previous year
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,231,357,268	3,101,191,565
Effect of dilution due to:		
Convertible preference shares	65,154,820	65,154,820
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	3,296,512,088	3,166,346,385

	Currency: VND	
	Current year	Previous year
Basic earnings per share	1,691	2,433
Diluted earnings per share	1,658	2,383

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, being 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

39. COMMITMENTS AND CONTINGENCIES

Capital expenditure commitments relating to on-going real estate projects

The Group has entered into a 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 2020 is approximately VND24,773 billion (as at 31 December 2019: VND27,497 billion).

The Group has signed Build-Transfer contracts with the State authorities to commit on investment cost of the new administration center 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

	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	4,976,736	5,164,395
From 1-5 years	9,367,538	9,472,514
More than 5 years	7,583,218	7,375,359
TOTAL	21,927,492	22,012,268

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

	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	248,691	234,035
From 1-5 years	1,202,476	891,656
More than 5 years	14,208,651	9,500,088
TOTAL	15,659,818	10,625,779

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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39. COMMITMENTS AND CONTINGENCIES (continued)

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 JSC 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 Co., Ltd

In May 2018, Vinhomes JSC and Can Gio JSC signed a capital transfer contract with a corporate counterparty to acquire 32.5% equity interest in Berjaya VFC Co., Ltd. The remaining commitment of this contract as at 31 December 2020 is 503.7 billion VND.

Commitment related to acquire of shares in a real estate project

On 25 June 2019, Metropolis Hanoi LLC, a subsidiary, entered into a co-operation contract with corporate counterparties for developing a real estate project. Accordingly, Metropolis Hanoi LLC deposited to a counterparty for acquiring shares of this counterparty in the project. The remaining commitment of this contract as at 31 December 2020 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 2020 is VND782 billion.

Guarantee for payment obligation of bonds issued by Phu Quoc JSC, an associate until 30 September 2020

Under guarantee agreements among Phu Quoc JSC, Techcom Securities Joint Stock Company and Vinpearl JSC, a subsidiary, Vinpearl JSC commits to guarantee for payment obligations of Phu Quoc 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 certain inventories and a number of shares of subsidiaries held by the Company to secure for these contracts. As at 31 December 2020, the Group did not incur any outstanding balance arising from these credit line contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

39. COMMITMENTS AND CONTINGENCIES (continued)

Other commitments (continued)

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 condition at the end of contract terms.

Commitment 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 B1 and B2 of the building.

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 by these entities to receive the committed profit under signed agreement with customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

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, rendering restaurants, organizing sports-car racing 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 and VinAcademy system of the Group;
- ▶ Manufacturing activities: including manufacturing and trading automotive vehicles, mobile phones and other related products; and
- ▶ Others: including provision of construction services; rendering real estate management services; warehousing, storage of goods; data processing; 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. Other incomes and others expenses are not included in segment profit/(loss).

Unallocated assets monitored on a centralised basis are mainly deferred tax assets, short-term investments, other long-term investments, loan receivables, interest receivables, value-added tax deductible and tax and other receivables from the State.

Unallocated liabilities monitored on a centralised basis are mainly loans and debts, exchangeable bonds, statutory obligations, interest payables and deferred tax liabilities.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

40. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain asset and liability information regarding the Group's business segment as at 31 December 2020 and for the year then ended:

	Sale of inventory properties	Leasing investment properties and related services	Hospitality, entertainment and other services	Health care and related services	Education and related services	Manufacturing activities and related services	Others	Adjustment and elimination	Currency: VND million Total
Net revenue									
Net sales to external customers	72,167,292	6,662,044	4,868,877	2,674,749	2,244,430	17,415,481	4,457,160	-	110,490,033
Net inter-segment sales	-	590,398	97,064	91,087	-	1,552,839	3,853,741	(6,185,129)	-
Net total revenue	72,167,292	7,252,442	4,965,941	2,765,836	2,244,430	18,968,320	8,310,901	(6,185,129)	110,490,033
Results									
Depreciation and amortisation (including amortisation of goodwill)	520,339	1,994,416	2,549,190	624,484	276,016	4,081,757	285,959	-	10,332,161
Share of profit/(loss) of associates and jointly controlled entities	-	-	(255,000)	-	-	(41,520)	31,242	-	(265,278)
Segment net profit/(loss) before tax	21,459,694	2,743,551	(12,064,754)	(1,414,485)	(250,649)	(12,385,746)	(1,311,204)	(385,555)	(3,609,148)
Unallocated income									17,551,703
Assets and liabilities									
Segment assets	139,130,525	48,320,747	55,001,974	9,409,263	10,070,097	101,195,839	7,710,010	(1,242,769)	369,595,686
Unallocated assets									52,908,081
Segment liabilities	102,436,571	3,301,896	15,850,911	894,193	1,929,741	12,784,324	3,335,361	(1,242,769)	139,290,228
Unallocated liabilities									147,360,824
Other segment information									
Investment in associates and jointly controlled entities	2,412,849	-	-	-	-	248,229	64,382	-	2,725,460
Capital expenditure	1,051,288	4,505,370	6,160,298	662,768	2,385,931	12,250,461	819,450	-	27,835,566

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

40. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segment as at 31 December 2019 and for the year then ended:

	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 service	Others	Currency: VND million 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 entities	-	-	(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 (Restated)	140,429,171	42,923,150	38,482,971	9,589,998	8,097,274	2,585,191	96,370,540	7,929,107	(1,442,132)	344,945,270
Unallocated assets										58,795,483
Segment liabilities (Restated)	108,346,179	3,186,784	6,167,558	971,504	1,832,586	439,521	14,085,869	3,360,652	(1,442,132)	136,948,521
Unallocated liabilities										146,203,643
Other segment information										
Investment in associates and jointly controlled entities	-	-	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

41. ADDITIONAL INFORMATION REGARDING TO THE CONSOLIDATED CASH FLOW STATEMENT

	Currency: VND million	
	Current year	Previous year
Significant non-cash transactions that will have impact on the cash flow statement in the future:		
Transfer to payables of operating and financing activities	256,060	236,742
Actual cash received for the year, except interests addition to principal:		
Cash received from normal loan agreements	12,951,651	54,594,979
Cash received from issuance of bonds	28,041,946	8,651,215
Actual cash payment for the year: (*)		
Cash payment for normal loan agreements	(11,673,816)	(16,482,542)
Cash payment for principal of bonds	(22,415,545)	(9,700,000)
Cash payment for exchangeable bonds	(4,868,759)	-

(*) Actual cash payment for the year mainly include prepayments of principal amounts of VND2,130 billion (VND1,276 billion for the year ended 31 December 2019) for loans and bonds maturing after the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

42. OFF BALANCE SHEET ITEMS

Details of foreign currencies:

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currencies:		
- United States Dollar	37,173,307	4,179,721
- Australian Dollar	1,700,115	3,388
- Singapore Dollar	18,104	5,460
- Euro	5,409,649	12,080,343
- Korean Won	-	349,342,638
- Japanese Yen	10,000	315,789
- Sterling	-	911
- Russian Ruble	65,561,721	3,305,341
- Ukrainian Hryvnia	41,524	-

As at 31 December 2020, overdue receivables of VND54.8 billion which have been written off as management assesses that these receivables are irrecoverable (as at 31 December 2019: VND54.8 billion).

44. EVENTS AFTER THE BALANCE SHEET DATE

Except for the events after the consolidated balance sheet date as presented in other notes of the consolidated financial statements, the Group also has following events after the consolidated balance sheet date:

In February and March 2021, the Company issued bonds with a total par value of VND4,375 billion, maturing in 2024, offered in twice, bearing an interest rate in the first year of 9.7% per annum and interest rate for subsequent years would be floating and determined by the average 12-month term interest rate of certain commercial banks plus margin. Proceed from the above bond issuance would be used to increase capital in certain subsidiaries of the Company.

In March 2021, the Company completed the acquisition of shares representing 56% equity interest in a foreign company with a consideration of USD11,4 million. Accordingly, this company became a subsidiary of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended**44. EVENTS AFTER THE BALANCE SHEET DATE (continued)**

There is no other matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.



Van Thi Hai Ha
Preparer



Nguyen Thi Thu Hien
Chief Accountant



Mai Huong Noi
Deputy Chief Executive Officer



Hanoi, Vietnam

19 March 2021

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Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2020

No.	Full name	Short name	Voting right (%) ("v")	Equity interest (%)	Registered office's address	Principal activities
1	Vincom Retail JSC	Vincom Retail JSC	60.33	60.30	Vinhomes Riverside (1)	Investing, developing and trading real estate properties and leasing real estate properties
2	South Vincom Retail LLC	South Vincom Retail LLC	100.00	60.30	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	Northern Vincom Retail LLC	Northern Vincom Retail LLC	100.00	60.30	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 Urban Development and Investment JSC	Suoi Hoa JSC	97.27	58.66	Km1 + 200, Tran Hung Dao Street, Suoi Hoa Ward, Bac Ninh City, Bac Ninh Province, Vietnam	Investing, developing and trading real estate properties and leasing real estate properties
5	Ha Thanh Real Estate Development and Investment Co., Ltd	Ha Thanh Real Estate Co., Ltd	100.00	60.30	Vinhomes Riverside (1)	Investing, developing and trading real estate properties and leasing real estate properties
6	Vinhomes JSC	Vinhomes JSC	73.66	72.33	Symphony office tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam	Investing, developing and trading real estate properties and leasing real estate properties
7	Royal City Real Estate Development & Investment JSC	Royal City JSC	97.85	70.78	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
8	Saidong Urban Development and Investment JSC	Sai Dong JSC	100.00	72.27	Vinhomes Riverside (1)	Investing, developing and trading real estate properties
9	Xavinco Land JSC	Xavinco JSC	96.44	96.15	No.191, Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam	Investing, developing and trading real estate properties

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2020 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
10	Xalivico LLC	Xalivico LLC	74.00	71.15	No.233 Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi, Vietnam	Investing, developing and trading real estate properties
11	Thang Long Real Estate Trading Investment JSC	Thang Long Real Estate JSC	73.00	70.23	Vinhomes Riverside (1)	Investing, developing and trading real estate properties
12	Vietnam Exhibition Fair Centre JSC	VEFAC JSC	87.97	86.68	No.148 Giang Vo Street, Giang Vo Ward, Ba Dinh District, Hanoi, Vietnam	Investing, developing and trading real estate properties
13	Metropolis Hanoi LLC	Metropolis Hanoi LLC	100.00	72.33	HH land area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi, Vietnam	Investing, developing and trading real estate properties
14	Viet Nam Books JSC	Savina JSC	65.33	65.33	No.44, Trang Tien Street, Trang Tien Ward, Hoan Kiem District, Hanoi, Vietnam	Public and trading books
15	Can Gio Tourist City Corporation	Can Gio JSC	99.89	72.26	No.72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	Investing, developing and trading real estate properties
16	Central Park Development LLC	Central Park LLC	100.00	72.27	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
17	Ecology Development and Investment JSC	Ecology JSC	100.00	72.32	No.191, Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam	Investing, developing and trading real estate properties
18	Gia Lam Urban Development and Investment Co., Ltd	Gia Lam Co., Ltd	99.39	71.88	2nd floor, Vincom Mega Mall Ocean Park, Lot CCTP-10, Gia Lam Urban Area Project, Trau Quy Town, and Duong Xa Commune, Kieu Ky Commune, Da Ton Commune, Gia Lam District, Hanoi, Vietnam	Investing, developing and trading real estate properties
19	Vietnam Investment and Consulting Investment JSC	Vietnam Investment JSC	70.00	50.62	No.191, Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam	Investing, developing and trading real estate properties
20	Tay Tang Long Real Estate LLC	Tay Tang Long LLC	90.00	65.10	No.72, Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	Investing, developing and trading real estate properties
21	Berjaya Vietnam International University Town LLC	Berjaya VIUT LLC	97.90	70.74	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

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APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2020 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
22	Lang Van Development and Investment JSC	Lang Van JSC	100.00	72.49	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 Center Co., Ltd	Berjaya VFC Co., Ltd	67.50	48.77	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	Times Trading Investment and Development One Member Co., Ltd	Times Trading Ltd	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
25	Millennium Trading Investment and Development LLC	Millennium Trading LLC	100.00	72.33	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 office properties
26	Thai Son Investment Construction Corporation	Thai Son JSC	100.00	72.26	Vinhomes Riverside (1)	Investing, developing and trading real estate properties
27	GS Cu Chi Development JSC	GS Cu Chi JSC	100.00	72.26	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	Phuc An Travel Development and Investment LLC	Phuc An LLC	100.00	100.00	Vinhomes Riverside (1)	Providing short – stay services
29	Green City Development JSC	Green City JSC	100.00	72.27	No.72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	Investing, developing and trading real estate properties
30	Delta JSC	Delta JSC	100.00	72.27	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
31	Vinhomes Industrial Zone Investment JSC	VinhomesIZ JSC	100.00	72.30	Vinhomes Riverside (1)	Investing, developing and trading real estate properties
32	Dai An Investment Construction JSC	Dai An JSC	100.00	72.27	Road 5A, Dinh Du Village, Dinh Du Commune, Van Lam District, Hung Yen Province, Vietnam	Investing, developing and trading real estate properties

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APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2020 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
33	SADO Trading Commercial JSC	SADO JSC	100.00	99.93	Symphony Office Building, Chu Huy Man Street, Vinhomes Riverside Ecological Urban Area, Phuc Loi Ward, Long Bien District, Hanoi City, Vietnam	Consulting and investment activities
34	Hon Mot Tourism JSC	Hon Mot Tourism JSC	100.00	72.26	Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province, Vietnam	Investing, developing and trading hospitality services
35	Newco Development and Investment JSC	Newco JSC	100.00	72.27	72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	Investing, developing and trading real estate properties
36	Vinpearl JSC	Vinpearl JSC	100.00	99.88	Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province, Vietnam	Investing, developing and trading hospitality services
37	Vinpearl Invest JSC	Vinpearl Invest JSC	70.00	70.00	Symphony office tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam	Investing, developing and trading real estate properties
38	Cam Ranh Investment JSC	Cam Ranh Investment JSC	100.00	87.80	Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province, Vietnam	Investing, developing and trading hospitality services
39	Nha Trang Port JSC	Nha Trang Port JSC	91.94	64.35	No.5 Tran Phu, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province, Vietnam	Cargo handling
40	Co.co International Co., Ltd	Co.co International Ltd	69.99	35.00	No. 14 Thuy Khue Street, Thuy Khue Ward, Tay Ho District, Hanoi, Vietnam	Investing, developing and trading real estate properties
41	Vinpearl Air Aviation JSC	Vinpearl Air JSC	100.00	76.00	2 nd floor, Almaz Market, Hoa Lan Street, Vinhomes Riverside Ecological Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam	Operation and aviation services
42	Vinpearl Travel LLC	Vinpearl Travel LLC	100.00	70.00	Vinhomes Riverside (1)	Travel agency
43	Vinpearl Travel Ru LLC	Vinpearl Travel Ru LLC	100.00	80.00	Ne 24 Building, Timur Frunze St., Moscow, Russian Federation	Travel agency
44	Vinpearl Travel Australia Pty Ltd.,	Vinpearl Travel Australia Pty Ltd.,	100.00	55.92	HAYMARKET NSW 2000, Australia	Travel agency



Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2020 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
45	Vinwonders JSC	Vinwonders JSC	100.00	99.97	Vinhomes Riverside ⁽¹⁾	▶ Providing short – stay services
46	Vietnam Grand Prix LLC	Grand Prix LLC	100.00	100.00	Vinhomes Riverside ⁽¹⁾	▶ Organise and promote events, exhibitions, conferences and seminars
47	Nguyen Phu Trading and Development Investment JSC	Nguyen Phu JSC	100.00	98.98	Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province, Vietnam	▶ Investing, developing and trading real estate properties
48	Vinpearl Australia Pty Ltd.,	Vinpearl Australia Pty Ltd.,	100.00	70.00	234 Balclava Road, Caulfield North 3161, Melbourne, Victoria, Australia	▶ Providing short – stay services and travel agency
49	One Mount Group JSC	OMG JSC	51.22	51.22	5th floor, T26 building, Times City urban area, 458 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam	▶ Agency, broker, goods auction
50	OneID JSC	OneID JSC	99.95	51.22	4th floor, T26 building, Times City urban area, 458 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam	▶ Other monetary intermediation activities
51	VinID Pay JSC	VinID Pay JSC	100.00	55.27	2nd floor, T26 building, Times City urban area, 458 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam	▶ Other monetary intermediation activities
52	One Distribution JSC	One Distribution JSC	99.90	51.17	3rd floor, T26 building, Times City, 458 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam	▶ Warehousing, storage of goods
53	1MG Housing JSC	1MG Housing JSC	99.90	51.17	1st floor, T26 building, Times City, 458 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam	▶ Trading real estate properties
54	VMC Holding Business Investment JSC	VMC Holding JSC	75.00	74.85	Vinhomes Riverside ⁽¹⁾	▶ Consulting and management activities
55	Vinmec International General Hospital JSC	Vinmec JSC	100.00	74.85	No.458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam	▶ Healthcare, medical and related services
56	Vinschool One Member Co., Ltd	Vinschool Co., Ltd	100.00	100.00	Vinhomes Riverside ⁽¹⁾	▶ Rendering education services

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2020 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
57	VinAcademy Education and Training LLC	VinAcademy LLC	100.00	98.20	Vinhomes Riverside ⁽¹⁾	▶ Rendering education services
58	Vincom Security Service Co., Ltd	Vincom Security Co., Ltd	100.00	100.00	Vinhomes Riverside ⁽¹⁾	▶ Rendering security services
59	Vinbus Ecology Transport Services LLC	VinBus LLC	100.00	100.00	Vinhomes Riverside ⁽¹⁾	▶ Providing transportation services
60	Vinfast Trading and Production LLC	Vinfast LLC	51.52	51.52	Dinh Vu - Cat Hai Economic Zone, Cat Hai Island, Cat Hai Town, Cat Hai District, Hai Phong City, Vietnam	▶ Producing of motor vehicle
61	Vinfast Commercial and Services Trading LLC	Vinfast Trading LLC	99.50	51.26	Vinhomes Riverside ⁽¹⁾	▶ Retail cars
62	Smart Solution Service Business JSC	Smart Solution JSC	100.00	51.47	2nd floor, Aimag Market, Hoa Lan Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam	▶ Retail cars
63	Vinfast Germany GmbH	Vinfast Germany GmbH	100.00	51.52	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
64	Vinfast Engineering Australia Pty Ltd	Vinfast Australia Pty Ltd	100.00	51.52	65 Fennel Street, Port Melbourne, Victoria, Australia	▶ Designing automotive; collaborating in technological research, importing and distributing goods
65	Huong Hai – Quang Ngai JSC	Huong Hai – Quang Ngai JSC	100.00	51.63	33/11, Le Loi Street, Chanh Lo Ward, Quang Ngai City, Quang Ngai Province, Vietnam	▶ Mining and mining minerals and other materials
66	Vin3S JSC	Vin3S JSC	100.00	89.50	Vinhomes Riverside ⁽¹⁾	▶ Producing and sale of pharmaceuticals
67	Vinsmart Research and Manufacture JSC	Vinsmart JSC	62.03	62.03	Lot CN1-06B-1&2, Hi-tech Industrial Park 1, Hoa Lac Hi-tech Park, Ha Bang Commune, Thach That District, Hanoi, Vietnam	▶ Mobile production
68	V-G Lithium Battery LLC	V-G Lithium Battery LLC	75.00	46.53	Dinh Vu - Cat Hai Economic Zone, Cat Hai Island, Cat Hai Town, Cat Hai District, Hai Phong City, Vietnam	▶ Batteries production

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2020 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
69	Vingroup Investment Vietnam JSC	Vingroup Investment Vietnam JSC	100.00	99.89	Vinhomes Riverside ⁽¹⁾	Consultancy and investment activities
70	Mundo Reader S.L.	Mundo Reader LLC	51.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Mobile production
71	Luarna Ediciones S.L.	Luarna Ediciones	100.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Retails in department stores
72	Marcha Technology S.L.	Marcha Technology	60.00	24.48	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Developing 3D Printing products
73	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
74	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
75	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
76	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
77	Educación Y Robótica S.L.	Educación Y Robótica	100.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	Developing education products
78	3D Printing & Printers	3D Printing & Printers	100.00	40.80	Calle Sofia 10, 28232 Las Rozas de Madrid, Spain	3D Printing Manufacturing
79	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
80	Mundo Reader France S.A.R.L.	Mundo Reader France	100.00	40.80	5, Rue Lesseps, 75020 Paris, France	Retails in department stores
81	Mundo Reader GmbH	Mundo Reader GmbH	100.00	40.80	Hanauer Landstrabe 126-128 60314 Frankfurt am Main, Germany	Retails in department stores
82	Mundo Reader S.R.L.	Mundo Reader S.R.L.	100.00	40.80	Via Monti n 8 Milano, Italy	Retails in department stores
83	Smart European Devices Limited	Smart European Devices	100.00	40.80	16/F RYDAKAN CAPITAL TOWER, Hoi Bun Road, Kwun Tong, Hong Kong	Retails in department stores



Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2020 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
84	Xibantronics Trading Company Limited	Xibantronics Trading	100.00	40.80	E Maoye ShiDai Building, No.2 HaiDe Road, WenXin Road, NanShan -- Shenzhen, China	▲ Retailers in department stores
85	Electronic 2 Trade	Electronic 2 Trade	100.00	40.80	16/F Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Hong Kong	▲ Retailers in department stores
86	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
87	Vingroup Global Pte. Ltd.	Vingroup Global	100.00	62.03	120 Lower Delta Road #02-00, Cendex Centre, Singapore	▲ Import and distribution of goods
88	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, technology research
89	Vingroup Investment Pte. Ltd.,	Vingroup Investment Pte. Ltd.,	90.15	55.92	120 Lower Delta Road, #02-05, Cendex Centre, Singapore	▲ Market research and development
90	Vinsmart Ukraine LLC	Vinsmart Ukraine LLC	100.00	55.92	61105, Building 15, Zabaikalskuy lane, Kharkiv Zone, Kharkiv City, Ukraina	▲ Market research and development
91	Vinsmart Technology LLC	Vinsmart Technology LLC	100.00	55.92	Avenida Paseo de la Reforma 404, Piso 6, Desp. 602Col. Juarez, Delegación Cuauhtémoc, México D.F. CP 06600	▲ Market research and development
92	Vinfast Dealer San Francisco #1, LLC	Vinfast Dealer San Francisco #1, LLC	100.00	99.89	333 W. San Carlo Street, Suite 600, San Jose, CA	▲ Automobile import and distribution
93	Vinfast USA Distribution, LLC	Vinfast USA Distribution, LLC	100.00	99.89	333 W. San Carlo Street, Suite 600, San Jose, CA	▲ Automobile import and distribution
94	VinTech Technology Development JSC	VinTech JSC	80.00	80.00	Vinhomes Riverside (1)	▲ Research and experimental development of natural sciences and technology
95	Vingroup USA LLC	Vingroup USA, LLC	100.00	99.89	333 W. San Carlos St., Suite 600, San Jose, CA 95110, USA	▲ Importing and distributing electronic and telecommunications equipment

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2020 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
96	VANTIX Technology Solutions and Services JSC	Vantix JSC	100.00	81.00	Vinhomes Riverside (1)	Activities of information technology services and other services related to computers
97	VINCSS Internet Security Services LLC	VINCSS LLC	100.00	80.00	Vinhomes Riverside (1)	Scientific research and technology development
98	HMS Software Production and Trading LLC	HMS LLC	100.00	80.00	Vinhomes Riverside (1)	Software production
99	Vinsoftware software system development LLC	Vinsoftware LLC	100.00	80.00	Vinhomes Riverside (1)	Software production
100	Vinbrain LLC	Vinbrain LLC	100.00	80.00	Vinhomes Riverside (1)	Activities of information technology services and other services related to computers
101	VinITIS Information Technology and Communication Infrastructure Solution JSC	VinITIS JSC	80.00	63.12	Vinhomes Riverside (1)	Data processing, leasing of mobile broadcasting infrastructure, voice network, television and related activities
102	Bao Lai Investment JSC	Bao Lai JSC	96.48	69.73	166 Pham Van Dong, Xuan Dinh Ward, Bac Tu Liem District, Hanoi, Vietnam	Mining
103	Bao Lai Marble One Member Company Limited	Bao Lai Marble Co., LTD	100.00	69.73	Hop Nhat Village, Thinh Hung Commune, Yen Binh District, Yen Bai Province, Vietnam	Mining
104	Doc Thang Marble JSC	Doc Thang JSC	57.58	40.15	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province, Vietnam	Mining
105	An Phu White Marble Company Limited	An Phu White Marble Co., Ltd	100.00	69.73	Khau Ca Village, An Phu Commune, Luc Yen District, Yen Bai Province, Vietnam	Mining
106	Bao Lai Luc Yen Mineral Exploitation One Member Company Limited	Bao Lai Luc Yen LTD	100.00	69.73	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province, Vietnam	Mining
107	Phan Thanh Mineral JSC	Phan Thanh Mineral JSC	91.36	42.95	Ban Ro Village, Phan Thanh Commune, Luc Yen District, Yen Bai Province, Vietnam	Mining
108	Van Khoa Luc Yen One Member Company Limited	VKLY Co., LTD	100.00	64.63	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province, Vietnam	Mining

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2020 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
109	Van Khoa Investment JSC	Van Khoa Investment JSC	92.69	64.63	166 Pham Van Dong, Xuan Dinh Ward, Bac Tu Liem District, Hanoi, Vietnam	Mining
110	Vinpro Business and Trading services LLC	Vinpro LLC	100.00	100.00	Vinhomes Riverside (1)	Retail sale of audio-visual equipment, computers, software and telecommunications equipment
111	Ecology Development and Investment JSC	Ecology JSC	100.00	72.32	Symphony office tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam	Investing, developing and trading real estate properties
112	VINDFS JSC	VINDFS JSC	80.00	56.00	Slot CC-1 (KT-A Division), An Vien Beach Urban Area, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province, Vietnam	Direct supporting services for air transport
113	An Thinh Trading and Commercial Development JSC	An Thinh JSC	100.00	76.39	Floor 20A, Vincom Center Building, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	Investing, developing and trading real estate properties
114	Vingroup Myanmar Ltd.,	Vingroup Myanmar Ltd.,	100.00	55.92	Hospital Street, No. 4B Yankin Township, Yagon, Myanmar	Market research and development

(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.

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Vingroup Joint Stock Company

Consolidated financial statements

For the year ended 31 December 2019



Vingroup Joint Stock Company

Consolidated financial statements

For the year ended 31 December 2019



Vingroup Joint Stock Company

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Vingroup Joint Stock Company

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

Vingroup Joint Stock Company

GENERAL INFORMATION (continued)

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 Diu	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.

Vingroup Joint Stock Company

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 Hong Noi
Deputy Chief Executive Officer 

Hanoi, Vietnam

30 March 2020

Reference: 60729565/21109763-HN

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.




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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




Phạm Văn Sơn
Deputy General Director
Audit Practising Registration
Certificate No. 0637-2018-004-1



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

Hanoi, Vietnam

30 March 2020

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 (continued)
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 (continued)
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 (continued)
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 Hong 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

CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2019

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



Nguyen Thi Thu Hien
Chief Accountant



Mai Muong Noi
Deputy Chief Executive Officer

Hanoi, Vietnam

30 March 2020

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
	<i>Adjustments for:</i>			
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	F-110	(59,866,065)	(62,313,622)

CONSOLIDATED CASH FLOW STATEMENT (continued)
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

Nguyen Thi Thu Hien
Chief Accountant



Mark Hong No
Deputy Chief Executive Officer

Hanoi, Vietnam

30 March 2020

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories (continued)

Inventory property (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

3.6 Leased assets

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Depreciation and amortisation

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.

3.9 Investment properties

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Borrowing costs

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.

3.11 Prepaid expenses

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.

3.12 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.12 Business combinations and goodwill (continued)**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Investments (continued)

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.

3.14 Payables and accruals

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Revenue recognition (continued)

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.

3.21 Construction contract

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.

3.22 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation (continued)

Deferred tax (continued)

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.

3.23 Exchangeable bond

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).

3.24 Bond issuance transaction cost

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.

3.25 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

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:

	<i>Currency: VND million</i>
	<i>Provisional fair value recognised on acquisition</i>
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.2 Business combination (continued)

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:

	<i>Currency: VND million</i>
	<i>Fair value recognised on acquisition</i>
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

6. SHORT-TERM AND LONG-TERM INVESTMENTS (continued)

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

10. BAD DEBTS

	Ending balance		Beginning balance (Restated)	
	Currency: VND million			
	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:

Debtor	Ending balance		Beginning balance	
	Currency: VND million			
	Cost	Recoverable amount	Cost	Recoverable amount
Corporate Counterparty No. 1	138,657	-	-	-
Corporate Counterparty No. 2	82,705	-	82,705	-

11. INVENTORIES

	Ending balance		Beginning balance (Restated)	
	Currency: VND million			
	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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

11. INVENTORIES (continued)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

13. OTHER ASSETS

	<i>Currency: VND million</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

14. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Currency: VND million						
Cost:						
Beginning balance	36,105,006	17,923,830	1,392,529	1,189,343	1,027,083	57,637,791
Newly purchased	540,241	776,772	462,186	376,436	227,179	2,382,814
Newly constructed (Note 18)	15,552,763	35,753,724	134,907	-	137,023	51,578,417
Increase due to acquisition of subsidiaries	30,105	124,046	4,188	87,060	133,691	379,090
Reclassified from investment properties (Note 16)	723,819	115,897	-	-	657	840,373
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)	(350,734)
Reclassified to investment properties (Note 16)	(4,878,145)	(946,587)	-	-	(27,679)	(5,852,411)
Decrease due to disposal of subsidiaries	(3,082,255)	(2,457,462)	(67,904)	(208,085)	(604,660)	(6,420,366)
Others	(77,346)	(82,810)	(8,877)	24,632	(11,543)	(155,944)
Ending balance	43,157,563	52,838,016	1,923,852	1,034,224	1,085,375	100,039,030
<i>In which:</i>						
Fully depreciated	50,802	231,897	44,331	91,111	6,084	424,225
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)	24,153	-
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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
<i>In which:</i>					
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

16. INVESTMENT PROPERTIES

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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

	<i>Currency: VND million</i>	
	<i>Current year</i>	<i>Previous year</i>
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:

	<i>Currency: VND million</i>	
<i>Projects</i>	<i>Ending balance</i>	<i>Beginning balance</i>
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

19. LONG-TERM INVESTMENTS

19.1 Investment in associates and jointly controlled entity

<i>Name</i>	<i>Voting right (%) (also equity interest)</i>		<i>Principal activities</i>
	<i>Ending balance</i>	<i>Beginning balance</i>	
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

19. LONG-TERM INVESTMENTS (continued)

19.1 Investment in associates and jointly controlled entity (continued)

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 (*)
						Currency: VND million
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

19. LONG-TERM INVESTMENTS (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

20. GOODWILL

	Currency: VND million					
	Hanoi Southern JSC	Sai Dong JSC	Royal City JSC	Nhat Nam JSC	Others	Total
Cost:						
Beginning balance (Restated)	1,629,906	2,251,824	1,024,509	901,050	2,812,853	8,620,142
Increases from business combination	-	-	-	-	586,198	586,198
Decreases from disposal of subsidiaries	-	-	-	(901,050)	(510,914)	(1,411,964)
Other decreases	-	(101,336)	(22,177)	-	(123,221)	(246,734)
Ending balance	1,629,906	2,150,488	1,002,332	-	2,764,916	7,547,642
Accumulated amortisation:						
Beginning balance (Restated)	1,200,759	1,255,540	758,965	21,947	1,231,236	4,468,447
Amortisation for the year	110,004	221,328	88,070	90,006	653,080	1,162,488
Decreases from disposal of subsidiaries	-	-	-	(111,953)	(196,098)	(308,051)
Other decreases	-	(63,221)	(18,696)	-	(67,464)	(149,381)
Ending balance	1,310,763	1,413,647	828,339	-	1,620,754	5,173,503
Net carrying amount:						
Beginning balance (Restated)	429,147	996,284	265,544	879,103	1,581,617	4,151,695
Ending balance	319,143	736,841	173,993	-	1,144,162	2,374,139

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

21. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

21.1 Short-term trade payables

Currency: VND million

	<i>Balance (also amount payables)</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

22. STATUTORY OBLIGATIONS

	Currency: VND million		
	Beginning balance	Payables for the year	Ending balance
Payables			
Value added tax	532,078	5,692,272	559,321
Corporate income tax (Note 36)	2,827,841	8,048,600	3,060,407
Personal income tax	181,603	1,760,090	238,297
Land use fee, land rental fee, and obligations under build-transfer contracts	11,729,011	8,331,601	1,662,222
Others	250,174	5,370,068	471,428
TOTAL	15,520,707	29,202,631	5,991,675
	Beginning balance	Receivables for the year	Ending balance
Receivables			
Corporate income tax (Note 36)	309,752	125,771	65,864
Others	3,102	199,780	2,936
TOTAL	312,854	325,551	68,800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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
<i>In which:</i>		
Unearned revenue from related parties (Note 37)	769,867	774,490
Unearned revenue from other parties	6,754,636	7,417,671

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

26. LOANS AND DEBTS (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

26. LOANS AND DEBTS (continued)

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)
<i>In which: current portion</i>		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)
<i>In which: current portion</i>		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	
<i>In which: current portion</i>		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)
<i>In which: current portion</i>	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)
<i>In which: current portion</i>	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)
<i>In which: current portion</i>	USD60,000,000	1,368,300			(viii)
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	(ix)
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	(x)
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	(xi)
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*	
<i>In which: current portion</i>		344,827			
TOTAL		65,884,862			
<i>In which:</i>					
Long-term loans		61,760,749			
Current portion of long-term loans		4,124,113			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

26. LOANS AND DEBTS (continued)

26.2 Long-term loans from banks (continued)

- (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;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

26. LOANS AND DEBTS (continued)

26.2 Long-term loans from banks (continued)

- (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 - Labuan 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

26. LOANS AND DEBTS (continued)

26.3 Corporate bonds

<i>Underwriter</i>	<i>Ending balance (VND million)</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Collateral</i>
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)
Techcom 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)
<i>In which: current portion</i>	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			
<i>In which:</i>				
<i>Long-term bonds</i>	22,669,691			
<i>Current portion of long-term bonds</i>	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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:

	<i>Beginning balance</i>	<i>Movement during the year</i>			<i>Ending balance</i>
		<i>New issuance</i>	<i>Exchanged to shares</i>	<i>Due but not yet exchanged</i>	
Value (USD)	450,000,000	-	-	-	450,000,000

<i>Currency: VND million</i>		
	<i>Current year</i>	<i>Previous year</i>
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

<i>Currency: VND million</i>		
	<i>Ending balance</i>	<i>Beginning balance</i>
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

29. OWNERS' EQUITY

29.1 Increase and decrease in owners' equity

Currency: VND million

	Issued share capital	Share premium	Other owners' capital	Treasury shares	Other funds belonging to owner's equity	Undistributed earnings	Non-controlling interest	Total
<i>Previous year</i>								
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

29. OWNERS' EQUITY (continued)

29.1 Increase and decrease in owners' equity (continued)

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	-	690,855	-	-	-	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended**29. OWNERS' EQUITY (continued)****29.1 Increase and decrease in owners' equity (continued)**

- (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

29. OWNERS' EQUITY (continued)

29.1 Increase and decrease in owners' equity (continued)

- (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

29. OWNERS' EQUITY (continued)

29.2 Contributed share capital

Currency: VND million

	Ending balance			Beginning balance		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
Issued share capital	34,309,140	33,685,755	623,385	32,756,212	31,916,212	840,000
Share premium	33,996,368	25,729,173	8,267,195	11,442,901	3,165,920	8,276,981
Treasury shares	(2,284,059)	(2,284,059)	-	(2,974,924)	(2,974,924)	-
TOTAL	66,021,449	57,130,869	8,890,580	41,224,189	32,107,208	9,116,981

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

29. OWNERS' EQUITY (continued)

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	<u>34,309,140</u>	<u>32,756,212</u>

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

30. REVENUES (continued)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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

	<i>Currency: VND million</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expenses	8,286,824	7,273,130
Deferred tax (income)/expenses	(366,013)	389,626
TOTAL	7,920,811	7,662,756

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

36. CORPORATE INCOME TAX (continued)

36.1 CIT expenses (continued)

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
<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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

36. CORPORATE INCOME TAX (continued)

36.3 Deferred tax

	Currency: VND million		
	Consolidated balance sheet		Consolidated income statement
	Ending balance	Beginning balance	
			Current year
			Previous year
Deferred tax assets			
Unrealised profit from inter-company transactions within the Group	57,772	158,011	(12,495)
Selling expenses allowable for capitalisation for tax purpose during the year	214,203	71,262	142,940
Fair value adjustments from merger of subsidiaries	68,205	158,904	(90,699)
Others	305,313	226,050	(26,831)
			148,326
Deferred tax liabilities			
Fair value adjustments from acquisition of subsidiaries	(466,107)	(801,336)	335,228
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)

Presented on the consolidated balance sheet

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

37. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties in current year and prior year were as follows:

Related parties	Relationship	Transactions	Currency: VND million	
			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
		Cash collection from Kind Heart Foundation	1,134,000	360,612
Phu Quoc Tourism JSC	Associate	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
		Receivables from selling goods and rendering services	44,791	38,343
Vietnam Investment Group JSC	Under common owners	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

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	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

Currency: VND million

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Unearned revenue (Note 24)				
Phu Quoc Tourism JSC	Associate	Unearned revenue from disposal of fixed assets and rendering services	769,867	774,490
			<u>769,867</u>	<u>774,490</u>
Other short-term payables (Note 25)				
Kind Heart Foundation	Under common owners	Charity expense payables	1,200,000	180,000
			<u>1,200,000</u>	<u>180,000</u>

Transactions with other related parties

Remuneration to members of the Board of Directors and the management of the Company:

Currency: VND million

	<i>Current year</i>	<i>Previous year</i>
Salaries and bonus	46,723	55,253
TOTAL	<u>46,723</u>	<u>55,253</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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:

	<i>Currency: VND million</i>	
	<i>Current year</i>	<i>Previous year (Restated)</i>
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

	<i>Unit: shares</i>	
	<i>Current year</i>	<i>Previous year</i>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,101,191,565	2,972,745,653
<i>Effect of dilution due to:</i>		
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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year (Restated)</i>
Basic earnings per share (*)	2,433	1,286
Diluted earnings per share (*)	2,383	1,273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

38. EARNINGS PER SHARE (continued)

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:

	<i>Currency: VND million</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

39. COMMITMENTS AND CONTINGENCIES (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended**39. COMMITMENTS AND CONTINGENCIES (continued)****Other commitments (continued)**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

39. COMMITMENTS AND CONTINGENCIES (continued)

Other commitments (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

40. SEGMENT INFORMATION (continued)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

40. SEGMENT INFORMATION (continued)

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):

	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 service	Others	Currency: VND million Adjustment and elimination	Total
Net revenue										
Net sales to external customers	83,271,632	5,558,631	7,366,496	2,630,637	1,449,885	19,325,680	556,462	1,734,978	-	121,894,401
Net inter-segment sales	-	1,749,774	94,631	73,855	-	1,931,530	22,640	6,089,478	(9,961,908)	-
Net total revenue	83,271,632	7,308,405	7,461,127	2,704,492	1,449,885	21,257,210	579,102	7,824,456	(9,961,908)	121,894,401
Results										
Depreciation and amortisation (including amortisation of goodwill)	982,108	1,058,729	1,561,117	512,071	98,408	749,543	52,334	140,961	-	5,155,271
Share of profit/(loss) of associates and jointly controlled entity	-	-	(467,768)	-	-	1,048	-	41,801	-	(424,919)
Segment net profit/(loss) before tax	19,251,271	2,982,818	(3,793,332)	(1,286,784)	(191,095)	(5,160,912)	(1,028,019)	179,938	(142,347)	10,811,538
Unallocated income										3,089,111
Assets and liabilities										
Segment assets	106,444,269	37,872,672	37,554,969	8,120,491	3,958,522	16,134,596	46,809,889	5,598,694	-	262,494,102
Unallocated assets										25,633,073
Segment liabilities	51,636,458	2,139,790	7,363,697	552,280	1,028,839	4,139,091	8,146,887	4,664,018	-	79,671,060
Unallocated liabilities										109,289,401
Other segment information										
Investment in associates and jointly controlled entity	-	-	1,919,308	-	-	48,836	30,000	548,242	-	2,546,386
Capital expenditure	1,073,535	5,569,839	11,199,233	1,774,893	1,078,937	751,593	30,539,631	551,803	-	52,549,464

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

41. ADDITIONAL INFORMATION REGARDING TO THE CONSOLIDATED CASH FLOW STATEMENT

		<i>Currency: VND million</i>	
		<i>Current year</i>	<i>Previous year</i>
Significant non-cash transactions that will have impact on the cash flow statement in the future:			
Acquisition of other company's shares by issuing shares		-	1,648,224
Transfer to payables of operating and financing activities		236,742	-
Actual cash received for the year:			
Cash received from normal loan agreements		54,594,979	66,379,477
Cash received from issuance of bonds		8,651,215	20,324,421
Cash received from issuance of exchangeable bonds		-	10,060,202
Actual cash payment for the year:			
Cash payment for normal loan agreements		(16,482,542)	(38,517,116)
Cash payment for principal of bonds		(9,700,000)	(4,207,584)

42. RESTATEMENT OF CORRESPONDING FIGURES

In the consolidated financial statements for the year ended 31 December 2018, the Group was in the process of determining the fair value of identifiable assets, liabilities or contingent liabilities of General Motors Vietnam LLC at the date of acquisition and applied provisional accounting to consolidate this company. In 2019, the Group finalised the provisional accounting for this transaction. Thereby, restatement of certain corresponding figures is presented as follows:

		<i>Currency: VND million</i>	
<i>Code</i>	<i>Items</i>	<i>31 December 2018 (Previously presented)</i>	<i>31 December 2018 (Restated)</i>
	CONSOLIDATED BALANCE SHEET		
131	Short-term trade receivables	7,594,010	7,492,516
137	Provision for doubtful short-term receivables	(267,437)	(165,943)
141	Inventories	55,616,902	55,739,534
227	Intangible fixed assets	819,872	907,003
269	Goodwill	4,208,459	4,151,695
421	Undistributed earnings	5,095,997	5,143,008
429	Non-controlling interests	45,415,478	45,521,466

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

42. RESTATEMENT OF CORRESPONDING FIGURES (continued)

		Currency: VND million		
Code	Items	For the year ended 31 December 2018 (Previously presented)	Restatement	For the year ended 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	For the year ended 31 December 2018 (Previously presented)	Restatement	For the year ended 31 December 2018 (Restated)
	CONSOLIDATED INCOME STATEMENT			
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	For the year ended 31 December 2018 (Previously presented)	Restatement	For the year ended 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

43. OFF BALANCE SHEET ITEMS

Details of foreign currencies:

	<i>Ending balance</i>	<i>Beginning balance</i>
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:

<i>Debtor</i>	<i>Currency: VND million</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended**44. EVENTS AFTER THE BALANCE SHEET DATE (continued)**

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



Nguyen Thi Thu Hien
Chief Accountant



Mai Huong Ndt
Deputy Chief Executive Officer

Hanoi, Vietnam

30 March 2020

Vingroup Joint Stock Company

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 ⁽¹⁾	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	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 ⁽¹⁾	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

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2019 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
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
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

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2019 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
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

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2019 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
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
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

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2019 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
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	Designing automotive; collaborating in technological research, importing and distributing goods
52	VINFA JSC	VINFA JSC	59.39	59.39	Vinhomes Riverside ⁽¹⁾	Retails in medicine

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2019 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
53	Vinsmart Research and Manufacture JSC	Vinsmart JSC	62.03	62.03	Lot CN1-06B-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
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

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2019 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
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

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2019 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
76	VANTIX Technology Solutions and Services LLC	Vanix LLC	100.00	84.00	Vinhomes Riverside (1)	Activities of information technology services and other services related to computers
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

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2019 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal 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	4 th 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.

Vingroup Joint Stock Company

Consolidated financial statements

For the year ended 31 December 2018



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Vingroup Joint Stock Company

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 66th amended Enterprise Registration Certificate dated 29 August 2018.

The Company's shares are 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. 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
Mr. Le Khac Hiep	Vice Chairman
Ms. Pham Thuy Hang	Vice Chairwoman
Ms. Pham Thu Huong	Vice Chairwoman
Ms. Nguyen Dieu Linh	Vice Chairwoman
Mr. Ling Chung Yee Roy	Member
Mr. Nguyen Viet Quang	Member
Mr. Marc Villiers Townsend	Member
Mr. Joseph Raymond Gagnon	Member

SUPERVISORY BOARD

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

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

Vingroup Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

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

Mr. Nguyen Viet Quang	Chief Executive Officer	appointed on 25 February 2018
Ms. Duong Thi Mai Hoa	Chief Executive Officer	resigned on 25 February 2018
Ms. Mai Huong Noi	Deputy Chief Executive Officer	
Mr. Pham Van Khuong	Deputy Chief Executive Officer	
Ms. Nguyen Thi Diu	Deputy Chief Executive Officer	
Ms. Duong Thi Hoan	Deputy Chief Executive Officer	

LEGAL REPRESENTATIVE

The legal representative of the Company from 1 January 2018 to 25 February 2018 is Ms. Duong Thi Mai Hoa and from 25 February 2018 to 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 2018 in accordance with the Letter of Authorisation No. 024/2018/GUQ-TGD-VINGROUP dated 19 April 2018.

AUDITOR

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

Vingroup Joint Stock Company

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 2018.

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 2018 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 Hong Noi
Deputy Chief Executive Officer

Hanoi, Vietnam

27 March 2019

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**Building a better
working world**

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ey.com

Reference: 60729565/20319518-HN

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 27 March 2019 and set out on pages 6 to 88, which comprise the consolidated balance sheet as at 31 December 2018, 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.

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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 2018, 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 preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited



Trần Phú Sơn
Deputy General Director
Audit Practising Registration
Certificate No. 0637-2018-004-1

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

Hanoi, Vietnam

27 March 2019

CONSOLIDATED BALANCE SHEET
as at 31 December 2018

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		135,279,026,451,481	100,246,615,638,617
110	I. Cash and cash equivalents	5	13,557,055,282,581	8,141,750,027,686
111	1. Cash		8,566,276,075,025	6,182,781,185,541
112	2. Cash equivalents		4,990,779,207,556	1,958,968,842,145
120	II. Short-term investments		1,951,597,849,480	672,569,770,071
121	1. Held-for-trading securities		-	32,369,112,000
122	2. Provision for held-for-trading securities		-	(19,505,232,000)
123	3. Held-to-maturity investments	6.1	1,951,597,849,480	659,705,890,071
130	III. Current accounts receivable		50,075,353,646,870	27,335,112,175,074
131	1. Short-term trade receivables	7.1	7,594,009,964,922	5,744,460,450,918
132	2. Short-term advances to suppliers	7.2	16,677,008,433,017	8,675,566,825,227
135	3. Short-term loan receivables	8	5,077,857,439,683	7,684,239,828,536
136	4. Other short-term receivables	9	20,993,914,563,166	5,748,899,913,388
137	5. Provision for doubtful short-term receivables	10	(267,436,753,898)	(518,054,842,995)
140	IV. Inventories	11	55,105,513,546,690	56,058,815,191,085
141	1. Inventories		55,616,901,507,664	56,403,215,413,508
149	2. Provision for obsolete inventories		(511,387,960,974)	(344,400,222,423)
150	V. Other current assets		14,589,506,125,860	8,038,368,474,701
151	1. Short-term prepaid expenses	12	2,484,728,465,244	4,758,744,122,155
152	2. Value-added tax deductible		2,402,675,007,004	1,099,347,699,941
153	3. Tax and other receivables from the State	22	312,854,323,984	213,678,380,799
155	4. Other current assets	13	9,389,248,329,628	1,966,598,271,806

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2018

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		152,695,150,354,328	113,545,441,345,980
210	I. Long-term receivables		360,541,085,729	563,644,449,382
215	1. Long-term loan receivables		55,000,000,000	269,026,341,080
216	2. Other long-term receivables	9	305,541,085,729	294,618,108,302
220	II. Fixed assets		49,369,195,502,351	35,649,944,002,033
221	1. Tangible fixed assets	14	48,549,322,916,458	34,973,533,341,870
222	Cost		57,637,790,719,579	40,845,582,676,116
223	Accumulated depreciation		(9,088,467,803,121)	(5,872,049,334,246)
227	2. Intangible fixed assets	15	819,872,585,893	676,410,660,163
228	Cost		1,479,208,218,837	1,222,264,361,922
229	Accumulated amortisation		(659,335,632,944)	(545,853,701,759)
230	III. Investment properties	16	26,743,666,586,401	18,198,420,908,900
231	1. Cost		30,173,967,262,179	20,842,351,193,783
232	2. Accumulated depreciation		(3,430,300,675,778)	(2,643,930,284,883)
240	IV. Long-term assets in progress		58,529,122,776,141	37,492,138,281,596
242	1. Construction in progress	18	58,529,122,776,141	37,492,138,281,596
250	V. Long-term investments		6,068,157,704,984	6,485,785,915,017
252	1. Investments in associates, jointly controlled entities	19.1.1	2,546,385,754,285	2,439,624,600,795
253	2. Investments in other entities	19.1.2	1,594,869,498,288	2,176,543,861,811
254	3. Provision for long-term investments	19.1.2	(72,777,547,589)	(50,382,547,589)
255	4. Held-to-maturity investments	6.2	1,999,680,000,000	1,920,000,000,000
260	VI. Other long-term assets		11,624,466,698,722	15,155,507,789,052
261	1. Long-term prepaid expenses	12	5,570,348,679,938	3,061,950,076,912
262	2. Deferred tax assets	36.3	614,227,474,476	337,979,519,507
268	3. Other long-term assets	13	1,231,431,327,786	7,115,047,177,440
269	4. Goodwill	20	4,208,459,216,522	4,640,531,015,193
270	TOTAL ASSETS		287,974,176,805,809	213,792,056,984,597

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2018

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		188,960,462,126,460	161,235,046,806,942
310	I. Current liabilities		109,245,613,874,652	123,624,630,823,022
311	1. Short-term trade payables	21.1	14,773,384,437,347	8,245,460,364,882
312	2. Short-term advances from customers	21.2	25,203,958,169,231	54,822,434,640,779
313	3. Statutory obligations	22	15,520,706,944,492	4,933,105,236,661
314	4. Payables to employees		1,014,577,548,501	674,309,918,834
315	5. Short-term accrued expenses	23	16,017,109,169,042	10,416,596,543,393
318	6. Short-term unearned revenues	24	2,473,599,482,575	1,755,431,476,536
319	7. Other short-term payables	25.1	14,900,338,096,808	24,460,922,418,130
320	8. Short-term loans and debts	26	19,115,963,139,737	18,140,968,057,370
321	9. Short-term provisions	28	225,976,886,919	175,402,166,437
330	II. Non-current liabilities		79,714,848,251,808	37,610,415,983,920
333	1. Long-term accrued expenses		123,714,076,620	-
336	2. Long-term unearned revenues	24	5,718,561,887,462	5,535,359,362,778
337	3. Other long-term liabilities	25.2	947,426,202,248	712,750,848,054
338	4. Long-term loans and debts	26	61,770,712,362,953	31,219,525,897,044
339	5. Exchangeable bonds	27	10,205,664,522,906	-
341	6. Deferred tax liabilities	36.3	824,659,710,320	142,779,876,044
342	7. Long-term provisions		124,109,489,299	-

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2018

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
400	D. OWNERS' EQUITY		99,013,714,679,349	52,557,010,177,655
410	I. Capital	29	99,013,714,679,349	52,557,010,177,655
411	1. Issued share capital		32,756,212,300,000	26,377,079,540,000
411a	- Shares with voting rights		31,916,212,300,000	26,377,079,540,000
411b	- Preference shares		840,000,000,000	-
412	2. Share premium		11,442,900,804,192	2,651,165,167,904
414	3. Other owners' capital		7,235,205,990,828	-
415	4. Treasury shares		(2,974,924,074,484)	(2,974,924,074,484)
420	5. Other funds belonging to owners' equity		42,845,114,930	37,845,114,930
421	6. Undistributed earnings		5,095,996,481,223	5,583,084,564,118
421a	- Undistributed earnings up to the end of prior year		38,951,804,118	1,882,422,518,069
421b	- Undistributed earnings of current year		5,057,044,677,105	3,700,662,046,049
429	7. Non-controlling interests		45,415,478,062,660	20,882,759,865,187
440	TOTAL LIABILITIES AND OWNERS' EQUITY		287,974,176,805,809	213,792,056,984,597

Van Thi Hai Ha
Preparer

Nguyen Thi Thu Hien
Chief Accountant



Mai Hương Nôi
Deputy Chief Executive Officer

27 March 2019

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	30.1	121,971,750,626,283	89,392,047,933,230
02	2. Deductions	30.1	(77,350,205,179)	(41,999,335,317)
10	3. Net revenue from sale of goods and rendering of services	30.1	121,894,400,421,104	89,350,048,597,913
11	4. Cost of goods sold and services rendered	31	(92,971,050,559,634)	(62,796,326,957,038)
20	5. Gross profit from sale of goods and rendering of services		28,923,349,861,470	26,553,721,640,875
21	6. Finance income	30.3	7,478,549,889,431	1,636,951,439,612
22	7. Finance expenses	32	(4,908,949,587,074)	(3,786,983,558,714)
23	- In which: Interest expenses		(3,939,282,490,392)	(3,139,629,696,630)
24	8. Shares of (loss)/profit of associates, joint controlled entity	19.1	(424,918,846,510)	44,400,927,597
25	9. Selling expenses	33	(10,112,288,715,044)	(8,150,455,992,627)
26	10. General and administrative expenses	33	(7,367,839,332,550)	(6,852,447,761,955)
30	11. Operating profit		13,587,903,269,723	9,445,186,694,788
31	12. Other income	34	759,284,117,428	434,964,045,806
32	13. Other expenses	34	(493,549,736,743)	(765,869,262,018)
40	14. Other profit/(loss)	34	265,734,380,685	(330,905,216,212)
50	15. Accounting profit before tax		13,853,637,650,408	9,114,281,478,576
51	16. Current corporate income tax expense	36.1	(7,273,129,870,764)	(3,731,381,559,479)
52	17. Deferred tax (expense)/income	36.3	(389,626,309,041)	272,041,872,129
60	18. Net profit after tax		6,190,881,470,603	5,654,941,791,226
61	19. Net profit after tax attributable to shareholders of the parent	29.1	3,776,727,785,918	4,462,411,670,513
62	20. Net profit after tax attributable to non-controlling interests	29.1	2,414,153,684,685	1,192,530,120,713

CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
70	21. Basic earnings per share	38	1,270	1,501
71	22. Diluted earnings per share	38	1,257	1,501



Van Thi Hai Ha
Preparer



Nguyen Thi Thu Hien
Chief Accountant



Mai Huong Noi
Deputy Chief Executive Officer

27 March 2019

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		13,853,637,650,408	9,114,281,478,576
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)		5,155,271,347,089	3,985,433,267,539
03	Provisions		241,329,798,072	689,528,177,247
04	Foreign exchange losses		192,367,992,975	50,260,047,814
05	Profits from investing activities		(6,683,400,004,243)	(1,015,255,359,806)
06	Interest expenses (including amortisation of bond issuance costs)	32	4,283,365,452,469	3,401,633,686,717
08	Operating profit before changes in working capital		17,042,572,236,770	16,225,881,298,087
09	Decrease/(increase) in receivables		1,520,338,159,126	(6,730,252,290,761)
10	Decrease/(increase) in inventories		4,875,331,532,021	(1,227,813,074,755)
11	(Decrease)/increase in payables (other than interest, corporate income tax)		(24,972,740,916,783)	18,034,651,110,034
12	Decrease/(increase) in prepaid expenses		1,038,687,462,509	(2,563,290,205,702)
13	Decrease in held-for-trading securities		12,863,880,000	-
14	Interest paid		(3,740,380,502,932)	(3,062,709,959,110)
15	Corporate income tax paid	22	(5,760,402,076,308)	(3,890,618,182,474)
20	Net cash flows (used in)/from operating activities		(9,983,730,225,597)	16,785,848,695,319
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(44,772,132,577,218)	(19,509,233,343,507)
22	Proceeds from disposals of fixed assets and other long-term assets		1,305,733,771,914	230,738,747,196
23	Loans to other entities and payments for purchase of debt instruments of other entities		(21,453,789,238,538)	(13,120,643,139,535)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		20,729,470,446,661	5,871,047,533,029
25	Payments for investments in other entities (net of cash held by entity being acquired)		(46,807,073,292,884)	(15,153,204,450,348)
26	Proceeds from sale of investments in other entities (net of cash held by entity being disposed)		27,524,118,859,822	13,991,102,708,588
27	Interest and dividends received		1,160,049,930,079	1,173,726,980,704
30	Net cash flows used in investing activities		(62,313,622,100,164)	(26,516,464,963,873)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares		24,903,260,063,993	13,000,000,000
32	Capital redemption		-	(30,000,000,000)
33	Drawdown of borrowings		91,020,447,368,655	31,918,446,307,125
34	Repayment of borrowings		(36,981,047,221,085)	(22,256,448,989,518)
36	Dividends paid to equity holders		(1,222,822,175,333)	(1,604,550,206,376)
40	Net cash flows from financing activities		77,719,838,036,230	8,040,447,111,231
50	Net increase/(decrease) in cash and cash equivalents for the year		5,422,485,710,469	(1,690,169,157,323)
60	Cash and cash equivalents at the beginning of the year		8,141,750,027,686	9,833,332,219,401
61	Impact of exchange rate fluctuation		(7,180,455,574)	(1,413,034,392)
70	Cash and cash equivalents at the end of the year	5	13,557,055,282,581	8,141,750,027,686

Van Thi Hai Ha
Preparer

Nguyen Thi Thu Hien
Chief Accountant



Ma Hong No
Deputy Chief Executive Officer

27 March 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2018 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 66th amended Enterprise Registration Certificate dated 29 August 2018.

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. 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 2018 is: 466 (31 December 2017: 347).

As at 31 December 2018, the Company has 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.

As at 31 December 2018, the Group also holds investments in a number of associates and jointly controlled entity as disclosed in Note 19.1.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The consolidated financial statements of the Company and its subsidiaries 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 Company'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 consolidated financial statements are prepared in VND which is also the Company's accounting currency.

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 2018.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation (continued)

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, 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.

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 2017.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, 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 paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees, construction overheads and other related costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories (continued)

Inventory property (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

3.6 Leased assets

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Intangible fixed assets (continued)

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 prepayment 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 and development costs that do not meet the capitalisation criteria are recognised as expensed in the consolidated income statement 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 asset are stated at cost less accumulated amortisation. Amortisation of the asset begins when development is completed and the asset is available for use.

3.8 Depreciation and amortisation

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 - 48 years
Machinery and equipment	3 - 25 years
Means of transportation	3 - 25 years
Office equipment	2 - 8 years
E-commerce website	20 years
Computer software	3 - 10 years
Land use rights	36 - 48 years
Others	3 - 15 years

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Investment properties*

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.

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

Land use rights	25 - 48 years
Buildings and structures	5 - 48 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 or readiness for sale, commencement of an operating lease to another party or ending of construction or development. 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.

3.10 *Borrowing costs*

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.

3.11 *Prepaid expenses*

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 *Prepaid expenses* (continued)

Prepaid land rental represents the unamortised balance of advance payment made in accordance with Land Rental Contract signed with authorities. 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.

3.12 *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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Business combinations and goodwill (continued)

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 were 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 different 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 different between the consideration and carrying amount of the transferred equity interest is recorded in undistributed earnings.

Business combinations involving entities under common control

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 cumulative 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Investments* (continued)

Investments in associates (continued)

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 jointly controlled entity

The Group's investment in 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 cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/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 investments in other entities are stated at their acquisition costs.

Provision for held-for-trading securities and investments in entities

Provision is made for any diminution in value of the held-for-trading securities and investments in capital of other entities at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense 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.

3.14 *Payables and accruals*

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 sold in the past.

3.16 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment; and
- Payments for assets or expenses (without liabilities initially being recognised) is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the consolidated balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly or at the exchange rates which approximate the average selling and buying transfer rates of the commercial bank where the Group conducts transactions regularly .

All foreign exchange differences incurred during the year and arisen from the translation at the end of the year are taken to the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, issue or cancellation of the Group's own equity instruments.

3.18 Appropriation of net profits

Net profit after tax (excluding negative goodwill from bargain purchases) is available for appropriation to investors/shareholders after approval by the appropriate level of authority/in the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter, each subsidiaries' 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 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 property

Revenue from sale of inventory property is recognised when the significant risks and rewards incident to ownership of the properties have been transferred to the buyer.

Revenue from sale of inventory property also includes long-term lease of inventory property 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Revenue recognition (continued)

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.

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 each 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.

Gains from capital/shares transfer

Gains from capital/shares transfer are determined as the excess of selling prices against the cost of securities 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.

3.21 Construction contract

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 temporary 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 at the time transaction incurred; and
- ▶ in respect of deductible temporary differences associated with investments in subsidiaries and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.22 Taxation (continued)***Deferred tax (continued)*

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.

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.

3.23 Exchangeable bond

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) in accordance with the contract terms.

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.

3.24 Bond issuance transaction cost

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.

3.25 Cross-currency interest rate swap contract

The Group enters into cross-currency interest rate swap contracts ("swap contracts") to mitigate the risk relating to fluctuation of interest rate and exchange rate. The Group recognizes principal and interest expense at the interest rate and exchange rate determined in the swap contracts accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

3.28 Related parties

The parties are considered as related parties of the Group if one party has the ability, directly or indirectly, to control over the other party or otherwise significantly influence on the other party in making financial and operating decisions, or when the Group and the other party are under common control or significant influence. Stakeholders may be companies or individuals, including intimate family members of individuals considered to be related parties.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR

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 Berjaya Vietnam International University Town LLC ("Berjaya VIUT LLC")

On 8 February 2018, the Group acquired 97.9% voting shares of Berjaya VIUT LLC from a corporate counterparty and two individuals with total consideration of VND11,748 billion and thereby, Berjaya VIUT LLC became a subsidiary of the Group. As of the acquisition date, Berjaya VIUT LLC was the owner of a potential real-estate project under development at Hoc Mon district, Ho Chi Minh City, Vietnam.

Acquisition of Berjaya Vietnam Financial Centre LLC ("Berjaya VFC LLC")

On 7 March 2018, the Group has contributed capital amounting to VND2,009 billion to Berjaya VFC LLC. Through this transaction, the Group owns 67.5% voting shares in Berjaya VFC LLC and thereby, Berjaya VFC LLC became a subsidiary of the Group. As of the acquisition date, Berjaya VFC LLC was the owner of a potential real-estate project under development at District 10, Ho Chi Minh City, Vietnam.

Acquisition of Thai Son Investment and Construction JSC ("Thai Son JSC")

On 8 May 2018, the Group acquired 96.47% voting shares of Thai Son JSC from a corporate counterparty with total consideration of VND1,700 billion and thereby, Thai Son JSC became a subsidiary of the Group. As of the acquisition date, Thai Son JSC held 90.32% voting shares in Dat Rong Vang Investment and Construction JSC ("Dat Rong Vang JSC") and 98.32% voting shares in West Hanoi Urban Development and Trading Investment JSC ("West Hanoi JSC"). As of the acquisition date, West Hanoi JSC was the owner of a potential real-estate project under development at Tay Mo commune and Dai Mo commune, Nam Tu Liem district, Hanoi.

Acquisition of GS Cu Chi Development JSC ("GS Cu Chi JSC")

On 2 July 2018, the Group acquired 100% voting shares of GS Cu Chi JSC from individuals with total consideration of VND1,205 billion. Thereby, GS Cu Chi JSC became a subsidiary of the Group. As of the acquisition date, GS Cu Chi JSC was owner of a potential golf course project.

4.2 Business combination

During the year, the Group has acquired and consolidated the below new subsidiaries:

Acquisition of Vinhomes Trading and Real Estate Management JSC ("Vinhomes Management JSC")

On 11 January 2018, the Group acquired 13.5% voting shares of Vinhomes Management JSC at total consideration of VND605 billion (after deducting the cash dividend paid by Vinhomes Management JSC for the period prior to the acquisition date). After that, on 18 January 2018, the General Shareholders of Vinhomes JSC (previously known as Hanoi Southern City Development JSC), a subsidiary of the Group, approved the Resolution No. 01/2018/NQ/DHDCD-HANOI CITY JSC on the merger of Vinhomes Management JSC into Vinhomes JSC. According to the merger contract dated 27 January 2018 between Vinhomes JSC and Vinhomes Management JSC, Vinhomes JSC issued 381,500,000 shares at total par value of VND3,815 billion in exchange for 381,500,000 shares of Vinhomes Management JSC. The merger was completed on 1 February 2018. Thereby, the issuance increased the share capital of Vinhomes JSC by VND3,815 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.2 Business combination (continued)

Acquisition of Vinhomes Trading and Real Estate Management JSC ("Vinhomes Management JSC") (continued)

The principal activities of Vinhomes Management JSC at the merger date are to invest, construct, trade and act as agency, consultant relating to real estate properties. The acquisition of Vinhomes Management JSC is a part of the Group's investment strategy to strengthen its sale strategy and execution of sale activities.

The fair values of identifiable assets and liabilities of Vinhomes Management JSC at the acquisition date were presented below:

	<i>Currency: VND</i>
	<i>Fair value recognised at acquisition date</i>
Assets	
Cash and cash equivalents	436,915,335,232
Held to maturity investment	172,130,755,950
Short-term trade receivables	856,634,989,252
Short-term advances to suppliers	300,287,774,697
Short-term loan receivables	6,655,000,000,000
Inventories	3,193,901,415,455
Investment property	2,343,206,539,282
Other assets	305,318,516,557
	14,263,395,326,425
Liabilities	
Short-term trade payables	732,050,233,244
Short-term advances from customers	1,535,686,360,613
Statutory obligations	148,347,886,487
Accrued expenses	1,447,722,481,729
Unearned revenues	1,895,303,265,447
Other liabilities	4,510,007,256,441
	10,269,123,483,961
Total identifiable net assets	3,994,271,842,464
Non-controlling interests	(686,406,450,561)
Goodwill from business combination	121,632,125,715
Total purchase consideration (i)	3,429,497,517,618
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	436,915,335,232
Cash paid for acquiring the subsidiary up to 31 December 2018	(605,154,375,000)
Net cash flow used in acquisition	(168,239,039,768)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.2 Business combination (continued)

Acquisition of Vinhomes Trading and Real Estate Management JSC ("Vinhomes Management JSC") (continued)

(i) Total purchase consideration was VND3,429 billion including cash consideration of VND605 billion, fair value of equity interest decreased in subsidiaries of the Group as a result of the merger of VND2,061 billion and fair value of 18.6% equity interest previously held by the Group in Vinhomes Management JSC of VND763 billion. The Group remeasured the fair value of previously held equity interest and recorded a finance expense of VND250 billion in the consolidated income statement (Note 32). At acquisition date, the Group used the fair value of the acquiree's shares which is assessed as a more reliable measurement to determine the fair value of consideration. Profit before tax of Vinhomes Management JSC from 1 January 2018 to the acquisition date is VND283 billion.

Acquisition of Phat Loc Commercial Investment Trading Limited Liability Company ("Phat Loc LLC")

On 28 February 2018, the Group acquired 100% voting right of Phat Loc LLC from two individuals with total consideration of VND406.5 billion and thereby, Phat Loc LLC became a subsidiary of the Group. As of the acquisition date, Phat Loc LLC is the owner of a potential real estate project at Binh Thanh district, Ho Chi Minh City, Vietnam.

The fair values of identifiable assets and liabilities of Phat Loc LLC at the acquisition date are presented below:

	<i>Currency: VND</i>
	<i>Fair value recognised at acquisition date</i>
Assets	
Cash and cash equivalents	9,597,036,150
Trade receivables	56,351,012,773
Advances to suppliers	39,600,000
Other receivables	90,222,222,222
Investment property	266,655,605,867
Construction in progress	12,639,714,774
	435,505,191,786
Liabilities	
Deferred tax liabilities	25,069,090,656
Long-term loans and debts	13,100,000,000
Trade payables	1,524,600,049
	39,693,690,705
Total identifiable net assets	395,811,501,081
Non-controlling interests	2,155,675,391
Goodwill from business combination	8,559,223,528
Total purchase consideration	406,526,400,000
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	9,597,036,150
Cash paid for acquiring the subsidiary up to 31 December 2018	(406,526,400,000)
Net cash flow used in acquisition	(396,929,363,850)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.2 Business combination (continued)

Acquisition of Phat Loc Commercial Investment Trading Limited Liability Company ("Phat Loc LLC") (continued)

Total purchase consideration was VND406.5 billion paid in cash. Revenue and profit before tax for the period from 1 January 2018 to the acquisition date and profit before tax for the period from the acquisition date to the disposal date of Phat Loc LLC (Note 4.3) is insignificant.

Acquisition of VINFA Joint Stock Company ("VINFA JSC")

On 30 January 2018, Vingroup JSC acquired 9,000 voting shares of VINFA JSC, which are equivalent to 3% voting shares of VINFA JSC. On 1 February 2018, Vingroup JSC has contributed an additional capital amounting to VND443 billion to VINFA JSC. Through this transaction, the voting right of the Group in VINFA JSC is 96.39% and thereby, VINFA JSC became a subsidiary of the Group. The current principal activities of VINFA JSC are to conduct pharmaceutical research, manufacturing and trading.

The fair values of identifiable assets and liabilities of VINFA JSC at the acquisition date are presented below:

	<i>Currency: VND</i>
	<i>Fair value recognised at acquisition date</i>
Assets	
Cash and cash equivalents	4,570,055,777
Short-term loan receivables	455,000,000,000
Other current assets	1,005,774,543
	460,575,830,320
Liabilities	
Other liabilities	583,377,639
Total identifiable net assets	459,992,452,681
Non-controlling interests	(16,612,452,681)
Total purchase consideration	443,380,000,000
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	4,570,055,777
Cash paid for acquiring the subsidiary up to 31 December 2018	(443,380,000,000)
Net cash flow used in acquisition	(438,809,944,223)

Total purchase consideration was VND443.4 billion paid in cash.

Revenue and profit before tax for the period from 1 January 2018 to the acquisition date and profit before tax for the period from the acquisition date to 31 December 2018 of Vinfa JSC is insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.2 Business combination (continued)

Acquisition of Vien Thong A Import Export Trading Production Corporation Joint Stock Company ("Vien Thong A JSC")

On 21 August 2018, Vingroup JSC acquired 100% voting shares of Vien Thong A JSC from individuals and a corporate counterparty with total consideration of VND39 billion and thereby, Vien Thong A JSC became a subsidiary of the Group. The current principal activities of Vien Thong A JSC are to trade mobile phones, computers and electronic accessories.

The fair values of identifiable assets and liabilities of Vien Thong A JSC at the acquisition date are presented as below:

	<i>Currency: VND</i>
	<i>Fair value recognised at acquisition date</i>
Assets	
Cash and cash equivalents	15,213,438,027
Trade receivables	146,123,836,037
Inventory	221,076,398,242
Other current assets	22,166,601,699
Other non-current receivables	35,372,990,528
Tangible and intangible fixed assets	97,169,140,269
Long-term prepaid expenses	69,394,694,620
	606,517,099,422
Liabilities	
Short-term loans and debts	455,234,000,000
Short-term trade payables	103,060,306,662
Other current liabilities	45,904,457,438
	604,198,764,100
Total identifiable net assets	2,318,335,322
Non-controlling interests	12,974,181,817
Goodwill from business combination	23,687,847,892
Total identifiable net assets	38,980,365,031
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	15,213,438,027
Cash paid for acquiring the subsidiary up to 31 December 2018	(38,980,365,031)
Net cash flow used in acquisition	(23,766,927,004)

Total purchase consideration was VND39 billion paid in cash. Loss before tax of Vien Thong A JSC for the period from 1 January 2018 to the acquisition date was VND226 billion. On 30 November 2018, Vien Thong A JSC was merged into Vinpro JSC, a subsidiary of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.2 Business combination (continued)

Acquisition of Nhat Nam Investment Joint Stock Company ("Nhat Nam Investment JSC")

On 4 October 2018, Vingroup JSC acquired 100% voting shares of Nhat Nam Investment JSC from individuals and corporate counterparties with total consideration of VND1,412 billion and thereby, Nhat Nam Investment JSC and Nhat Nam JSC, its subsidiary, became new subsidiaries of the Group. The principle activities of Nhat Nam Investment JSC and its subsidiary are supermarket retail business.

The fair values of identifiable assets and liabilities of Nhat Nam Investment JSC and its subsidiary at the acquisition date are presented as below:

	<i>Currency: VND</i>
	<i>Fair value recognised at acquisition date</i>
Assets	
Cash and cash equivalents	4,882,087,575
Trade receivables	9,844,688,538
Other short-term receivables	13,898,171,057
Inventory	66,616,593,985
Other current assets	17,558,148,513
Tangible fixed asset	127,950,832,411
Intangible fixed asset	483,884,876,762
Other non-current assets	40,711,739,822
	765,347,138,663
Liabilities	
Trade payables	253,191,033,165
Other current liabilities	291,785,568,785
Long-term loans and debts	202,188,000,000
	747,165,401,950
Total identifiable net assets	18,181,736,713
Non-controlling interests	492,828,138,528
Goodwill from business combination (Note 20)	901,050,001,237
Total purchase consideration	1,412,059,876,478
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	4,882,087,575
Cash paid for acquiring the subsidiary up to 31 December 2018	(1,261,932,000,000)
Net cash flow used in acquisition	(1,257,049,912,425)

Total purchase consideration was VND1,412 billion, in which, the Group has paid VND1,262 billion up to 31 December 2018. Loss before tax of Nhat Nam Investment JSC and its subsidiary for the period from 1 January 2018 to the acquisition date was VND558 billion. On 18 October 2018, Nhat Nam Investment JSC and its subsidiary were merged into Vincommerce JSC, a subsidiary of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.2 Business combination (continued)

Acquisition of General Motors Vietnam Liability Limited Company ("General Motors Vietnam LLC")

On 4 December 2018, the Group acquired 100% voting right of General Motors Vietnam LLC from a corporate counterparty with total consideration of VND919.4 billion. Thereby, General Motors Vietnam LLC became a new subsidiary of the Group. The principle activities of General Motors Vietnam LLC are to develop and produce motor vehicles.

As at 31 December 2018, the Group was in the process of determining the fair value of identifiable assets, liabilities or contingent liabilities of General Motors Vietnam LLC at the date of acquisition. The provisional fair values of identifiable assets and liabilities of General Motors Vietnam LLC at the acquisition date are presented as below:

	<i>Currency: VND</i>
	<i>Provisional fair value recognised at acquisition date</i>
Assets	
Cash and cash equivalents	332,621,436,880
Trade receivables	101,493,665,988
Other receivables	25,723,486,490
Inventory	625,864,799,885
Tangible fixed asset	69,382,264,330
	1,155,085,653,573
Liabilities	
Statutory obligations	103,433,635,500
Short-term accrued expenses	112,170,039,118
Provision for non-current liabilities	70,160,727,795
Other liabilities	85,349,644,066
	371,114,046,479
Total identifiable net assets	783,971,607,094
Non-controlling interests	78,696,170,348
Goodwill from business combination	56,764,010,334
Total purchase consideration	919,431,787,776
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	332,621,436,880
Cash paid for acquiring the subsidiary up to 31 December 2018	(919,431,787,776)
Net cash flow used in acquisition	(586,810,350,896)

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 VND184 billion. Profit before tax of General Motors Vietnam LLC for the period from the acquisition date to 31 December 2018 is VND24.4 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.3 Significant disposals with loss of control

Disposal of Cam Ranh Investment LLC ("Cam Ranh LLC")

On 30 November 2018, the Group disposed 90% voting right of Cam Ranh LLC to a corporate counterparty for total consideration of VND3,506 billion. Gain from this disposal of VND2,041 billion was recognised in the consolidated income statement.

Disposal of Phat Loc Commercial Investment Trading LLC ("Phat Loc LLC")

On 25 December 2018, the Group disposed 49% voting right of Phat Loc LLC to a corporate counterparty with total consideration of VND539 billion. Gain from this disposal of VND202 billion was recognised in the consolidated income statement. According to the capital transfer contract, the Group has transferred its entire voting right in Phat Loc LLC to the buyer since the first payment date. Therefore, the Group has neither control nor significant influence over Phat Loc LLC. The retained interest in Phat Loc LLC is presented as an other long-term investment (Note 19.1.2).

4.4 Significant acquisitions and disposals without change of control in subsidiaries

During the year, the Group has completed certain acquisitions and transfers of equity interest without change of control in subsidiaries, mainly including:

Acquisition of additional shares in Vietnam Investment and Consulting Investment JSC ("Vietnam Investment JSC")

On 27 February 2018, the Group acquired 20% voting shares of Vietnam Investment JSC, an existing subsidiary, from a corporate counterparty at total consideration of VND119 billion. The difference between the consideration and the net assets of the subsidiary acquired from this transaction plus its unamortized goodwill of VND782 billion was recognised in the undistributed earnings in the consolidated balance sheet.

Transfer shares of Vinhomes Joint Stock Company ("Vinhomes JSC")

On 20 April 2018, the Group transferred 5.74% voting shares of Vinhomes JSC to a corporate counterparty for total consideration of VND15,700 billion. The difference between the consideration and the net assets of the subsidiary acquired from this transaction of VND8,518 billion was recognised in the undistributed earnings in the consolidated balance sheet.

Acquisition of additional shares in Vinpearl Joint Stock Company ("Vinpearl JSC")

On 7 September 2018, Vincommerce JSC, an existing subsidiary, acquired 15.04% voting shares of Vinpearl JSC from another subsidiary and an individual at total consideration of VND3,556 billion. The difference between the consideration and the net assets of the subsidiary acquired from this transaction of VND377 billion was recognised in the undistributed earnings in the consolidated balance sheet.

Acquisition of additional shares in Dat Rong Vang Development and Investment JSC ("Dat Rong Vang JSC")

On 24 September 2018, the Group acquired 9.7% voting shares of Dat Rong Vang JSC from individuals at total consideration of VND150 billion. The difference between the consideration and the net assets of the subsidiary acquired from this transaction of VND322 billion from this transaction was recognised in the undistributed earnings in the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.5 Completion of the provisional accounting for business combination

Acquisition of Co.Co International LLC

In 2018, the Group completed the provisional accounting applied for the acquisition of Co.Co International LLC. Accordingly, the Group assesses that the finalised results of this business combination is unchanged compared to the provisional results determined in 2017.

5. CASH AND CASH EQUIVALENTS

	Currency: VND	
	Ending balance	Beginning balance
Cash on hand	364,082,657,949	150,606,565,743
Cash in banks	8,157,247,310,845	6,005,448,449,742
Cash in transit	44,946,106,231	26,726,170,056
Cash equivalents	4,990,779,207,556	1,958,968,842,145
TOTAL	13,557,055,282,581	8,141,750,027,686

Cash equivalents as at 31 December 2018 comprise bank deposits in VND with terms ranging from 1 month to 3 months, earning interests ranging from 4.3% to 5.5% per annum (as at 31 December 2017: 4.2% to 5.5% per annum).

Cash in banks and cash equivalents as at 31 December 2018 include VND1,289 billion in escrow accounts (as at 31 December 2017: VND887 billion) and VND99.8 billion in restricted-for-use accounts for business and other activities of the Group (as at 31 December 2017: VND322 billion).

Cash in banks and cash equivalents as at 31 December 2018 include maintenance funds of handed-over apartments at real-estate projects of the Group. Subsequently, these maintenance funds will be transferred to Building Management Boards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

6. HELD-TO-MATURITY INVESTMENTS

6.1 Short-term held-to-maturity investments

Balance as at 31 December 2018 mainly includes short-term bank deposits in VND with terms ranging from more than 6 months to 1 year and earning interest at rates ranging from 5.2% to 7.1% per annum (as at 31 December 2017: short-term bank deposits have terms ranging from more than 3 months to 1 year and earning interest at rates ranging from 4.5% to 7.1% per annum).

Held-to-maturity investments as at 31 December 2018 include maintenance funds for handed-over apartments at real-estate projects of the Group. Subsequently, these maintenance funds will be transferred to Building Management Boards.

6.2 Long-term held-to-maturity investments

	Currency: VND	
	Ending balance	Beginning balance
Long-term bank deposits (i)	1,830,000,000,000	1,830,000,000,000
Long-term bonds	169,680,000,000	90,000,000,000
TOTAL	1,999,680,000,000	1,920,000,000,000

(i) These are bank deposits in VND which have 3-year term and earning interest at rate of 7.1% per annum.

7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

7.1 Short-term trade receivables

	Currency: VND	
	Ending balance	Beginning balance
Sale of inventory properties	5,701,974,860,514	3,614,086,042,849
Disposal of investments	319,000,000,000	1,118,410,842,439
Rendering hotel services, amusement park services and related services	268,595,141,715	158,360,787,526
Leasing activities and rendering related services	267,756,536,563	344,946,214,307
Rendering hospital services and related services	238,760,786,057	208,024,680,022
Others	797,922,640,073	300,631,883,775
TOTAL	7,594,009,964,922	5,744,460,450,918

In which:

Short-term trade receivables from related parties (Note 37)	256,302,973,549	135,043,603,890
Provision for doubtful debts	(124,820,527,359)	(67,008,044,384)

Details of receivables which are more than 10% of total balance:

Disposal of an investment to a corporate counterparty	-	981,716,150,000
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

7.2 Short-term advances to suppliers

Short-term advances to suppliers as at 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 2018, the Group has made a provision for uncollectible advances of VND24.7 billion (31 December 2017: VND12 billion).

8. LOAN RECEIVABLES

	Currency: VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Loans to corporate counterparties (i)	5,054,600,000,000	7,607,239,886,536
Current portion of long-term loans to customers and individuals	23,257,439,663	76,999,942,000
TOTAL	5,077,857,439,663	7,684,239,828,536
Provision for doubtful loan receivables	(70,637,930,687)	(127,240,478,176)

(i) Balance as at 31 December 2018 mainly includes:

- ▶ An unsecured loan receivable of VND550 billion to a corporate counterparty with 1-year term earning interest at rate of 8% per annum; and
- ▶ Loan receivables of VND4,450 billion to three corporate counterparties with one-year term, earning interest at rates ranging from 8% to 9% per annum and secured by shares of these corporate counterparties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

9. OTHER RECEIVABLES

	Currency: VND	
	Ending balance	Beginning balance
Short-term:		
Interest on bank deposits, deposits and loans to others	1,699,917,788,342	974,465,191,355
Receivables from payment on behalf	1,744,468,973,097	467,945,317,614
Deposit for business co-operation contracts (i)	13,950,000,000,000	-
Deposit for investment co-operation contracts	593,000,000,000	935,000,000,000
Guarantee deposits for project development	360,178,092,133	440,875,574,562
Customers' advance collected by third party on behalf of the Group	406,982,535,971	2,185,345,550,269
Guarantee deposit for bond and interest obligation	120,190,140,000	110,646,740,053
Others	2,119,177,033,623	634,621,539,535
TOTAL	20,993,914,563,166	5,748,899,913,388
<i>In which:</i>		
Short-term other receivables from related parties (Note 37)	1,383,111,825,436	-
Provision for doubtful other short-term receivables	(47,849,468,298)	(312,027,720,377)
Long-term:		
Long-term deposits for outlet rentals	212,873,405,432	82,362,006,303
Guarantee deposit for bond obligation	-	120,190,140,000
Deposit for business co-operation contracts	73,366,827,000	73,366,827,000
Others	19,300,853,297	18,699,134,999
TOTAL	305,541,085,729	294,618,108,302

- (i) Balance as at 31 December 2018 comprises of a deposit to a corporate counterparty for the purpose of developing a real-estate project under a business co-operation and project development contract. This deposit is secured by a number of shares of this corporate counterparty including all rights and benefits attached to these shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

10. BAD DEBTS

Bad debts of the Group mainly include overdue trade receivables, loan principal receivables and interest receivables:

Currency: VND

Debtor	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Overdue receivables	261,173,236,739	64,374,413,528	706,325,250,704	315,510,885,885
Overdue loans receivables	70,637,930,687	-	161,077,828,534	33,837,350,358
TOTAL	331,811,167,426	64,374,413,528	867,403,079,238	349,348,236,243

Details of overdue receivables which account for more than 10% of total overdue receivables:

Currency: VND

Debtor	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Corporate counterparty No. 1	-	-	384,737,291,675	211,710,931,600
Corporate counterparty No. 2	-	-	87,231,780,861	26,169,534,256
Corporate counterparty No. 3	82,705,000,000	-	82,705,000,000	-

11. INVENTORIES

Currency: VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Completed inventory properties	1,681,670,778,936	(9,268,557,269)	3,863,489,205,510	(130,480,925,010)
Inventory properties under construction	48,126,882,284,254	(201,473,670,751)	49,912,878,755,235	(105,024,042,158)
Inventories for supermarkets, retail outlets and other finished goods	4,428,111,208,770	(167,580,965,009)	2,326,880,062,920	(85,505,947,911)
Raw materials	673,261,550,387	(121,045,707,893)	137,527,038,620	-
Purchased goods in transit	528,666,080,329	-	1,257,215,053	-
Others	178,309,604,988	(12,019,060,052)	161,183,136,170	(23,389,307,344)
TOTAL	55,616,901,507,664	(511,387,960,974)	56,403,215,413,508	(344,400,222,423)

Details of inventories and associated rights used as collaterals for borrowings of the Group are disclosed in Note 26.

Detail movements of provision for obsolete inventories:

Currency: VND

	Current year	Previous year
Beginning balance	344,400,222,423	96,995,461,541
Add: Provision made during the year	489,207,914,137	344,400,222,423
Less: Utilisation and reversal of provision during the year	(322,220,175,586)	(96,995,461,541)
Ending balance	511,387,960,974	344,400,222,423

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

12. PREPAID EXPENSES

	Currency: VND	
	Ending balance	Beginning balance
Short-term:		
Selling expenses related to apartments not yet handed-over	1,372,076,442,949	2,752,756,498,957
Prepaid committed profit under villas and condotels management program	267,617,684,252	1,103,598,553,390
Provisional corporate income tax	268,431,117,782	558,615,647,813
Tools and supplies	219,921,540,480	182,978,501,038
Others	356,681,679,781	160,794,920,957
TOTAL	2,484,728,465,244	4,758,744,122,155
Long-term:		
Prepaid land rental	1,888,739,553,338	1,252,345,408,910
Tools and supplies	1,729,119,328,388	1,185,836,974,586
Prepaid committed profit under villas and condotels management program	665,518,501,693	-
Pre-operating expenditures	514,618,116,534	391,898,594,170
Lease with favourable terms	446,963,701,601	-
Others	325,389,478,384	231,869,099,246
TOTAL	5,570,348,679,938	3,061,950,076,912

13. OTHER ASSETS

	Currency: VND	
	Ending balance	Beginning balance
Short-term:		
Deposits for investment purpose (i)	9,081,320,884,001	1,658,670,826,179
Others	307,927,445,627	307,927,445,627
TOTAL	9,389,248,329,628	1,966,598,271,806
Long-term:		
Deposits for investment purpose (ii)	1,231,431,327,786	7,115,047,177,440
TOTAL	1,231,431,327,786	7,115,047,177,440

(i) As at 31 December 2018, this comprises:

- ▶ A deposit of VND7,820 billion to individuals for acquiring additional shares of an existing subsidiary of the Group. This deposit is secured by shares of this subsidiary. Up to the date of this report, these individuals have transferred an amount of VND3,945 billion to the Company; and
- ▶ An unsecured deposit of VND694 billion to a corporate counterparty under a principle agreement for the purpose of acquiring a potential real-estate project.

(ii) As at 31 December 2018, this comprises of an unsecured deposit of VND1,032 billion to a corporate counterparty earning interest at rate which is determined by 12-month interest paid in arrears VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, adjusted each 3-month. The deposit and its interest will be used as a settlement for 10% of contract value under contracts signed between the Group and this corporate counterparty.

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14. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Currency: VND						
Cost:						
Beginning balance	27,104,007,200,402	11,134,247,769,686	1,151,997,884,807	888,508,378,158	568,821,443,063	40,845,582,676,116
Newly purchased	-	1,518,406,654,585	483,894,803,903	352,474,964,155	288,300,644,691	2,643,077,067,334
Newly constructed (Note 18)	13,120,455,384,663	6,244,695,562,239	-	-	214,987,671,460	19,580,138,618,362
Increase due to acquisition of subsidiaries	298,242,061,322	592,007,954,486	33,917,327,780	28,808,927,977	49,461,212,954	1,002,437,484,519
Reclassified from investment properties	-	-	-	-	-	-
(Note 16)	683,663,282,158	218,653,139,442	-	-	-	902,316,421,600
Sold, disposed	(92,361,009,694)	(165,821,232,508)	(46,166,420,817)	(35,821,228,406)	(22,097,354,673)	(362,267,246,098)
Reclassified to investment properties	-	-	-	-	-	-
(Note 16)	(2,409,411,083,550)	(295,226,620,412)	-	-	-	(2,704,637,703,962)
Decrease due to disposal of subsidiaries	(2,774,305,052,305)	(765,680,592,567)	(131,872,012,033)	(11,294,675,567)	(224,062,372,056)	(3,907,214,704,528)
Others	174,715,623,625	(557,452,841,546)	(99,242,667,720)	(33,332,944,171)	153,670,936,048	(361,641,893,764)
Ending balance	36,105,006,406,621	17,923,829,793,405	1,392,528,915,920	1,189,343,422,146	1,027,082,181,487	57,637,790,719,579
<i>In which:</i>						
Fully depreciated	18,866,763,044	213,543,517,115	27,536,489,695	49,715,253,957	36,639,815,155	346,301,839,166
Accumulated depreciation:						
Beginning balance	2,266,815,210,213	2,740,264,304,400	309,896,381,072	289,233,062,936	265,840,375,625	6,872,049,334,246
Depreciation for the year	1,207,699,364,718	1,550,243,205,824	140,259,160,440	123,698,572,818	126,274,961,095	3,148,175,264,895
Increase due to acquisition of subsidiaries	195,093,920,985	437,160,392,973	11,268,160,893	5,752,025,467	38,569,143,484	687,843,643,802
Reclassified from investment properties	-	-	-	-	-	-
(Note 16)	134,719,477,191	104,364,492,573	-	-	-	239,083,969,764
Sold, disposed	(68,840,170,730)	(102,750,366,242)	(22,812,352,414)	(20,927,478,697)	(12,244,719,911)	(227,575,087,994)
Reclassified to investment properties	-	-	-	-	-	-
(Note 16)	(93,071,332,092)	(56,240,632,582)	-	-	-	(149,311,964,674)
Decrease due to disposal of subsidiaries	(187,762,792,518)	(182,985,178,035)	(39,423,137,009)	(5,101,686,399)	(44,413,109,959)	(459,685,903,920)
Others	293,976,012,094	(307,097,874,121)	(11,194,252,410)	(9,123,901,957)	11,328,563,396	(22,111,452,998)
Ending balance	3,748,629,689,861	4,182,958,344,790	387,993,960,572	383,630,594,168	385,355,213,730	9,088,467,803,121
Net carrying amount:						
Beginning balance	24,837,191,990,189	8,393,983,465,286	842,101,503,735	599,275,315,222	300,981,067,438	34,973,533,341,870
Ending balance	32,356,376,716,760	13,740,871,448,615	1,004,534,955,348	805,812,827,978	641,726,967,757	48,549,322,916,458

Details of tangible fixed assets used as collaterals for loans and bonds of the Group and third parties are disclosed in Note 26.

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15. INTANGIBLE FIXED ASSETS

Currency: VND

	Land use rights	E-commerce website	Computer software	Others	Total
Cost:					
Beginning balance	229,843,356,036	277,064,910,815	623,371,931,527	91,984,163,544	1,222,264,361,922
Newly purchased	-	-	275,660,636,536	9,008,830,464	284,669,467,000
Others	2,784,551,121	-	(35,759,858,022)	5,249,696,816	(27,725,610,085)
Ending balance	232,627,907,157	277,064,910,815	863,272,710,041	106,242,690,824	1,479,208,218,837
<i>In which:</i>					
<i>Fully depreciated</i>	-	219,027,034,678	148,222,596,843	54,810,347,708	422,059,979,229
Accumulated amortisation:					
Beginning balance	42,613,030,175	244,246,527,292	196,092,192,801	62,901,951,491	545,853,701,759
Amortisation for the year	4,347,186,370	2,053,736,216	112,802,713,573	12,716,162,168	131,919,798,327
Others	-	-	(9,049,286,259)	(9,388,580,883)	(18,437,867,142)
Ending balance	46,960,216,545	246,300,263,508	299,845,620,115	66,229,532,776	659,335,632,944
Net carrying amount:					
Beginning balance	187,230,325,861	32,818,383,523	427,279,738,726	29,082,212,053	676,410,660,163
Ending balance	185,667,690,612	30,764,647,307	563,427,089,926	40,013,158,048	819,872,585,893

Details of intangible fixed assets used as collaterals for loans and bonds of the Group are disclosed in Note 26.

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16. INVESTMENT PROPERTIES

	Land use rights	Buildings and structures	Machinery and equipment	Total
Cost:				
Beginning balance	6,602,336,027,251	11,228,636,073,190	3,011,379,093,342	20,842,351,193,783
Newly constructed (Note 18)	379,382,998,203	5,343,260,256,097	761,239,498,591	6,483,882,752,891
Acquisition of subsidiaries	1,824,861,845,459	691,172,294,880	93,828,004,810	2,609,862,145,149
Reclassified from tangible fixed assets (Note 14)	517,884,558,040	1,891,526,525,510	295,226,620,412	2,704,637,703,962
Sold, disposal	(870,142,244,857)	(300,695,276,020)	-	(1,170,837,520,877)
Disposal of subsidiaries	(90,805,559,551)	(172,534,935,753)	-	(263,340,495,304)
Reclassified to tangible fixed assets (Note 14)	(94,603,991,882)	(589,059,290,276)	(218,653,139,442)	(902,316,421,600)
Reclassified to inventories	(8,473,482,917)	(84,004,777,755)	(37,793,835,153)	(130,272,095,825)
Reclassification	(2,728,080,193,446)	2,148,858,123,286	579,222,070,160	-
Ending balance	5,532,359,956,300	20,157,158,993,159	4,484,448,312,720	30,173,967,262,179
Accumulated depreciation:				
Beginning balance	404,205,213,325	1,199,512,041,864	1,040,213,029,694	2,643,930,284,883
Depreciation/amortisation for the year	86,221,226,638	556,385,655,168	289,093,338,486	931,700,120,292
Reclassified from tangible fixed assets (Note 14)	6,064,887,323	87,006,444,769	56,240,632,582	149,311,964,674
Sold, disposal	-	(17,778,739,811)	-	(17,778,739,811)
Disposal of subsidiaries	-	(11,264,044,631)	-	(11,264,044,631)
Reclassified to tangible fixed assets (Note 14)	(21,603,841,562)	(113,115,635,629)	(104,364,492,573)	(239,083,969,764)
Reclassified to inventories	-	(9,164,136,834)	(17,350,803,031)	(26,514,939,865)
Reclassification	(153,657,394,986)	242,541,608,329	(88,884,213,343)	-
Ending balance	321,229,990,738	1,934,123,193,225	1,174,947,491,815	3,430,300,675,778
Net carrying amount:				
Beginning balance	6,198,130,813,926	10,029,124,031,326	1,971,166,063,648	18,198,420,908,900
Ending balance	5,211,129,965,562	18,223,035,799,934	3,309,500,820,905	26,743,666,586,401

Investment properties of the Group mainly include shopping malls and offices owned and operated by the Group for providing leasing and related services. As at 31 December 2018, the Group was in the process of determining the fair value of these investment properties.

Details of investment properties used as collaterals for loans and bonds of the Group are presented in Note 26.

Revenue and expenses relating to investment properties are presented in Note 30.2.

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17. CAPITALISED BORROWING COSTS

During the year, the Group capitalised borrowing costs with an amount of VND1,584 billion (for the year ended 31 December 2017: VND1,036 billion). These costs related to specific and general borrowings obtained to finance the real-estate projects of the Group.

The capitalised borrowing costs in relation to the general borrowings are determined by applying a capitalisation rate of 8.7% per annum (for the year ended 31 December 2017: 9.43% per annum) on the accumulated weighted average expenditures of the real estate 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	
	Current year	Previous year
Beginning balance	37,492,138,281,596	34,229,427,585,378
Acquisition of subsidiaries	8,638,300,351,212	636,968,138,194
Increase during the year	49,469,804,345,494	21,966,134,251,071
Transfer to tangible fixed assets (Note 14)	(19,580,138,618,362)	(10,198,487,899,914)
Transfer to investment properties (Note 16)	(6,483,882,752,891)	(1,963,876,819,595)
Transfer to inventories	(9,729,966,233,330)	(6,996,334,671,688)
Disposal of subsidiaries	(1,277,132,597,578)	(181,692,301,850)
Ending balance	58,529,122,776,141	37,492,138,281,596

Details for each item of which balance is higher than 10% of total balance:

	Currency: VND	
Projects	Ending balance	Beginning balance
Vinfast project	26,684,996,456,465	685,023,176,672
Vinhomes Long Beach Can Gio project	12,406,030,755,862	12,273,714,689,320

Construction in progress includes freehold and leasehold rights for land, construction costs, land development right, borrowing costs, planning and designing fee, costs of site preparation, professional fees, 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.

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19. LONG-TERM INVESTMENTS

19.1 Investment in associates, jointly controlled entity and other entities

19.1.1 Investment in associates and jointly controlled entity

Name	Voting right (%) (also equity interest)		Principal activities
	Ending balance	Beginning balance	
Phu Quoc Tourism JSC	30.00	30.00	Providing hospitality and other services
Viet Thang Feed JSC (i)	40.00		- Feed producing
Hanoi Breeds JSC	37.63	37.63	Cattle breeding
Vinfast-An Phat Plastic Auto Part Company Limited (ii)	50.00		Manufacturing car plastic - accessories
Vietnam Book Printing JSC	35.00	35.00	Printing

- (i) On 18 January 2018, the Group acquired 24% voting shares of Viet Thang Feed JSC from a corporate counterparty with total consideration of VND301 billion and thereby, Viet Thang Feed JSC became an associate of the Group. On 20 September 2018, the Group acquired additional 16% voting shares of Viet Thang Feed JSC with total consideration of VND200 billion, thereby, the Group's equity interest in Viet Thang Feed JSC increased to 40%. The fair value of identifiable assets and liabilities of Viet Thang Feed JSC as at acquisition date was VND782 billion; and
- (ii) Vinfast-An Phat Plastic Auto Part Company Limited was established under a joint co-operation contract between Vinfast LLC, a subsidiary of the Group, and An Phat Holdings Joint Stock Company. The total charter capital of this jointly controlled entity is VND420 billion, in which, Vinfast LLC commits to contributing VND210 billion. As at 31 December 2018, Vinfast LLC has contributed VND30 billion to this jointly controlled entity.

Details of investment in these associates and jointly controlled entity are listed below:

Currency: VND				
	Beginning balance (*)	Additional investment during the year	Share of (loss)/profit from associates, jointly controlled entity	Ending balance (*)
Phu Quoc Tourism JSC	2,387,075,724,429	-	(467,767,470,024)	1,919,308,254,405
Viet Thang Feed JSC	-	501,680,000,000	41,503,732,613	543,183,732,613
Hanoi Breeds JSC	47,788,263,901	-	1,047,648,111	48,835,912,012
Vinfast-An Phat Plastic Auto Part Company Limited	-	30,000,000,000	-	30,000,000,000
Vietnam Book Printing JSC	4,760,612,465	-	297,242,790	5,057,855,255
TOTAL	2,439,624,600,795	531,680,000,000	(424,918,846,510)	2,546,385,754,285

- (*) The fair values of these investments have not been determined because the Group does not have all necessary information to measure these fair values.

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19. LONG-TERM INVESTMENTS (continued)

19.1 Investment in associates, jointly controlled entity and other entities (continued)

19.1.2 Investment in other entities

	Equity interest (%)	Voting right (%)	Ending balance			Voting right (%) (**)	Beginning balance		
			Cost (VND)	Provision (VND)	Fair value (VND)		Cost (VND)	Provision (VND)	Fair value (VND)
Vinatexmart JSC	10.00	10.00	552,395,000,000	(22,395,000,000)	530,000,000,000	10.00	552,395,000,000	-	(*)
Vien Dong Pearl LLC	9.62	9.62	521,071,699,183	-	(*)	9.62	521,071,699,183	-	(*)
Phat Loc LLC (Note 4)	51.00	0.00	342,076,207,370	-	(*)	-	-	-	(*)
VinEstate Real Estate Service Business LLC	15.00	15.00	90,000,000,000	-	(*)	-	-	-	(*)
Vinhomes Management JSC (Note 4)	-	-	-	-	-	18.60	1,013,750,570,893	-	(*)
Others	-	-	89,326,591,735	(50,382,547,589)	(*)	-	89,326,591,735	(50,382,547,589)	(*)
TỔNG CỘNG			1,594,869,498,288	(72,777,547,589)			2,176,543,861,811	(50,382,547,589)	

(*) As at 31 December 2018, the fair values of these investments have not been determined because the Group does not have all necessary information to measure these fair values.

(**) The voting right is also the Group's equity interest in these other entities.

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20. GOODWILL

	Hanoi Southern JSC (i)					Currency: VND		
		Sai Dong JSC	Royal City JSC	Nhat Nam JSC	Others	Total		
Cost:								
Beginning balance	2,246,022,053,759	2,251,823,291,311	1,232,051,751,391	-	3,078,559,314,841	8,808,456,411,302		
Increase from business combination								
Decreases	(653,594,864,069)	-	(208,189,995,313)	901,050,001,237	238,279,993,811	1,139,329,995,048		
					(409,096,397,365)	(1,270,881,256,747)		
Ending balance	1,592,427,189,690	2,251,823,291,311	1,023,861,756,078	901,050,001,237	2,907,742,911,287	8,676,905,149,603		
Accumulated amortisation:								
Beginning balance	1,351,263,989,064	1,031,550,856,474	773,618,614,204	-	1,011,491,936,367	4,167,925,396,109		
Amortisation for the year	223,866,226,298	223,988,771,820	122,319,016,810	21,735,855,293	303,103,745,920	895,013,616,141		
Decreases	(369,583,828,377)	-	(136,972,480,624)	-	(87,936,770,168)	(594,493,079,169)		
Ending balance	1,205,546,386,985	1,255,539,628,294	758,965,150,390	21,735,855,293	1,226,658,912,119	4,468,445,933,081		
Net carrying amount								
Beginning balance	894,758,064,695	1,220,272,434,837	458,433,137,187	-	2,067,067,378,474	4,640,531,015,193		
Ending balance	386,880,802,705	996,283,663,017	264,896,605,688	879,314,145,944	1,681,083,999,168	4,208,459,216,522		

(i) In 2018, Vinhomes Management JSC and Tan Lien Phat JSC were merged into Vinhomes JSC (previously known as Hanoi Southern JSC).

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21. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

21.1 Short-term trade payables

Currency: VND

	<i>Balance (also amount payables)</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables to suppliers	14,773,384,437,347	8,245,460,364,882
- A corporate counterparty	1,587,096,583,362	-
- Others	13,186,287,853,985	8,245,460,364,882
TOTAL	14,773,384,437,347	8,245,460,364,882
<i>In which:</i>		
Short-term trade payables to related parties (Note 37)	443,546,679,732	4,543,547,368

21.2 Short-term advances from customers

The balance of short-term advances from customers as at 31 December 2018 mainly includes downpayment from customers under sale and purchase agreements for real-estate properties and other business activities of the Group.

22. STATUTORY OBLIGATIONS

Currency: VND

	<i>Beginning balance</i>	<i>Payables for the year</i>	<i>Payment made/offset in the year</i>	<i>Ending balance</i>
Payables				
Value added tax	305,328,753,632	2,486,984,438,573	(2,260,235,616,092)	532,077,576,113
Corporate income tax	1,315,112,162,355	7,273,131,376,307	(5,760,402,076,308)	2,827,841,462,354
Personal income tax	91,049,569,323	1,093,162,223,936	(1,002,608,950,779)	181,602,842,480
Land use fee and land rental fee, and obligations under build-transfer contracts	3,141,781,701,993	15,299,599,071,203	(6,712,369,883,072)	11,729,010,890,124
Others	79,833,049,358	1,728,642,034,497	(1,558,300,910,434)	250,174,173,421
TOTAL	4,933,105,236,661	27,881,519,144,516	(17,293,917,436,685)	15,520,706,944,492
	<i>Beginning balance</i>	<i>Receivables for the year</i>	<i>Payment received/offset in the year</i>	<i>Ending balance</i>
Receivables				
Corporate income tax	201,854,854,143	277,051,814,867	(169,154,553,375)	309,752,115,635
Others	11,823,526,656	2,643,080,645	(11,364,398,952)	3,102,208,349
TOTAL	213,678,380,799	279,694,895,512	(180,518,952,327)	312,854,323,984

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23. SHORT-TERM ACCRUED EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Accrued construction and development costs of real-estate properties	10,096,935,890,940	6,256,615,957,532
Accrued selling expenses related to apartments not yet handed-over	2,531,931,589,763	2,354,778,538,252
Accrued interest expenses	1,379,480,681,305	698,883,319,344
Accrued committed profit under villas management program	262,108,617,574	622,556,069,584
Others	1,746,652,389,460	483,762,658,681
TOTAL	<u>16,017,109,169,042</u>	<u>10,416,596,543,393</u>

24. UNEARNED REVENUE

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term:		
Education services	840,824,894,645	682,776,358,364
Villas and condotel leasing management services	651,932,483,802	609,257,787,507
Apartments and villas management services	499,784,595,848	-
Customer loyalty program - Vingroup Card	254,155,517,361	262,847,850,899
Others	226,901,990,919	200,549,479,766
TOTAL	<u>2,473,599,482,575</u>	<u>1,755,431,476,536</u>
Long-term:		
Villas and condotel leasing management services	3,242,268,590,023	5,459,695,246,103
Apartments and villas management services	1,642,103,262,353	-
Royalty fee under a license agreement	618,333,333,333	-
Others	215,856,701,753	75,664,116,675
TOTAL	<u>5,718,561,887,462</u>	<u>5,535,359,362,778</u>
<i>In which:</i>		
Unearned revenue from related parties (Note 37)	774,490,032,182	70,705,898,141

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25. OTHER PAYABLES

25.1 Other short-term payables

	Currency: VND	
	Ending balance	Beginning balance
Payables under deposits, loans and other agreements related to real-estate projects	8,653,853,293,063	17,634,848,595,573
Apartment maintenance funds	1,715,962,053,804	1,140,662,807,063
Payables of collection on behalf	1,325,567,827,912	1,512,939,781,432
Deposits for investment purpose	1,316,347,772,811	3,273,198,353,531
Deposits by tenants to be refunded within the next 12 months (Note 25.2)	493,794,469,174	184,697,274,921
Others	1,394,812,680,044	714,575,605,610
TOTAL	14,900,338,096,808	24,460,922,418,130
<i>In which:</i>		
Other short-term payables to related parties (Note 37)	-	299,916,673,750

25.2 Other long-term liabilities

	Currency: VND	
	Ending balance	Beginning balance
Deposits from tenants	1,413,984,513,968	878,583,397,934
Deposits from tenants to be refunded within the next 12 months (Note 25.1)	(493,794,469,174)	(184,697,274,921)
Others	27,236,157,454	18,864,725,041
TOTAL	947,426,202,248	712,750,848,054

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

26. LOANS AND DEBTS

		Currency: VND		
Notes	Beginning balance Carrying value (also payable amount)	Movement during the year		Ending balance Carrying value (also payable amount)
		Increase	Decrease	
Short-term loans				
Current portion of long-term loans from banks	26.3	1,303,816,811,041	(3,352,817,983,280)	1,307,491,811,040
Current portion of corporate bonds	26.4	8,524,085,821,227	(7,325,000,000,000)	8,508,911,360,772
Short-term loans from banks	26.1	2,385,649,534,546	(13,198,542,677,201)	7,339,559,967,925
Others	26.2	5,089,000,000,000	(35,710,434,000,000)	1,960,000,000,000
TOTAL		60,561,789,742,848	(59,586,794,660,481)	19,115,963,139,737
Long-term loans				
Long-term loans from banks	26.3	15,797,452,683,877	(121,155,812,963)	23,591,140,420,079
Corporate bonds	26.4	16,349,889,594,995	(4,675,000,000,000)	34,979,571,942,874
Others	26.5	3,472,838,094,000	(272,838,094,000)	3,200,000,000,000
TOTAL		35,620,180,372,872	(5,068,993,906,963)	61,770,712,362,953

Currency: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

26. LOANS AND DEBTS (continued)

26.1 Short-term loans from banks

Lender	Ending balance		Maturity date	Interest rate	Collateral
	Original currency (USD)	VND			
Joint Stock Commercial Bank for Foreign Trade of Vietnam		210,030,932,419	July 2019	6% per annum	(i)
Vietnam Technological and Commercial Joint Stock Bank	306,861	7,171,350,011	April 2019	5% per annum	(i)
Vietnam Prosperity Joint Stock Commercial Bank		22,433,650,523	June 2019	From 7.8% to 8% per annum	(i)
Credit Suisse AG	200,000,000	4,543,474,034,972	December 2019	4.78% per annum	(ii)
Deutsche Bank	100,000,000	2,324,000,000,000	December 2019	3-month LIBOR (+) 3% per annum	(ii)
Asian Star Trading & Investment Ltd.	10,000,000	232,450,000,000	December 2019	3-month LIBOR (+) 9% per annum	(i)
TOTAL		7,339,559,967,925			

(i) These loans are unsecured; and

(ii) These loans are secured by a number of shares of a subsidiary owned by the Company.

26.2 Other short-term loans

The balance as at 31 December 2018 comprises of unsecured loans from corporate counterparties bearing interest rate at 9% per annum. These loans will mature from September 2019 to October 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

26. LOANS AND DEBTS (continued)

26.3 Long-term loans from banks

Lender/credit arranger	Ending balance		Maturity date	Interest rate	Collateral
	Original currency (USD)	VND			
Joint Stock Commercial Bank for Foreign Trade of Vietnam <i>In which: current portion</i>			From January 2019 to December 2027	12-month interest paid in arrears saving rate for individuals (+) 2.5% to 3% per annum	(i)
	865,651,887,726 82,069,311,040				
Joint Stock Commercial Bank for Investment and Development of Vietnam <i>In which: current portion</i>			From January 2019 to October 2024	12-month interest paid in arrears saving rate for individuals (+) 2% per annum	(ii)
	169,072,109,983 28,160,000,000				
Vietnam Technological and Commercial Joint Stock Bank			January 2021	12-month interest paid in arrears saving rate for individuals (+) 3.3% per annum	(iii)
	1,421,097,869,016				
Lenders of the syndicated loan No.1 <i>In which: current portion</i>	255,000,000	5,690,059,921,897		Fixed interest rate of 9.25% per annum under the swap contract with Vietnam Technological and Commercial Joint Stock Bank	(iv)
	45,000,000	1,197,262,500,000	From January 2019 to July 2021		
Lenders of the syndicated loan No.2	400,000,000	8,970,183,052,944	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	(v)
Lenders of the syndicated loan No.3	482,434,957	7,782,567,389,553	October 2028	6-month LIBOR (+) 0.95% per annum	(vi)
TOTAL		24,898,632,231,119			
<i>In which:</i>					
Long-term loans		23,591,140,420,079			
Current portion of long-term loans		1,307,491,811,040			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

26. LOANS AND DEBTS (continued)

26.3 Long-term loans from banks (continued)

- (i) This loan is secured by a part of assets and rights to receive the insurance benefit arising from this part of assets according to insurance contracts related to the Vinpearl Ha Long luxury resort; the greenhouses, irrigation systems, machinery and equipment of VinEco Hai Phong farm project, VinEco Long Thanh farm project and a number of shares of the Company held by a subsidiary;
- (ii) This loan is secured by the Vinmec Nha Trang International General Hospital;
- (iii) This loan is secured by a number of shares of a subsidiary owned by another subsidiary of the Group and capital contribution of a subsidiary in another subsidiary of the Group;
- (iv) This loan is from Credit Suisse AG – Singapore Branch, Industrial and Commercial Bank of China Limited, 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;
- (v) This loan is from Credit Suisse AG – Singapore Branch, Industrial and Commercial Bank of China Limited – Hanoi Branch, Maybank Kim Eng Securities PTE LTD, Hongkong and Shanghai Banking Corporation LTD and Taipei Fubon Commercial Bank - Foreign Branch. This loan is secured by a number of shares of a subsidiary held by the Company and another subsidiary of the Group; and
- (v) This loan is from Credit Suisse AG – Singapore Branch, Hongkong and Shanghai Banking Corporation LTD. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

26. LOANS AND DEBTS (continued)

26.4 Corporate bonds

<i>Underwriter</i>	<i>Ending balance (VND)</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Collateral</i>
Vietnam Bank for Industry and Trade Securities Joint Stock Company	2,597,215,444,474	March 2022	12-month interest paid-in-arrears VND saving rates (+) 3% per annum	(i)
Techcom Securities Joint Stock Company	38,717,135,081,394	From March 2019 to February 2026	12-month interest paid-in-arrears VND saving rates (+) 3.25% to 4.25% per annum; and from 7.75% per annum to 10.1% per annum	(ii)
<i>In which: current portion</i>	8,508,911,360,772			
KB Securities Vietnam Joint Stock Company	2,174,132,777,778	From October 2021 to December 2022	10.2% per annum	(iii)
TOTAL	43,488,483,303,646			
<i>In which:</i>				
<i>Long-term bonds</i>	34,979,571,942,874			
<i>Current portion of long-term bonds</i>	8,508,911,360,772			

- (i) These bonds are secured by the land use rights and assets attached to the land of Vincom Mega Mall Thao Dien, Vincom Plaza Ngo Quyen – Da Nang and assets attached to the land of Vincom Center Pham Ngoc Thach, Vincom Plaza Thu Duc and Vincom Plaza Ha Long.
- (ii) These bonds are secured by all assets of the project "Vinpearland Amusement Park" except for the Vietnamese pagoda model area in the Vinpearl Amusement Park project, Vinpearl Nha Trang Resort 5-star hotel, Hung Vuong hotel, Landmark 81 hotel, Golfland hotel of Vinpearl Golf and Resort & Villas, Vinpearl Nha Trang Bay Resort & Villas 5-star hotel, Vincy Ocean park projects and a number of shares of a subsidiary held by the Company and another subsidiary of the Group. The payment obligation is guaranteed by a subsidiary of the Group and a trusted fund of the Asian Development Bank; and
- (iii) This bond is secured by the asset right arising from the Build-Transfer contract ("BT contract") of overhead road project along the Ring Road 2; assets and asset right of the "Dan Phuong – Green City Functional Urban Area" project and a number of shares of a subsidiary held by the Company.

26.5 Other long-term loans

The balance as at 31 December 2018 comprises of unsecured long-term loans from corporate counterparties bearing interest at rate of 9% per annum. These loans will mature in May 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

27. EXCHANGEABLE BONDS

Exchangeable bonds amounting to USD450 million were issued in June 2018 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, 24, 36 and 48 months from the issuance date starting from 14 June 2019. The principal balance of these bonds as at 31 December 2018 is following:

	<i>Movement during the year</i>				<i>Ending balance</i>
	<i>Beginning balance</i>	<i>New issuance</i>	<i>Exchanged to shares</i>	<i>Due but not yet exchanged</i>	
Value (USD)	- 450,000,000		-	-	450,000,000
<i>Currency: VND</i>					
		<i>Current year</i>	<i>Previous year</i>		
Initial recognition of exchangeable bonds		10,060,202,000,000	-		-
Equity component		-	-		-
Liability component at initial recognition		10,060,202,000,000	-		-
Add: Accumulated amortisation of bond issuance cost					-
Beginning balance		-	-		-
Amortisation during the year		26,112,522,906	-		-
Ending balance		26,112,522,906	-		-
Add: Unrealised foreign exchange loss arising from revaluation		119,350,000,000	-		-
Liability component at the end of the year		10,205,664,522,906	-		-

28. SHORT-TERM PROVISION

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Warranty provision	215,964,825,038	169,598,159,859
Others	10,012,061,881	5,804,006,578
TOTAL	225,976,886,919	175,402,166,437

Vingroup Joint Stock Company

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

29. OWNERS' EQUITY

29.1 Increase and decrease in owners' equity

Currency: VND

Previous year	Issued share capital	Share premium	Treasury shares	Other funds belonging to owner's equity	Undistributed earnings	Non-controlling interest	Total
Beginning balance	26,377,079,540,000	2,504,959,737,448	(2,974,924,074,484)	32,845,114,930	1,887,422,518,069	20,463,788,319,550	48,291,171,155,513
• Net profit for the year	-	-	-	-	4,462,411,670,513	1,192,530,120,713	5,654,941,791,226
• Shares of subsidiaries	-	-	-	-	-	451,256,814,009	451,256,814,009
• Distribution to other funds	-	-	-	-	(5,000,000,000)	-	-
• Capital contribution by non-controlling interest	-	-	-	-	-	-	-
• Acquisition of new subsidiaries	-	-	-	-	-	13,000,000,000	13,000,000,000
• Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	-	136,022,934,541	136,022,934,541
• Partial disposal of equity interest in existing subsidiaries without loss of control	-	-	-	-	(2,302,605,422,599)	(3,433,171,727,903)	(5,735,777,150,502)
• Disposal of subsidiaries	-	146,205,430,456	-	-	1,540,855,798,135	3,724,413,229,508	5,411,474,458,099
• Dividend declared to non-controlling interest	-	-	-	-	-	(445,548,573,956)	(445,548,573,956)
	-	-	-	-	-	(1,219,531,251,275)	(1,219,531,251,275)
Ending balance	26,377,079,540,000	2,651,166,167,904	(2,974,924,074,484)	37,845,114,930	5,583,084,564,118	20,882,759,865,187	52,557,010,177,655

Vingroup Joint Stock Company

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

29. OWNERS' EQUITY (continued)

29.1 Increase and decrease in owners' equity (continued)

Current year	Issued share capital	Share premium	Other owner's capital	Treasury shares	Other funds belonging to owner's equity	Undistributed earnings	Non-controlling interest	Currency: VND	
									Total
Beginning balance	26,377,079,540,000	2,651,165,167,904	-	(2,974,924,074,484)	37,845,114,930	5,563,084,564,118	20,882,759,865,187	52,557,010,177,655	
· Issuance of preference shares (i)	840,000,000,000	8,276,981,373,993	-	-	-	-	-	9,116,981,373,993	
· Net profit for the year	-	-	-	-	-	3,776,727,785,918	2,414,153,684,685	6,190,881,470,603	
· Distribution to other funds	-	-	-	-	5,000,000,000	(5,000,000,000)	-	-	
· Stock dividends (ii)	5,539,132,760,000	-	7,235,205,990,828	-	-	(12,774,338,750,828)	-	-	
· Acquisition of new subsidiaries	-	-	-	-	-	-	-	-	
· Disposal of subsidiaries	-	-	-	-	-	-	3,547,691,806,799	3,547,691,806,799	
· Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	-	-	(240,503,474,574)	(240,503,474,574)	
· Partial disposal of equity interest in existing subsidiaries without loss of control	-	-	-	-	-	97,752,897,878	(1,594,244,048,735)	(1,496,491,150,857)	
· Capital contribution by non-controlling interest (iii)	-	514,754,262,295	-	-	-	8,417,769,984,137	5,842,163,714,631	14,774,687,961,063	
· Dividend declared to non-controlling interest (iv)	-	-	-	-	-	-	15,786,278,690,000	15,786,278,690,000	
Ending balance	32,756,212,300,000	11,442,900,804,192	7,235,205,990,828	(2,974,924,074,484)	42,845,114,930	5,095,996,481,223	45,415,478,062,660	99,013,714,679,349	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

29. OWNERS' EQUITY (continued)

29.1 Increase and decrease in owners' equity (continued)

- (i) On 26 July 2018, the General Shareholders of the Company approved the Resolution No. 29/2018/NQ-HDQT-VINGROUP on the plan of private offering of 84,000,000 convertible dividend preference shares to Hanwa Vietnam Opportunity Private Fund 1. Accordingly, the Company collected VND9,117 billion (after deduct issuance cost) from this issuance. Preference shares are not entitled to vote, are restricted for transfer within one year and have the right to convert into common 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 buy a part or all of this preference shares during a period of 5.5 years to 6.5 years from the issuance date.

Management assesses that there is no financial liability component in the above preference shares because the Company has no obligation to redeem preference shares and has recognised all preference shares as equity.

According to Resolution No. 31/2018/NQ-HDQT-VINGROUP dated 26 July 2018, the Board of Directors of the Company has approved the plan to use the capital from the issuance of the above preference shares to develop real estate projects, social infrastructure projects, and to grant working capital and other activities permitted by the Company.

- (ii) On 31 May 2018, the General Shareholders of the Company approved the Resolution No. 01/2018/NQ-DHDCD-VINGROUP on the declaration of stock dividend by the undistributed earnings as at 31 December 2017 to existing shareholders at the ratio of 1,000: 210 (each existing shareholder owning 1,000 shares will receive dividends of 210 shares). This distribution also uses the profit distribution from the subsidiaries of the Company to the Company in this year. The number of additionally issued shares for this stock dividend is 553,913,276 shares according to Notification No. S044/2018-VIC/VSD-DK on 3 July 2018 of the Securities Depository Centre.

During the year, Vinhomes JSC and Vincom Retail JSC, subsidiaries of the Group, have declared stock dividends to their ordinary shareholders. The total dividends declared to the Company and other shareholders is VND11,235 billion, of which, the dividend of VND7,235 billion attributable to the Parent Company has been recognised in other owner's capital.

- (iii) The increase for the year mainly includes the additional contribution of non-controlling interest to Vinfast LLC, Vinhomes JSC, Vinsmart JSC, Can Gio JSC, Vintech JSC and other subsidiaries of the Group.
- (iv) The decrease for the year mainly includes cash dividend paid by Vinhomes JSC, Vincommerce JSC, Vinpearl JSC and other subsidiaries of the Group to their non-controlling interest.

VINGROUP

29. OWNERS' EQUITY (continued)

Currency: VND

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

29. OWNERS' EQUITY (continued)

29.3 Capital transactions with owners

	Currency: VND	
	Current year	Previous year
Contributed capital		
Beginning balance	26,377,079,540,000	26,377,079,540,000
Increase	840,000,000,000	-
Stock dividends	5,539,132,760,000	-
Ending balance	32,756,212,300,000	26,377,079,540,000

29.4 Dividends

	Currency: VND	
	Current year	Previous year
Dividend declared during the year	5,539,132,760,000	-
Stock dividend per ordinary share in 2018: 1,000:210	5,539,132,760,000	-
Dividends declared after the date of reporting year and not yet recognised as liability as at the year-end	-	-

29.5 Ordinary shares and preference shares

	Ending balance	Beginning balance
Authorised shares	3,275,621,230	2,637,707,954
Issued shares	3,275,621,230	2,637,707,954
Ordinary shares	3,191,621,230	2,637,707,954
Preference shares	84,000,000	-
Shares in circulation	3,056,745,286	2,456,818,742
Ordinary shares	2,972,745,286	2,456,818,742
Preference shares	84,000,000	-
Treasury shares	218,875,944	180,889,212
Ordinary shares	218,875,944	180,889,212
Preference shares	-	-

The par value of outstanding share: VND10,000 per share (2017: VND10,000 per share).

29.6 Treasury shares

As at 31 December 2018, the number of shares of the Company held by subsidiaries are as below:

- ▶ Vinpearl JSC, a subsidiary, holds 108,947,198 shares;
- ▶ Vincommerce JSC, a subsidiary, holds 95,562,125 shares; and
- ▶ Xavinco JSC, a subsidiary, holds 14,366,621 shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

30. REVENUES

30.1 Revenue from sale of goods and rendering of services

	Currency: VND	
	Current year	Previous year
Gross revenue	121,971,750,626,283	89,392,047,933,230
<i>In which:</i>		
Sale of inventory properties	83,271,632,293,427	62,481,688,023,505
Sale of goods in supermarkets, convenient stores and retail outlets	19,333,128,791,654	13,084,575,890,097
Rendering of hotel services, amusement park services and related services	7,409,513,690,154	5,465,505,193,438
Leasing activities and rendering related services	5,558,630,886,792	4,409,827,940,217
Rendering of hospital services and related services	2,630,636,981,520	1,852,289,531,525
Rendering of education services and related services	1,449,884,662,668	1,012,609,580,119
Manufacturing activities	567,184,824,250	-
Others	1,751,138,495,818	1,085,551,774,329
Less sales deduction	(77,350,205,179)	(41,999,335,317)
Net revenue	121,894,400,421,104	89,350,048,597,913
<i>In which:</i>		
Sale of inventory properties	83,271,632,293,427	62,481,688,023,505
Sale of goods in supermarkets, convenient stores and retail outlets	19,325,679,951,857	13,052,677,844,258
Rendering of hotel services, amusement park services and related services	7,366,495,606,924	5,455,403,903,960
Leasing activities and rendering related services	5,558,630,886,792	4,409,827,940,217
Rendering of hospital services and related services	2,630,636,981,520	1,852,289,531,525
Rendering of education services and related services	1,449,884,662,668	1,012,609,580,119
Manufacturing activities	556,462,126,179	-
Others	1,734,977,911,737	1,085,551,774,329
<i>In which:</i>		
Sale to others	121,064,867,363,199	88,797,537,496,929
Sale to related parties (Note 37)	829,533,057,905	552,511,100,984

30.2 Revenue and expense relating to investment properties

	Currency: VND	
	Current year	Previous year
Income from leasing investment properties	5,125,711,170,145	4,409,827,940,217
Direct operating expenses of investment properties that generated income during the year	2,323,015,518,950	2,099,875,186,884

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

30. REVENUES (continued)

30.3 Finance income

	Currency: VND	
	Current year	Previous year
Gains from disposal of investments and subsidiaries (i)	5,211,088,128,271	358,282,444,981
Interest income from loans and deposits	1,907,203,479,707	1,098,222,853,695
Others	360,258,281,453	180,446,140,936
TOTAL	7,478,549,889,431	1,636,951,439,612

(i) Gains from disposal of investments and subsidiaries mainly includes gains from disposal of investments and capital contribution right of Vinpearl JSC and Vinhomes JSC.

31. COST OF GOODS SOLD AND SERVICES RENDERED

	Currency: VND	
	Current year	Previous year
Inventory properties sold	58,123,335,414,419	38,570,808,538,584
Cost of goods sold in supermarkets, convenient stores and retail outlets	17,275,723,842,136	12,216,265,730,258
Rendering of hotel services, amusement park services and related services	6,596,421,258,633	6,574,605,072,906
Leasing activities and rendering related services	2,720,446,213,695	2,099,875,166,664
Rendering of hospital services and related services	2,698,669,869,484	1,745,093,764,853
Rendering of education services and related services	1,369,403,829,155	807,590,341,752
Manufacturing activities	829,341,535,821	-
Others	1,357,708,596,291	782,088,342,021
TOTAL	92,971,050,559,634	62,796,326,957,038

32. FINANCE EXPENSES

	Currency: VND	
	Current year	Previous year
Interest expenses	3,939,282,490,392	3,139,629,696,630
Bond issuance costs	344,082,962,077	262,003,990,087
Loss from fair value remeasurement of previously held equity interest in business combination transaction (Note 4.2)	250,054,456,933	-
Foreign exchange losses	252,532,031,610	77,396,775,528
Others	122,997,646,062	307,953,096,469
TOTAL	4,908,949,587,074	3,786,983,558,714

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

33. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	Currency: VND	
	Current year	Previous year
Selling expenses		
- External service expenses	6,208,931,712,809	5,344,099,598,901
- Labour costs	2,656,343,063,620	1,760,005,800,800
- Depreciation and amortisation	773,205,057,696	632,102,514,317
- Others	473,808,880,919	414,248,078,609
	10,112,288,715,044	8,150,455,992,627
General and administrative expenses		
- Labour costs	2,325,633,993,934	1,658,786,632,069
- External service expenses	1,959,497,022,200	1,780,362,595,934
- Depreciation and amortisation of fixed assets and goodwill	1,399,114,289,302	1,200,962,194,563
- Support and charity expenses	400,848,315,705	1,151,439,977,424
- Others	1,282,745,711,409	1,060,896,361,965
	7,367,839,332,550	6,852,447,761,955
TOTAL	17,480,128,047,594	15,002,903,754,582

34. OTHER INCOME AND EXPENSES

	Currency: VND	
	Current year	Previous year
Other income	759,284,117,428	434,964,045,806
Disposal of fixed assets	227,183,988,367	82,295,849,636
Compensation income	255,177,298,454	235,903,502,779
Others	276,922,830,607	116,764,693,391
Other expenses	493,549,736,743	765,869,262,018
Disposal of fixed assets	196,280,736,618	385,473,705,459
Penalty paid	181,467,368,718	228,356,257,763
Others	115,801,631,407	152,039,298,796
OTHER PROFIT/(LOSS)	265,734,380,685	(330,905,216,212)

35. PRODUCTION AND OPERATING COSTS

	Currency: VND	
	Current year	Previous year
Development costs of inventory properties	50,295,269,444,755	37,686,355,794,661
Labour costs	10,000,782,046,907	6,055,985,258,177
External service expenses	9,670,660,051,374	9,080,225,491,935
Depreciation and amortisation	5,155,271,347,089	3,985,433,267,539
Raw materials	4,233,450,347,841	2,704,698,523,613
Others (excluding finance expenses)	5,580,137,202,226	5,255,337,052,724
TOTAL	84,935,570,440,192	64,768,035,388,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

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 and Vinsmart JSC 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 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 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	
	Current year	Previous year
Current tax expense	7,273,129,870,764	3,731,381,559,479
Deferred tax expense/(income)	389,626,309,041	(272,041,872,129)
TOTAL	7,662,756,179,805	3,459,339,687,350

Reconciliation between CIT expenses and the accounting profit multiplied by applicable CIT rate is presented below:

	Currency: VND	
	Current year	Previous year
Accounting profit before tax	13,853,637,650,408	9,114,281,478,576
At CIT rate applied to the Company and its subsidiaries	2,770,727,530,082	1,822,856,295,715
Adjustments for gain/loss arising from transfer of investments recognised in the consolidated financial statements	2,529,887,493,968	(26,094,768,983)
Adjustments for income/expense arising from asset acquisitions and business combinations recognised in the consolidated financial statements	1,850,885,982,608	47,546,879,625
Losses of subsidiaries	989,609,438,301	715,750,676,139
Losses ineligible for offsetting against taxable income	323,541,081,995	531,260,408,808
Amortisation of goodwill	179,002,723,228	180,212,541,902
Charity expenses	40,228,240,551	226,062,067,181
Tax losses carried forward	(1,306,555,266,845)	(91,839,202,827)
Others	285,428,955,917	53,584,789,790
CIT expenses	7,662,756,179,805	3,459,339,687,350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

36. CORPORATE INCOME TAX (continued)

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 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 balance sheet date.

36.3 Deferred tax

	Currency: VND			
	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Opening balance	Current year	Previous year
Deferred tax assets				
Unrealised profit from inter-company transactions within the Group	158,011,007,654	215,536,458,856	(57,525,451,199)	21,513,568,471
Selling expenses allowable for capitalisation for tax purpose during the year	71,262,194,919	38,401,679,447	36,114,680,633	(28,184,785,346)
Temporary difference arising from assets of subsidiaries	277,467,613,887	31,956,609,277	262,451,461,856	1,082,380,041
Others	107,486,658,016	52,084,771,927	46,046,650,473	14,963,637,405
Deferred tax liabilities				
Fair value adjustments from acquisition of subsidiaries	(801,335,531,358)	(120,988,646,357)	(680,346,885,000)	268,647,820,313
Others	(23,324,178,962)	(21,791,229,687)	3,633,234,196	(5,980,668,755)
Net deferred tax (liabilities)/assets	(210,432,235,844)	195,199,643,463		
Deferred tax (charged)/credit to the consolidated income statement			(389,626,309,041)	272,041,872,129
<i>Presented on the consolidated balance sheet</i>				
Deferred tax assets	614,227,474,476	337,979,519,507		
Deferred tax liabilities	(824,659,710,320)	(142,779,876,044)		
Net deferred tax (liabilities)/assets	(210,432,235,844)	195,199,643,463		

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 accumulated tax losses of VND10,530 billion available for offset against future taxable profits. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

37. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Group with related parties during the year were as follows:

Related parties	Relationship	Transactions	Current year	Previous year
Currency: VND				
Vietnam Investment Group JSC	Under common owners	Receivables from selling goods and rendering other services Payables for office rental and lunch meal to employees	38,343,027,684 (75,423,815,830)	- (68,616,761,389)
Kinc Heart Foundation	Under common owners	Charity expense Cash transferred to Kind Heart Foundation Cash collected from Kind Heart Foundation Receivables from rendering hospital services Collection from rendering hospital services	- 1,494,612,000,000 (360,612,000,000) 505,394,413,100 (538,244,494,055)	(1,026,142,915,754) 1,497,025,000,000 - 360,290,551,174 (242,714,280,455)
Phu Quoc Tourism JSC	Associate	Cash payment under business co-operation contract Cash collection under business co-operation contract Payable for deductible value-added tax collected on behalf Payment for deductible value-added tax collected on behalf Dividend payable Dividend payment Receivables from rendering general contractor management service and supplying construction materials Collections from rendering general contractor management service and supplying construction materials Receivables from selling goods and rendering services Gains from rendering general contractor management service Income from disposal of assets to associate Payables for purchase of fixed assets	- 700,000,000,000 - 299,916,673,750 - - - - - 120,714,740,692 86,695,020,906 201,032,297,313 (441,431,645,869)	700,000,000,000 - (575,773,062,640) 275,856,388,890 (125,000,000,000) 125,000,000,000 105,138,169,727 (105,138,169,727) - - -
Other individuals	Key management personnel	Receivables from transferring shares of subsidiary	85,671,000,000	-
Hon Mot Tourism JSC	The legal representative of this company is a key management personnel of a Group's subsidiary	Gain from disposal of a subsidiary	2,041,190,609,989	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

Terms and conditions of transactions with related parties:

During the year, the Group sold/purchased goods and services and transferred shares of subsidiaries to/from related parties based on the price offered to third parties.

During the year, the Group has not made provision for doubtful debts relating to amounts due from related parties (31 December 2017: nil). This assessment is undertaken each year through the examination of the financial position of the related parties and the market in which the related parties operate.

Amount due to and due from related parties were as follows:

Related parties	Relationship	Transactions	Ending balance VND	Beginning balance VND
Short-term trade receivables (Note 7.1)				
Kind Heart Foundation	Under common owners	Receivables from rendering hospital service	87,686,775,683	120,536,856,638
Phu Quoc Tourism JSC	Associate	Receivables from rendering services and supplying construction materials	117,311,074,369	-
Other individuals	Under common owners and key management personnel	Other receivables	51,305,123,497	14,506,747,252
			256,302,973,549	135,043,603,890
Other receivables (Note 9)				
Phu Quoc Tourism JSC	Associate	Receivables from shared profit under business co-operation contract	249,111,825,436	-
Kind Heart Foundation	Under common owners	Receivables from payment on behalf	1,134,000,000,000	-
			1,383,111,825,436	-
Short-term trade payables (Note 21.1)				
Vietnam Investment Group JSC	Under common owners	Payable for goods and services	2,115,033,863	4,543,547,368
Phu Quoc Tourism JSC	Associate	Payable for purchase of assets	441,431,645,869	-
			443,546,679,732	4,543,547,368
Unearned revenue (Note 24)				
Other Individuals	Key management personnel	Unearned revenue	-	70,705,898,141
Phu Quoc Tourism JSC	Associate	Unearned revenue from disposal of assets and rendering services	774,490,032,182	-
			774,490,032,182	70,705,898,141
Other short-term payables (Note 25.1)				
Phu Quoc Tourism JSC	Associate	Payables for business co-operation contract	-	299,916,673,750
			-	299,916,673,750

Remuneration to members of the Board of Directors and the management of the Company:

	Current year VND	Previous year VND
Salaries and bonus	55,252,810,254	45,421,081,461
TOTAL	55,252,810,254	45,421,081,461

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

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	
	Current year	Previous year
Net profit after tax attributable to ordinary shareholders	3,776,727,785,918	4,462,411,670,513
Dividend of convertible preference shares	-	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	3,776,727,785,918	4,462,411,670,513
		Unit: Shares
	Current year	Previous year (Restated)
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	2,972,745,653	2,972,745,653
Effect of dilution due to:		
Convertible preference shares	31,750,516	-
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	3,004,496,169	2,972,745,653
		Previous year (Restated)
	Current year	
Basic earnings per share	1,270	1,501
Diluted earnings per share	1,257	1,501

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.

On 31 May 2018, the General Shareholders of the Company approved the Resolution No. 01/2018/NQ-DHDCD-VINGROUP on the declaration of stock dividend to existing shareholders at the ratio of 1,000:210 (each existing shareholder owning 1,000 shares will receive dividends of 210 shares). As a result, the weighted average number of ordinary shares (excluding treasury shares) used for calculation of basic earnings per share in previous year is adjusted retrospectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

39. COMMITMENTS AND CONTINGENCIES

Capital expenditure commitments relating to on-going real estate projects

The Group has entered into a number of contracts relating to the development of projects. The remaining commitment on these contracts as at 31 December 2018 is approximately VND37,007 billion.

The Group has signed Build-Transfer ("BT") 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 2 from Vinh Tuy bridge to Nga Tu So and the park and eco-lake (in 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 and mixed-use spaces under operating lease agreements. The future minimum rental receivables under these agreements are as follows:

	Currency: VND	
	Ending balance	Beginning balance
Within one year	3,307,861,271,737	2,704,061,603,249
After one year but not more than five years	6,671,942,149,778	5,322,504,911,686
More than five years	5,972,335,595,882	5,208,872,721,592
TOTAL	15,952,139,017,397	13,235,439,236,527

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	
	Ending balance	Beginning balance
Within one year	1,052,541,751,638	647,834,849,856
After one year but not more than five years	2,960,626,326,406	1,985,016,686,139
More than five years	6,347,223,548,146	5,744,585,973,599
TOTAL	10,360,391,626,190	8,377,437,509,594

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

39. COMMITMENTS AND CONTINGENCIES (continued)

Other commitments (continued)

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 purchasing 32.5% charter capital of Berjaya VFC LLC. The remaining commitment of this contract as at 31 December 2018 is VND503.7 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 2018 is VND782 billion.

Commitment on capital contribution to establish a jointly controlled entity of Vinfast LLC

On 2 November 2018, Vinfast LLC, a subsidiary, signed a joint co-operation contract with a corporate counterparty to establish the Vinfast-An Phat Plastic Auto Part Company Limited. Accordingly, the total charter capital of this jointly controlled entity is VND420 billion, in which, Vinfast LLC commits to contributing VND210 billion. As at 31 December 2018, the remaining commitment of this contract is VND180 billion.

Commitment on the partial transfer of Vincy Ocean Park project

On 6 September 2018, Vinhomes JSC, a subsidiary, signed a principle agreement with a corporate counterparty about transferring a part of Vincy Ocean Park project. Accordingly, Vinhomes JSC commits to transferring 2 apartment buildings of the project to this corporate counterparty with estimated consideration of VND1,674.5 billion.

Commitments related to business cooperation 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 condition at the end of contract terms.

Guarantee the performance of contractual obligations for Vinpearl JSC

According to the agreement to issue preference shares, ordinary shares and some other agreements among Vinpearl JSC and Continental Pacific Company, the Company and a subsidiary use a number of shares of Vincom Retail JSC as a collateral to guarantee that Vinpearl JSC fulfills its obligations under transaction documents and that its founders and other partner companies fulfill their obligations related to sell options to founders and partner companies signed with Continental Pacific Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

39. COMMITMENTS AND CONTINGENCIES (continued)

Other commitments (continued)

Commitment 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 1 and basement 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 services and villas rental

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 by these entities to receive a higher amount between:

- (i) 8% to 10% per annum on the total price of the sale contract or 13.33% per annum on the total price of sale contract under circumstances where clients do not receive committed profit during the first 3 years; and
- (ii) 85% on the annual leasing income from the sublease of the villas and condotels to third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

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 apartments and villas 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; fashion showrooms;
- Manufacturing activities: including manufacturing and trading automotive vehicles, mobile phones and other related products; and
- Others: including provision of construction services, security services, cleaning services, technical services, logistics 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.

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40. **SEGMENT INFORMATION (continued)**

Currency: VND

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40. **SEGMENT INFORMATION (continued)**

Currency: VND

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

41. ADDITIONAL INFORMATION REGARDING TO THE CONSOLIDATED CASH FLOW STATEMENT

		Currency: VND	
		Current year	Previous year
Significant non-cash transactions that will have impact on the cash flow statement in the future:			
Increase in owner's equity from conversion of convertible loans and bonds (Note 29.1)	-	451,256,814,009	
Stock dividend declared (Note 29.1)	5,539,132,760,000	-	
Acquisition of other company's shares by issuing shares	1,648,224,082,810	-	
Offset obligations between financing activities and investing activities	-	1,124,000,000,000	
Actual cash received for the year:			
Cash received from normal loan agreements	66,379,476,864,660	14,631,953,450,347	
Cash received from issuance of bonds	20,324,421,444,781	16,072,927,627,127	
Cash received from issuance of exchangeable bonds	10,060,202,000,000	-	
Actual cash payment for the year:			
Cash payment for normal loan agreements	(38,517,115,721,129)	(8,182,448,989,518)	
Cash payment for principal of bonds	(4,207,584,440,749)	(12,950,000,000,000)	

42. OFF BALANCE SHEET ITEMS

Details of foreign currencies:

	Ending balance	Beginning balance
Foreign currencies:		
- United State dollar	81,442,888	7,590,475
- Australian dollar	4,050	2,425
- Singapore dollar	100	56
- Hong Kong dollar	1,000	50
- Euro	6	23,175
- Korean Won	67,000	230,000
- Japanese Yen	414,000	57,000
- Thai Baht	8,920	7,820
- Sterling	440	-

Details of overdue receivables which have been written off as management assesses that these receivables are irrecoverable:

	Currency: VND			
	Ending balance		Beginning balance	
Debtor	Cost	Recoverable amount	Cost	Recoverable amount
Ocean Group JSC	22,000,000,000	22,000,000,000	22,000,000,000	-
Ocean Thang Long JSC	41,098,537,541	41,098,537,541	41,098,537,541	41,098,537,541
Trang Tien – Nha Trang Trading and Tourist Company Limited	14,452,509,589	14,452,509,589	14,452,509,589	14,452,509,589
Topcare Investment and Trading Company Limited	10,468,046,036	10,468,046,036	10,468,046,036	10,468,046,036
Others	14,783,309,610	14,783,309,610	3,468,007,172	3,468,007,172

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

43. 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 2 January 2019, Vinhomes JSC, a subsidiary, signed a deposit agreement with a corporate counterparty to transfer 51% shares of Phat Loc LLC with consideration of VND561 billion.

On 11 January 2019, the Board of Directors of the Company approved the Resolution No. 02/2019/QĐ-HĐQT-VINGROUP on establishment of VINDIGIX JSC with charter capital of VND300 billion, in which 80% charter capital is contributed by the Company.

In January 2019, Thang Long Vietnam Auto Service and Trading Joint Stock Company was merged into Vinfast Service LLC, a subsidiary of the Group.

In January and February 2019, Vinhomes JSC, a subsidiary, signed a capital transfer contract to transfer 97.9% equity interest in Berjaya VIUT LLC and a conditional repurchase contract to repurchase this capital. Accordingly, considerations of these transactions are equivalent to par value of the transferred capital.

On 28 February 2019, VinTech JSC, a subsidiary, acquired 51% voting right in Mundo Reader LLC through an acquisition of newly issued capital and transfer from other equity holders with total consideration of EUR35.7 million.

In March 2019, the Company's General Shareholders approved a private offer of shares with a maximum number of shares of 250,000,000 and the specific price will be decided by the Board of Directors. These shares will be restricted to transfer within one year from the date of completion of the offering and existing shareholders may not exercise the priority right to purchase.

In March 2019, Vinmec JSC, a subsidiary, issued a loan with Deutsche Bank AG - Singapore branch and other international banks with a total amount of USD300 million which has term of three years.

In March 2019, the Company issued bonds at par value of VND1,000 billion, due in 2021, which bear interests at rate of 10% for the first year, and at the rate of 4% per annum plus average 12-month interest paid-in-arrears VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, Bank for Investment and Development of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Vietnam Technology and Commercial Joint Stock Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

43. EVENTS AFTER THE BALANCE SHEET DATE (continued)

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



Nguyen Thi Thu Hien
Chief Accountant



Mai Huong Noi
Deputy Chief Executive Officer

27 March 2019

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2018

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
1	Vincom Retail JSC	Vincom Retail JSC	58.87	56.93	Vinhomes Riverside ⁽¹⁾	* Investing, developing and trading real estate properties and leasing real estate properties
2	South Vincom Retail LLC	South Vincom Retail LLC	100.00	56.93	No.72, Le Thanh Ton street and No.45A Ly Tu Trong street, Ben Nghe ward, district 1, Ho Chi Minh city	* Investing, developing and trading real estate properties and leasing real estate properties
3	North Vincom Retail LLC	North Vincom Retail LLC	100.00	56.93	No.72A, Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi	* Investing, developing and trading real estate properties and leasing real estate properties
4	Suoi Hoa Urban Development and Investment JSC	Suoi Hoa JSC	97.27	55.38	Km1 + 200, Tran Hung Dao street, Suoi Hoa ward, Bac Ninh city, Bac Ninh province	* 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	* Leasing real estate properties
6	Royal City Real Estate Development & Investment JSC	Royal City JSC	97.85	79.43	No.72A, Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi	* Investing, developing and trading real estate properties
7	Vinhomes JSC	Vinhomes JSC	73.78	72.31	No.458, Minh Khai street, Vinh Tuy ward, Hai Ba Trung district, Hanoi	* 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

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2018 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
8	Saidong Urban Development and Investment JSC	Sai Dong JSC	94.00	94.00	Vinhomes Riverside (1)	Investing, developing and trading real estate properties
9	Xavinco Land JSC	Xavinco JSC	96.44	96.23	No.191, Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi	Investing, developing and trading real estate properties
10	Xalivico LLC	Xalivico LLC	74.00	71.21	No.233 Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi	Investing, developing and trading real estate properties
11	Vietnam Exhibition Fair Center JSC	VEFAC JSC	83.32	83.32	No.148 Giang Vo street, Giang Vo ward, Ba Dinh district, Hanoi	Investing, developing and trading real estate properties
12	Southern Star Urban Development and Trading Investment JSC	Southern Star JSC	100.00	99.65	No.72, Le Thanh Ton street, Ben Nghe ward, district 1, Ho Chi Minh city	Investing, developing and trading real estate properties
13	Metropolis Hanoi LLC	Metropolis Hanoi LLC	100.00	72.31	HH and area, Pham Hung street, Nam Tu Liem district, Hanoi	Investing, developing and trading real estate properties
14	Viet Nam Books JSC	Savina JSC	65.33	65.33	No.44, Trang Tien street, Hoan Kiem district, Hanoi	Trading books
15	Can Gio Tourist City Corporation	Can Gio JSC	99.89	72.23	No.72 Le Thanh Ton, Ben Nghe ward, district 1, Ho Chi Minh city	Investing, developing and trading real estate properties
16	Central Park Development LLC	Central Park LLC	100.00	94.00	Room 900, 9th floor, IPH Tower, No.241 Xuan Thuy street, Dich Vong Hau ward, Cau Giay district, Hanoi	Investing, developing and trading real estate properties
17	Ecology Development and Investment JSC	Ecology JSC	100.00	72.56	No.191, Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi	Investing, developing and trading real estate properties
18	Gia Lam Urban Development and Investment LLC	Gia Lam LLC	85.00	61.67	Vinhomes Riverside (1)	Investing, developing and trading real estate properties
19	Vietnam Investment and Consulting Investment JSC	Vietnam Investment JSC	70.00	50.90	No.191, Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi	Investing, developing and trading real estate properties

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2018 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
20	Tay Tang Long Real Estate LLC	Tay Tang Long LLC	90.00	65.08	No.72, Le Thanh Ton street, Ben Nghe ward, district 1, Ho Chi Minh city	Investing, developing and trading real estate properties
21	Thang Long Real Estate Trading Investment JSC	Thang Long Real Estate JSC	73.00	73.00	Vinhomes Riverside (1)	Investing, developing and trading real estate properties
22	Prime Land Real Estate Development JSC	Prime Land JSC	100.00	73.87	Vinhomes Riverside (1)	Investing, developing and trading real estate properties
23	Berjaya Vietnam International University Town LLC	Berjaya VIUT LLC	97.90	70.79	20A Floor, Dong Khoi Vincom Center, No.72 Le Thanh Ton Street, Ben Nghe ward, District 1, Ho Chi Minh city	Investing, developing and trading real estate properties
24	Lang Van Development and Investment JSC	Lang Van JSC	100.00	73.12	No.07, Truong Sa street, Hoa Hai ward, Ngu Hanh Son district, Da Nang city	Investing, developing and trading real estate properties
25	Berjaya Vietnam Financial Centre LLC	Berjaya VFC LLC	67.50	48.80	20A Floor, Dong Khoi Vincom Center, No.72 Le Thanh Ton Street, Ben Nghe ward, District 1, Ho Chi Minh city	Investing, developing and trading real estate properties
26	South Hanoi Urban Development and Investment JSC	South Hanoi LLC	100.00	100.00	Vinhomes Riverside (1)	Investing, developing and trading real estate properties
27	Millenium Trading Investment and Development LLC	Millenium Trading LLC	100.00	72.31	Floor 20A, Vincom Center Dong Khoi Building, No. 72 Le Thanh Ton, Ben Nghe ward, district 1, Ho Chi Minh city	Investing, developing and trading real estate properties and leasing real estate properties
28	Thai Son Development and Investment JSC	Thai Son JSC	100.00	72.31	No.290, Nam Ky Khoi Nghia, ward 8, district 3, Ho Chi Minh city	Investing, developing and trading real estate properties
29	Dat Rong Vang Development and Investment JSC	Dat Rong Vang JSC	100.00	72.31	No.290, Nam Ky Khoi Nghia, ward 8, district 3, Ho Chi Minh city	Investing, developing and trading real estate properties
30	West Hanoi Urban Development and Investment JSC	West Hanoi JSC	100.00	72.31	Room 10, Floor 2, T4 Building, Times City, No. 458 Minh Khai, Vinh Tuy ward, Hai Ba Trung district, Hanoi	Investing, developing and trading real estate properties

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2018 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
31	GS Cu Chi Development JSC	GS Cu Chi JSC	100.00	72.23	No.60A Truong Son street, ward 2, Tan Binh district, Ho Chi Minh city	Investing, developing and trading real estate properties
32	Ha Thanh Real Estate Development and Investment JSC	Ha Thanh JSC	100.00	95.69	Vinhomes Riverside (1)	Investing, developing and trading real estate properties
33	Phuc An Tourism Development and Investment JSC	Phuc An JSC	100.00	92.95	Vinhomes Riverside (1)	Rendering short-term accommodation services
34	An Thinh Trading and Commercial Development JSC	An Thinh JSC	100.00	76.44	20A Floor, Dong Khoi Vincom Center, No.72 Le Thanh Ton Street, Ben Nghe ward, District 1, Ho Chi Minh city	Investing, developing and trading real estate properties
35	Vinpearl JSC	Vinpearl JSC	100.00	93.57	Hon Tre island, Vinh Nguyen ward, Nha Trang city, Khanh Hoa province	Investing, developing and trading hospitality services
36	Nha Trang Port Joint Stock Company	Nha Trang Port JSC	91.94	86.03	No.5 Tran Phu, Vinh Nguyen ward, Nha Trang city, Khanh Hoa province	Loading goods, leasing warehouse
37	Co.Co International Co., Ltd	Co.Co International Ltd	69.99	65.49	No.14 Thuy Khue street, Thuy Khue ward, Tay Ho district, Hanoi	Investing, developing and trading real estate properties
38	Vincommerce General Commerce Services JSC	Vincommerce JSC	64.26	64.27	No.72, Le Thanh Ton street, Ben Nghe ward, district 1, Ho Chi Minh city	Retails in department stores
39	Vinpro business and trading service JSC	Vinpro JSC	64.63	64.29	Vinhomes Riverside (1)	Retails in audio-visual equipment, computers, software and telecommunication equipment
40	VINDFS JSC	VINDFS JSC	80.00	74.86	Cell CC-1 (Subdivision of KT-A), An Vien beach urban area, Vinh Nguyen ward, Nha Trang city, Khanh Hoa province	Retailing other new goods in specialized stores
41	Vinmec International General Hospital JSC	Vinmec JSC	100.00	100.00	No.458, Minh Khai street, Vinh Tuy ward, Hai Ba Trung district, Hanoi	Healthcare, medical and related services
42	Vinschool One Member LLC	Vinschool LLC	100.00	100.00	Vinhomes Riverside (1)	Rendering education services

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2018 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
43	VinAcademy Education and Training LLC	VinAcademy LLC	100.00	99.64	Vinhomes Riverside (1)	Rendering education services
44	Vincom Security Service LLC	Vincom Security LLC	100.00	100.00	Vinhomes Riverside (1)	Rendering security services
45	VinEco Agricultural Investment Development and Production LLC	VinEco LLC	100.00	95.80	Vinhomes Riverside (1)	Producing and trading agricultural produces
46	VinEco - Tam Dao Agricultural Investment Development and production LLC	VinEco Tam Dao LLC	89.02	85.29	Co Quan commune, Gia Khanh town, Binh Xuyen district, Vinh Phuc province	Producing and trading agricultural produces
47	Dong Nai - VinEco Agriculture LLC	Dong Nai - VinEco LLC	77.50	74.25	Km13, Highway 51, Long Khanh 3 hamlet, Tam Phuoc commune, Bien Hoa city, Dong Nai province	Producing and trading agricultural produces
48	VINECO SAGRI Agriculture LLC	VINECO SAGRI LLC	64.00	61.31	No.38 Pham Van Coi, Pham Van Coi commune, Cu Chi district, Ho Chi Minh city	Producing and trading agricultural produces
49	Vincom General Service Trading LLC	Vincom Service LLC	100.00	99.64	Vinhomes Riverside (1)	Providing information technology, technology, sanitation, environmental landscape, logistic.
50	Van Phat Tourist and Seafood JSC	Van Phat JSC	90.00	86.22	Dung K'Si Hamlet, Da Chais commune, Lac Duong district, Lam Dong province	Producing and trading agricultural produces
51	An Phat Trading and Commercial Development LLC	An Phat LLC	100.00	100.00	20A Floor, Dong Khoi Vincom Center, No.72 Le Thanh Ton Street, Ben Nghe ward, District 1, Ho Chi Minh city	Investing, developing and trading real estate properties
52	VINFAST producing and trading LLC	Vinfast LLC	50.80	41.90	Dinh Vu - Cat Hai economic zone, Cat Hai island, Cat Hai town, Cat Hai district, Hai Phong city	Producing of motor vehicle
53	VINFAST Service and Trading LLC	Vinfast Trading LLC	80.00	33.52	Vinhomes Riverside (1)	Maintenance and repair of automotive and other motor vehicles

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2018 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
54	General Motors Vietnam LLC	General Motors Viet Nam LLC	100.00	41.90	Ngoc Hoi street, Tu Hiep commune, Thanh Tri district, Ha Noi city	Producing of motor vehicle
55	Vinfast Germany GmbH	Vinfast Germany GmbH	100.00	41.90	106ResCowork04, 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
56	VINFA JSC	VINFA JSC	96.39	96.39	Vinhomes Riverside (1)	Retails in medicine
57	Vinsmart Researching and Producing JSC	Vinsmart JSC	72.03	68.46	Dinh Vu - Cat Hai economic zone, Cat Hai island, Cat Hai town, Cat Hai district, Hai Phong city	Producing communication equipment
58	VinTech Technology Development JSC	Vintech JSC	80.00	80.00	Vinhomes Riverside (1)	Research and develop experimental natural science and technology
59	VinTech Korea Research	VinTech Korea Research	100.00	80.00	209 559 Dalseo-Daero, Sindang-dong, Dalseo-gu, Daegu, Korea	Research and develop experimental natural science and technology
60	VinID JSC	VinID JSC	80.00	80.00	Vinhomes Riverside (1)	Other monetary intermediation activities
61	People Care JSC	People Care JSC	70.00	64.00	No.9, alley 29 Lang Ha, Thanh Cong ward, Ba Dinh district, Ha Noi city	Other monetary intermediation activities
62	Grand Prix Viet Nam LLC	Grand Prix LLC	100.00	41.90	Vinhomes Riverside (1)	Organize and promote events, exhibitions, conferences and seminars
63	VINCSS Internet Security Services LLC	VINCSS LLC	100.00	100.00	Vinhomes Riverside (1)	Scientific research and technology development
64	VinConnect Solutions and Technology Services LLC	VinConnect LLC	100.00	100.00	Vinhomes Riverside (1)	Activities of information technology services and other services related to computers
65	HMS Software Production and Trading LLC	HMS LLC	100.00	100.00	20A Floor, No.72 Le Thanh Ton Street, Ben Nghe ward, District 1, Ho Chi Minh city	Software production

Vingroup Joint Stock Company

APPENDIX 1 – LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2018 (continued)

No.	Full name	Short name	Voting right (%) (*)	Equity interest (%)	Registered office's address	Principal activities
66	Vingroup Ventures JSC	Vingroup Ventures JSC	70.00	70.00	Vinhomes Riverside (1)	Consultancy and investment activities
67	Phu Gia Real Estate Trading LLC (**)	Phu Gia LLC	98.00	71.10	No.63 Hang Ga street, Hang Bo ward, Hoan Kiem district, Hanoi	Investing, developing and trading real estate properties

(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 the Group in these subsidiaries.

(**) This subsidiary is under the process of dissolution.



Vinhomes Joint Stock Company

Consolidated financial statements

For the year ended 31 December 2020



Building a better
working world

Vinhomes Joint Stock Company

Consolidated financial statements

For the year ended 31 December 2020



Vinhomes Joint Stock Company

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Vinhomes Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 30th amendment dated 12 June 2020 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent (also referred to as "the Parent Company"). Vingroup JSC and its subsidiaries are hereby referred as "the Group".

BOARD OF DIRECTORS

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

Ms. Nguyen Dieu Linh	Chairwoman	
Mr. Pham Nhat Vuong	Member	
Ms. Cao Thi Ha An	Member	
Mr. Pham Thieu Hoa	Member	appointed on 8 July 2020
Mr. Ashish Jaiprakash Shastri	Member	appointed on 8 July 2020
Mr. Tran Kien Cuong	Member	appointed on 8 July 2020
Mr. Nguyen Viet Quang	Member	resigned on 8 July 2020
Mr. Varun Kapur	Independent member	
Mr. Mueen Uddeen	Independent member	
Mr. Hoang D. Quan	Independent member	appointed on 8 July 2020

SUPERVISORY BOARD

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

Mr. Pham Khoi Nguyen	Head of the Supervisory Board
Ms. Doan Thi Thu Mai	Member
Ms. Le Thi Duyen	Member

Vinhomes Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

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

Mr. Pham Thieu Hoa	Chief Executive Officer	
Mr. Douglas John Farrell	Deputy Chief Executive Officer	
Mr. Nguyen Duc Quang	Deputy Chief Executive Officer	
Mr. Pham Van Khuong	Deputy Chief Executive Officer	
Mr. Nguyen Vu Hung	Deputy Chief Executive Officer	appointed on 15 April 2020
Ms. Nguyen Thu Hang	Standing Deputy Chief Executive Officer	appointed on 21 October 2020
Ms. Mai Thu Thuy	Deputy Chief Executive Officer	appointed on 21 October 2020
Mr. Nguyen Van Trai	Deputy Chief Executive Officer	resigned on 15 April 2020
Ms. Phi Thi Thuc Nga	Deputy Chief Executive Officer	resigned on 15 April 2020
Ms. Nguyen Ngoc Thuy Linh	Deputy Chief Executive Officer	resigned on 6 June 2020

LEGAL REPRESENTATIVES

The legal representatives of the Company:

- ▶ from 01 January 2020 to 19 April 2020 are Ms. Nguyen Dieu Linh, Chairwoman, Mr. Pham Thieu Hoa, Chief Executive Officer, Mr. Nguyen Van Trai, Deputy Chief Executive Officer and Mr. Pham Van Khuong, Deputy Chief Executive Officer; and
- ▶ from 20 April 2020 to the date of this report are Ms. Nguyen Dieu Linh, Chairwoman, Mr. Pham Thieu Hoa, Chief Executive Officer, Mr. Nguyen Vu Hung, Deputy Chief Executive Officer and Mr. Pham Van Khuong, Deputy Chief Executive Officer.

AUDITORS

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

Vinhomes Joint Stock Company

MANAGEMENT'S REPORT

Management of Vinhomes Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

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 Company and its subsidiaries 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 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 Company and its subsidiaries 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 Company and its subsidiaries and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and its subsidiaries 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 Company and its subsidiaries as at 31 December 2020 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:



Phạm Thiệu Hoa
Chief Executive Officer

Hanoi, Vietnam

19 March 2021

Reference: 60871645/22157028-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Vinhomes Joint Stock Company

We have audited the accompanying consolidated financial statements of Vinhomes Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Company and its subsidiaries") as prepared on 19 March 2021 and set out on pages 6 to 87, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

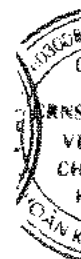
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as 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.

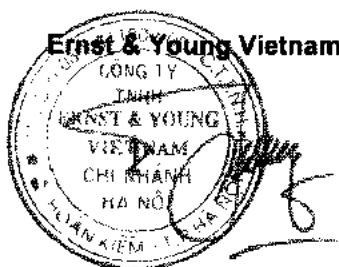
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 Company and its subsidiaries as at 31 December 2020, 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

Le Vu Truong
Deputy General Director
Audit Practising Registration
Certificate No. 1588-2018-004-1

A handwritten signature of Nguyen Trung Dung.

Nguyen Trung Dung
Auditor
Audit Practising Registration
Certificate No. 4657-2018-004-1

Hanoi, Vietnam

19 March 2021

CONSOLIDATED BALANCE SHEET
as at 31 December 2020

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		102,312,109	139,555,054
110	I. Cash and cash equivalents	5	13,713,651	13,332,299
111	1. Cash		4,146,738	2,788,220
112	2. Cash equivalents		9,566,913	10,544,079
120	II. Short-term investments		2,054,219	360,611
121	1. Held-for-trading securities	6.1	359,322	-
123	2. Held-to-maturity investments	6.2	1,694,897	360,611
130	III. Current accounts receivable		34,592,470	47,467,976
131	1. Short-term trade receivables	7.1	10,674,408	8,811,344
132	2. Short-term advances to suppliers	7.2	8,504,424	8,802,736
135	3. Short-term loan receivables	8	8,272,493	16,507,454
136	4. Other short-term receivables	9	7,190,939	13,465,638
137	5. Provision for doubtful short-term receivables	10	(49,794)	(119,196)
140	IV. Inventories	11	42,983,662	60,296,848
141	1. Inventories		43,021,241	60,306,616
149	2. Provision for obsolete inventories		(37,579)	(9,768)
150	V. Other current assets		8,968,107	18,097,320
151	1. Short-term prepaid expenses	12	1,784,595	2,089,245
152	2. Value-added tax deductible	21	309,066	673,229
153	3. Tax and other receivables from the State	21	41,971	41,933
155	4. Other current assets	13	6,832,475	15,292,913

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2020

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		113,014,268	57,685,974
210	I. Long-term receivables		11,084,368	8,114,996
215	1. Long-term loan receivables	8	4,130,000	7,863,900
216	2. Other long-term receivables	9	6,954,368	251,096
220	II. Fixed assets		5,906,615	690,347
221	1. Tangible fixed assets	14	5,683,205	624,738
222	Cost		5,873,264	678,311
223	Accumulated depreciation		(190,059)	(53,573)
227	2. Intangible fixed assets		223,410	65,609
228	Cost		312,732	108,952
229	Accumulated amortisation		(89,322)	(43,343)
230	III. Investment properties	15	8,699,597	6,626,630
231	1. Cost		9,231,822	6,959,536
232	2. Accumulated depreciation		(532,225)	(332,906)
240	IV. Long-term assets in progress		32,361,351	28,212,527
242	1. Construction in progress	17	32,361,351	28,212,527
250	V. Long-term investments	18	9,755,842	773,312
252	1. Investments in associates	18.1	5,838,118	-
253	2. Investments in other entities	18.2	3,969,035	558,632
254	3. Provision for long-term investments	18.2	(235,991)	-
255	4. Held-to-maturity investments	18	184,680	214,680
260	VI. Other long-term assets		45,206,495	13,268,162
261	1. Long-term prepaid expenses	12	2,287,994	2,511,706
262	2. Deferred tax assets	34.3	727,156	330,794
268	3. Other long-term assets	13	39,512,106	9,471,481
269	4. Goodwill	19	2,679,239	954,181
270	TOTAL ASSETS		215,326,377	197,241,028

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2020

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		126,196,462	132,525,985
310	I. Current liabilities		103,385,277	121,556,854
311	1. Short-term trade payables	20.1	11,401,484	6,078,324
312	2. Short-term advances from customers	20.2	26,968,735	40,245,699
313	3. Statutory obligations	21	5,035,067	2,095,296
315	4. Short-term accrued expenses	22	13,912,784	7,839,911
318	5. Short-term unearned revenues	23	531,699	465,696
319	6. Other short-term payables	24	34,032,822	46,669,574
320	7. Short-term loans	25	10,997,726	18,162,354
321	8. Short-term provisions	26.1	504,960	-
330	II. Non-current liabilities		22,811,185	10,969,131
333	1. Long-term accrued expenses	22	1,409,698	588,885
336	2. Long-term unearned revenues	23	3,325,997	1,534,550
337	3. Other long-term liabilities	24	3,537,548	90,376
338	4. Long-term loans	25	13,957,735	8,343,025
341	5. Deferred tax liabilities	34.3	198,873	270,303
342	6. Long-term provisions	26.2	381,334	141,992

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2020

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
400	D. OWNERS' EQUITY		89,129,915	64,715,043
410	I. Capital	27	89,129,915	64,715,043
411	1. Share capital		33,495,139	33,495,139
411a	- Shares with voting rights		33,495,139	33,495,139
412	2. Share premium		295,000	295,000
415	3. Treasury shares		(5,549,929)	(5,549,929)
420	4. Other funds belonging to owners' equity		1,200,896	1,816,269
421	5. Undistributed earnings		56,259,405	26,039,678
421a	- Undistributed earnings by the end of prior year		27,964,411	4,277,445
421b	- Undistributed earnings of current year		28,294,994	21,762,233
429	6. Non-controlling interests		3,429,404	8,618,886
440	TOTAL LIABILITIES AND OWNERS' EQUITY		215,326,377	197,241,028



Hoàng Minh Thái
Preparer



Lê Tiến Công
Chief Accountant



Phạm Văn Hòa
Chief Executive Officer

Hanoi, Vietnam

19 March 2021

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2020

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	71,546,737	51,626,931
02	2. Deductions	28.1	-	-
10	3. Net revenue from sale of goods and rendering of services	28.1	71,546,737	51,626,931
11	4. Cost of goods sold and services rendered	29	(45,610,660)	(24,171,323)
20	5. Gross profit from sale of goods and rendering of services		25,936,077	27,455,608
21	6. Finance income	28.2	20,244,792	9,045,787
22	7. Finance expenses	30	(4,019,261)	(2,548,827)
23	<i>In which: Interest expenses and bond issuance expenses</i>		(3,001,572)	(2,377,698)
24	8. Shares of profit of associates	18.1	18,526	-
25	9. Selling expenses	31	(2,680,833)	(2,080,673)
26	10. General and administrative expenses	31	(2,193,460)	(2,156,421)
30	11. Operating profit		37,305,841	29,715,474
31	12. Other income		221,432	185,728
32	13. Other expenses	32	(1,010,436)	(155,508)
40	14. Other (loss)/profit		(789,004)	30,220
50	15. Accounting profit before tax		36,516,837	29,745,694
51	16. Current corporate income tax expense	34.1	(8,778,070)	(5,766,161)
52	17. Deferred tax income	34.3	467,773	339,567
60	18. Net profit after tax		28,206,540	24,319,100

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CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2020

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
61	19. Net profit after tax attributable to shareholders of the parent		27,351,280	21,747,376
62	20. Net profit after tax attributable to non-controlling interests		855,260	2,571,724

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
70	21. Basic earnings per share	36	8,315	6,502



Hoang Minh Thai
Preparer



Le Tien Cong
Chief Accountant



Phạm Thị Diệu Hoa
Chief Executive Officer

Hanoi, Vietnam

19 March 2021

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2020

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		36,516,837	29,745,694
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	33	541,936	351,846
03	Provisions/(reversal of provisions)		938,172	(197,023)
04	Foreign exchange losses/(gains) arisen from revaluation of monetary accounts denominated in foreign currency		681	(899)
05	Profits from investing activities		(20,212,609)	(9,115,700)
06	Interest expenses and bond issuance expenses	30	3,001,572	2,377,698
08	Operating profit before changes in working capital		20,786,589	23,161,616
09	Decrease/(increase) in receivables		5,598,479	(3,032,812)
10	Decrease/(increase) in inventories		13,823,705	(7,354,995)
11	(Decrease)/increase in payables (other than interest, corporate income tax)		(7,057,322)	51,451,474
12	Decrease/(increase) in prepaid expenses		410,876	(2,885,248)
14	Interest paid		(2,423,545)	(3,309,171)
15	Corporate income tax paid	21	(6,256,733)	(6,102,455)
20	Net cash flows from operating activities		24,882,049	51,928,409

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2020

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(3,499,515)	(3,846,972)
22	Proceeds from disposals of fixed assets and other long-term assets		430,202	205,848
23	Loans to other entities and payments for purchase of debt instruments of other entities		(4,826,147)	(14,077,010)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		16,411,373	30,762,019
25	Payments for investments in other entities (net of cash hold by entity being acquired)		(53,487,656)	(61,164,624)
26	Proceeds from sale of investments in other entities (net of cash hold by entity being disposed)		21,317,425	19,568,901
27	Interest and dividends received		1,234,721	1,232,061
30	Net cash flows used in investing activities		(22,419,597)	(27,319,777)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution	27.1	62,000	-
32	Capital redemption, reacquisition of treasury shares	27.1	(848,308)	(5,549,929)
33	Drawdown of borrowings		19,662,865	6,847,057
34	Repayment of borrowings		(20,739,963)	(12,402,281)
36	Dividends paid		(217,694)	(3,686,552)
40	Net cash flows used in financing activities		(2,081,100)	(14,791,705)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2020

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase in cash for the year		381,352	9,816,927
60	Cash and cash equivalents at the beginning of the year	5	13,332,299	3,515,372
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at the end of the year	5	13,713,651	13,332,299



Hoang Minh Thai
Preparer



Le Tien Cong
Chief Accountant




Phạm Chiêu Hoa
Chief Executive Officer

Hanoi, Vietnam

19 March 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2020 and for the year then ended

1. CORPORATE INFORMATION

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 30th amendment dated 12 June 2020 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent. Vingroup JSC and its subsidiaries are hereby referred as the Group.

The Company and its subsidiaries' normal course of business cycle of real estate development activity begins when the Company receives investment certificate, carries out land clearance and construction works until the project is completed. Accordingly, the normal course of business cycle of real estate development activity ranges from 12 months to 36 months.

The Company and its subsidiaries' normal course of business cycle of other activities is normally within 12 months.

The number of the Company's employees as at 31 December 2020: 7,688 (31 December 2019: 7,116).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure

As at 31 December 2020, the Company has 33 subsidiaries (as at 31 December 2019: 18 subsidiaries). The information on these subsidiaries, along with the Company's direct and indirect voting rights and direct and indirect equity interest in each subsidiary is as follows:

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
1	Gia Lam Urban Development and Investment Limited Liability Company ("Gia Lam LLC") (i)	99.39	99.36	2 nd Floor, Vincom Mega Mall Ocean Park Shopping Center in land plot CCTP-10 of Gia Lam Urban Project, Trau Quy Town and Duong Xa, Kieu Ky, Da Ton Communes, Gia Lam District, Hanoi	Investing, developing and trading real estate properties
2	Ecology Development and Investment Joint Stock Company ("Ecology JSC") (i)	100.00	99.97	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
3	Vietnam Investment and Consulting Investment Joint Stock Company ("Vietnam Investment JSC") (i)	70.00	69.97	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
4	Can Gio Tourist City Corporation ("Can Gio JSC")	99.89	99.89	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
5	Tay Tang Long Real Estate Company Limited Liability Company ("Tay Tang Long LLC")	90.00	90.00	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
6	Berjaya Vietnam International University Township Limited Liability Company ("Berjaya VIUT LLC") (i)	97.90	97.80	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
7	Royal City Real Estate Development and Investment Joint Stock Company ("Royal City JSC") (i)	97.85	97.84	No. 72A Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi	Investing, developing and trading real estate properties
8	Lang Van Development and Investment Joint Stock Company ("Lang Van JSC") (i)	99.00	98.84	No. 7 Truong Sa Street, Hoa Hai Ward, Ngu Hanh Son District, Da Nang City	Investing, developing and trading real estate properties
9	Metropolis Hanoi Limited Liability Company ("Metropolis Hanoi LLC")	100.00	100.00	HH land area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi	Investing, developing and trading real estate properties

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
10	Berjaya Vietnam Financial Center Limited Liability Company ("Berjaya VFC LLC") (i)	67.50	67.43	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
11	Thai Son Investment and Construction Joint Stock Company ("Thai Son JSC") (i)	100.00	99.90	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
12	Millennium Trading Investment and Development Limited Liability Company ("Millennium LLC")	100.00	100.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing, trading real estate properties and office leasing
13	GS Cu Chi Development Joint Stock Company ("GS Cu Chi JSC") (i)	100.00	99.90	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
14	Phu Gia Property Trading Limited Liability Company ("Phu Gia LLC") (i) (ii)	98.00	97.97	No. 63 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	Investing, developing and trading real estate properties
15	An Thinh Trading and Commercial Development Joint Stock Company ("An Thinh JSC") (ii)	85.00	85.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
16	Green City Development Joint Stock Company ("Green City JSC") (i)	100.00	99.92	No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
17	Delta Joint Stock Company ("Delta JSC") (i)	100.00	99.91	No. 110, Dang Cong Binh Street, 6th Hamlet, Xuan Thoi Thuong Ward, Hoc Mon District, Ho Chi Minh City	Investing, developing and trading real estate properties
18	Vinhomes Industrial Zone Investment Joint Stock Company ("VHIZ JSC") (i)	100.00	99.96	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
19	Dai An Investment Construction Joint Stock Company ("Dai An JSC") (i)	100.00	99.92	Highway 5A, Dinh Du Village, Dinh Du Commune, Van Lam District, Hung Yen Province	Investing, developing and trading real estate properties
20	Ecology Development and Trading Joint Stock Company ("Ecology Trading JSC") (i) (ii)	100.00	99.97	Symphony Office Building, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
21	VinITIS Information Technology and Transmission Infrastructure Solutions Joint Stock Company ("VinITIS JSC")	61.00	61.00	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Data processing, leasing of mobile broadcasting infrastructure, voice network, television and related activities.
22	Hon Mot Tourism Joint Stock Company ("Hon Mot JSC") (i)	100.00	99.90	Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province	Investing, developing and trading real estate properties
23	Newco Development and Investment Joint Stock Company ("Newco JSC") (i)	100.00	99.92	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
24	Sai Dong Urban Development and Investment Joint Stock Company ("Sai Dong JSC") (i)	100.00	98.92	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
25	Central Park Development Limited Liability Company ("Central Park LLC") (i)	100.00	98.92	Room 900, 9 th Floor, IPH Tower, No. 241 Xuan Thuy Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	Investing, developing and trading real estate properties
26	Bao Lai Investment Joint Stock Company ("Bao Lai JSC") (i)	96.48	96.39	No. 166, Pham Van Dong Street, Xuan Dinh Ward, Bac Tu Liem District, Hanoi	Exploiting, manufacturing and trading white marble
27	Bao Lai Marble One Member Company Limited (i)	100.00	96.39	Hop Nhat Village, Thinh Hung Commune, Yen Binh District, Yen Bai Province	Exploiting, manufacturing and trading white marble

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

1. **CORPORATE INFORMATION** (continued)

Corporate structure (continued)

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
28	An Phu White Marble Company Limited (i)	100.00	96.39	Khau Ca Village, An Phu Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
29	Doc Thang Marble Joint Stock Company (i)	57.58	55.50	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
30	Phan Thanh Mineral Joint Stock Company (i)	91.36	88.07	Ban Ro Village, Phan Thanh Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
31	Bao Lai Luc Yen Mineral Exploitation One Member Company Limited (i)	100.00	96.39	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
32	Van Khoa Investment Joint Stock Company (i)	64.29	61.97	No. 166, Pham Van Dong Street, Xuan Dinh Ward, Bac Tu Liem, District, Hanoi	Exploiting, manufacturing and trading white marble
33	Van Khoa Luc Yen One Member Company Limited (i)	100.00	61.97	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble

(i) The equity interest in these subsidiaries differs from voting right since the Company controls over these subsidiaries indirectly through other subsidiaries.

(ii) These companies are in the process of completing dissolution procedures.

2. **BASIS OF PREPARATION**

2.1 **Accounting standards and system**

The consolidated financial statements of the Company and its subsidiaries expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.1 Accounting standards and system (continued)

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 Company and its subsidiaries' applied accounting documentation system is the General Journal system.

2.3 Fiscal year

The Company and its subsidiaries' 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 consolidated financial statements are prepared in VND which is also the Company's accounting currency. For the purpose of presenting the consolidated financial statements as at 31 December 2020, the figures are rounded to the nearest millions and presented in millions of Vietnam dong ("million VND").

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 2020.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until such control ceases, except when the Company only obtains temporary control and the subsidiary is acquired with a view of resale within 12 months from acquisition.

The financial statements of 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 result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

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

In case the Company disposes a partial interest in a subsidiary and loses control but retains an interest as an associate, the Company's investment is accounted for using the equity method of accounting. Profit/loss from this transaction is recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation (continued)

Gains resulting from contribution of non-monetary asset or sales of asset to associate or joint-ventures are recognized in the consolidated income statement only to the extent of unrelated interest in the associate or joint-venture. Unrealised profits related to interest by the Company and its subsidiaries are realised to the consolidated income statement according to the progress of asset recovery in the financial statements of these associates or joint-ventures.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Inventories

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.

Inventory property

Property acquired or being constructed for sale or to be held for long-term lease that meets the requirements of outright revenue recognition in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Cost includes:

- ▶ Freehold, leasehold and development rights for land;
- ▶ Amounts payable/paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, 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, less costs to completion and the estimated costs to sell.

The cost of inventory property recognised in profit or loss 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 reasonable relative cost basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Inventories (continued)

Construction inventory

The Company and its subsidiaries use perpetual method to record raw materials and merchandise which are valued at cost of purchase on a weighted average basis.

Work in progress of construction contracts comprises costs of materials, labour costs, construction costs payable to sub-contractors and other related costs which have not been accepted by the investors at the date of the consolidated financial statements.

Other inventories

The Company and its subsidiaries use perpetual method to record other inventories which are valued as follows:

- Raw materials and consumables - cost of purchase on a weighted average basis.
- Finished goods - costs of materials and direct labour cost plus related general production cost which are allocated based on the ordinary course of business on a weighted average basis.

Provision for obsolete inventories

An inventories 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 Company and its subsidiaries, based on appropriate evidence of impairment available at the balance sheet date.

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

3.3 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 consolidated balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the consolidated income statement.

3.4 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leased assets

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 Company and its subsidiaries are the lessors

The net investment under finance lease contracts is included as a receivable in the consolidated balance sheet. The interest amount of the leased payments are recognised in the consolidated income statement over the period of the lease contracts to achieve a constant rate of interest on the net investment outstanding.

Assets subject to operating leases are presented as 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.

Where the Company and its subsidiaries are the lessees

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

3.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

3.7 Depreciation and amortisation

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	15 - 48 years
Machinery and equipment	5 - 15 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years
Computer software	3 - 5 years
Others	2 - 5 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Investment properties

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

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 Company and its subsidiaries.

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

Definite land use rights, buildings and structures	27 - 50 years
Machinery and equipment	7 - 10 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, commencement of an operating lease to another party or ending of construction or development. 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.

3.9 Borrowing costs

Borrowing costs consist of interest and other costs that an entity 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 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.

3.10 Prepaid expenses

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

Short-term prepaid expenses include selling expenses related to inventory properties not yet handed over, provisional corporate income tax for down payments from customers for the purchase of inventory properties at the Company and its subsidiaries' real estate projects and other prepaid expenses that are expected to generate future economic benefit within one ordinary course of business cycle.

Long-term prepaid expenses include tools and supplies, long-term prepaid rental fee and other prepaid expenses that generate future economic benefits for more than one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Prepaid expenses (continued)

Prepaid land rental

The prepaid land rental represents the remaining unamortised balance of advance payment made in accordance with the lease contract signed with the authorities. Such prepaid rental is recognised as a long-term prepaid expense and is amortised to the consolidated income statement over the remaining lease period according to Circular 45/2013/TT-BTC. Besides, prepaid land rental also comprises land lease incurred from business combination, in which, the acquiree is a lessee under operating leases with favourable lease terms compared with the fair value at the date of business combination.

3.11 Business combinations and goodwill

Business combinations are accounted for using the acquisition 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.

Where equity instruments are issued by the acquirer as consideration, fair value of the consideration shall be measured at fair value of these instruments at the exchange date. In case the published price at the date of exchange is an unreliable indicator of fair value, the fair value of those instruments could, for example, be estimated by reference to their proportional interest in the fair value of the acquirer or by reference to the proportional interest in the fair value of the acquiree obtained, whichever is the more clearly evidence.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Company and its subsidiaries' 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 Company and its subsidiaries conduct 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.

Business combinations involving entities or businesses 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Business combinations and goodwill (continued)

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

- ▶ The assets and liabilities of the 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.

After the date of business combination, if the Company and its subsidiaries transfer and lose control of investment in these entities, the difference between the cost of a business combination and net assets, which was previously recognised in owners' equity, is recognised in the consolidated income statement.

3.12 Assets acquisitions and business combinations

The Company and its subsidiaries acquire subsidiaries that own assets and production activities. At the date of acquisition, the Company and its subsidiaries consider whether the acquisition represents the acquisition of a business. The Company and its subsidiaries account for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

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.

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 parent company shall not remeasure the previously held equity interests. Instead previously held equity interests at carrying value and the consideration are allocated to the assets and liabilities acquired based on their relative fair values as at acquisition date.

3.13 Investments

Investments in associates

The Company and its subsidiaries' investment in their associate is accounted for using the equity method of accounting. An associate is an entity in which the Company and its subsidiaries have significant influence that is neither subsidiaries nor joint ventures. The Company and its subsidiaries generally deem they have significant influence if they have over 20% of the voting rights.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Investments (continued)

Investments in associates (continued)

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 cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Company and its subsidiaries. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company and its subsidiaries.

Held-for-trading securities and investments in other entities

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

Held-to-maturity investments

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

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 expense in the consolidated income statement.

3.14 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company and its subsidiaries. Payables to construction contractors are recognised for amounts certified by the construction work certificate signed with contractors, whether or not billed to the Company and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Provisions

General provisions

Provisions are recognised when the Company and its subsidiaries have 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 Company and its subsidiaries expect some or all of a provision to be reimbursed, 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 Company and its subsidiaries assess 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 Company and its subsidiaries recognise and assess 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 finance expense.

Warranty provision for inventory properties

The Company and its subsidiaries estimate provision for warranty expenses based on revenues and available information about the repair of inventory properties sold in the past.

3.16 Foreign currency transactions

Transactions in currencies other than the Company and its subsidiaries' reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

3.18 Appropriation of net profits

Net profit after tax (excluding gain arising from a bargain purchase) is available for appropriation to shareholders pursuant to decision of the Board of Directors (approved by General Meeting of Shareholders), and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

3.19 Advances from customers purchasing inventory properties

Payments received from customers as deposits for purchase of inventory 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. Incentives under promotion programs which are, in substance, revenue deductions are offset against account "Advances from customers" which are not qualified to be recognised as revenue for the year.

3.20 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries 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 passed to the buyer.

Revenue from sale of inventory properties also includes long-term lease of investment property qualified for recognition of outright sales. If the lease term is greater than 90% of the asset's useful life, the Company and its subsidiaries recognise the revenue for the entire prepaid lease payment if all 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.

Rental income

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

Sale of goods

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Revenue recognition (continued)

Rendering of services

Revenue from rendering of services is recognised when the services are rendered for customers.

Interest

Income 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 Company and its subsidiaries' entitlement as an investor to receive the dividend is established.

Income from capital transfer

Income from capital transfer is identified as difference between transfer consideration and cost of capital transfer. This income is recognised on date when the transaction arises being the date when the transfer contract is exercised.

Income from Business and Investment Co-operation Contracts in which the Company and its subsidiaries are entitled to profit before tax or profit after tax

Income from the profit before tax or profit after tax of real estate business under Business and Investment Co-operation Contracts is recognised as finance income in the consolidated income statement.

In the transaction in which the Company and its subsidiaries provide multiple products and services to the customer in the same arrangement, the Company and its subsidiaries determine 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 Company and its subsidiaries. The contract value is allocated to individual product by taking the total contract value minus the estimated fair value of the service. Payments from customers under contracts corresponding to the unfulfilled obligations are presented as "Advances from customers" or "Unearned revenues" in the consolidated balance sheet.

3.21 Construction contract

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, as measured by reference to the work performed that has been agreed 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 it is probable will be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years 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 Company and its subsidiaries to offset current tax assets against current tax liabilities and when the Company and its subsidiaries intend to settle their current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the 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 related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures 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 temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each consolidated 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 period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

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 Company and its subsidiaries to off-set 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 Company and its subsidiaries intend 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.

3.23 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 Company (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 Company (after adjusting for interest 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 Segment information

A segment is a component determined separately by the Company and its subsidiaries 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.

Real estate trading and related services are principal sources of revenue and profit of the Company and its subsidiaries, while revenue from other activities accounts for a minimal portion in the Company and its subsidiaries' total revenue. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

3.25 Related parties

Parties are considered to be related parties of the Company and its subsidiaries 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 Company and its subsidiaries 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.

3.26 Demerger

Demerger transactions where the Company is the demerged company are carried out as follows:

- ▶ Assets, liabilities transferred to the new company is deducted from the respective items in the consolidated balance sheet by the carrying value at the date of demerger;
- ▶ Difference between assets and liabilities transferred to the new company is deducted from equity in the consolidated balance sheet; and
- ▶ No gain or loss is recognised for the demerger transaction.

3.27 Bond issuance transaction cost

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

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR

4.1 Acquisition of group of assets

During the year, the Company and its subsidiaries have acquired shares of the following companies from counterparties. Management has reviewed and assessed that the acquisition of shares of these companies is the acquisition of group of assets, rather than business combination. The total consideration for each of these acquisitions was allocated to the assets and liabilities acquired based on their relative fair values at acquisition date. Accordingly, a part of consideration was recognised in construction in progress (Note 17). The non-controlling interests were also recognised at their relative proportion of the interests in the assets and liabilities acquired. These acquired assets and liabilities are presented in the same categories as other similar assets and liabilities held by the Company and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.1 Acquisition of group of assets (continued)

Acquisition of VHIZ JSC, a new subsidiary

In March 2020, the Company and its subsidiaries completed the acquisition of 100% shares of VHIZ JSC from counterparties for a total consideration of VND70 billion. Thereby, VHIZ JSC became a subsidiary of the Company. The principal activities of VHIZ JSC are investing, developing and trading real estate properties.

Acquisition of Dai An JSC, a new subsidiary

In May 2020, the Company and its subsidiaries completed the acquisition of 99% shares of Dai An JSC from counterparties for a total consideration of VND4,554 billion. Thereby, Dai An JSC became a subsidiary of the Company. The principal activities of Dai An JSC are investing, developing and trading real estate projects.

Acquisition of Hon Mot JSC, a new subsidiary

In October 2020, the Company and its subsidiaries completed the acquisition of 100% shares of Hon Mot JSC from counterparties for a total consideration of VND5,757 billion. Thereby, Hon Mot JSC became a subsidiary of the Company. The principal activities of Hon Mot JSC are investing, developing and trading real estate projects.

4.2 Business combination transactions under common control

Acquisition of Sai Dong JSC and Central Park LLC, new subsidiaries

In September 2020, the Company and its subsidiaries acquired 2% of shares in Sai Dong JSC from affiliates for consideration of VND14 billion. Subsequently, in December 2020, the Company and its subsidiaries completed the acquisition of additional 98% shares of Sai Dong JSC from Vingroup JSC, the parent company, for a total consideration of VND2,142 billion and thereby increased their equity interest in Sai Dong JSC to 100%. As a result, Sai Dong JSC became a subsidiary of the Company. At the date of acquisition, Sai Dong JSC is the owner of several real estate projects.

At the date of acquisition, Sai Dong JSC was holding 100% capital contribution in Central Park LLC, a company that owns a real estate project. After the completion of this transaction, Central Park LLC became a subsidiary of the Company.

The Company's management assesses this transaction as a business combination involving two entities under common control. Thereby, the net assets acquired of Sai Dong JSC and Central Park LLC are measured at their carrying value in the consolidated financial statements of Vingroup JSC, the parent company. The difference between the consideration transferred and net assets of Sai Dong JSC and Central Park LLC is recognised in other funds belonging to owners' equity in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.2 Business combination transactions under common control (continued)

Acquisition of Sai Dong JSC and Central Park LLC, new subsidiaries (continued)

The carrying value of identifiable assets and liabilities of Sai Dong JSC and Central Park LLC at acquisition date are presented below:

	<i>Currency: million VND</i>
	<i>Carrying value at acquisition date</i>
Assets	
Cash and cash equivalents	269,509
Inventories	149,919
Other current assets	480,426
Long-term loan receivables	360,000
Fixed assets	484,714
Investment properties	768,912
Other long-term assets	592,706
Goodwill	520,364
	3,626,550
Liabilities	
Short-term trade payables	(190,071)
Short-term accrued expenses	(249,705)
Other short-term payables	(771,678)
Short-term loan	(585,000)
Other long-term receivables	(300,263)
	(2,096,717)
Total net assets	1,529,833
Non-controlling interests	972
Difference between consideration and net assets acquired recognised in other funds belonging to owners' equity (Note 27.1)	625,373
Total purchase consideration	2,156,178
Cash flow on acquisition	
Cash acquired with the subsidiaries	269,509
Cash paid for acquiring the subsidiaries up to 31 December 2020	(2,156,178)
Net cash flow on acquisition	(1,886,669)

Total consideration is VND2,156 billion and was fully paid in cash.

Revenue and net loss before tax of Sai Dong JSC and Central Park LLC from 1 January 2020 to the date being acquired are VND324 billion and VND32 billion respectively and from the date of acquisition to 31 December 2020 are not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.3 Business combination

Acquisition of VinITIS JSC, a new subsidiary

In April 2020, the Company and its subsidiaries completed the acquisition of 61% shares in VinITIS JSC from a counterparty for a total consideration of VND86 billion. Thereby, VinITIS JSC became a subsidiary of the Company.

At the date of acquisition, the principal activities of VinITIS JSC are data processing, leasing of mobile broadcasting infrastructure, voice network, television and related activities.

The fair value of identifiable assets, liabilities or contingent liabilities of VinITIS JSC at acquisition date are presented below:

	<i>Currency: million VND</i>
	<i>Fair value at acquisition date</i>
Assets	
Cash	9,997
Tangible fixed assets	70,598
Construction in progress	84,264
Others	91,092
	255,951
Liabilities	
Short-term trade payables	(20,525)
Loans	(187,864)
Other payables	(31,947)
	(240,336)
Total net assets	15,615
Non-controlling interests	(6,087)
Goodwill (Note 19)	76,637
Total purchase consideration	86,165
Cash flow on acquisition	
Cash acquired with the subsidiary	9,997
Cash paid for acquiring the subsidiary up to 31 December 2020	(86,165)
Net cash flow on acquisition	(76,168)

Total purchase consideration of VND86 billion was fully paid in cash.

Revenue and net loss before tax of VinITIS JSC from 1 January 2020 to the date being acquired are VND29.4 billion and VND6.5 billion respectively. Revenue and profit before tax of VinITIS JSC from the date of acquisition to 31 December 2020 are VND288 billion and VND16.4 billion respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.3 Business combination (continued)

Acquisition of Bao Lai JSC, a new subsidiary

In December 2020, the Company and its subsidiaries completed the acquisition of 96.48% shares in Bao Lai JSC from counterparties for a total consideration of VND2,780 billion. Thereby, Bao Lai JSC became a subsidiary of the Company.

At the date of acquisition, Bao Lai JSC has seven (7) subsidiaries and one (1) associate. After completion of this transaction, the Company and its subsidiaries also held the investments in these subsidiaries and the associate of Bao Lai JSC. The principal activities of Bao Lai JSC and its subsidiaries are investment, exploitation, production and trading of white marbles.

As at 31 December 2020, the Company and its subsidiaries were in the process of determining fair value of identifiable assets, liabilities or contingent liabilities of Bao Lai JSC and its subsidiaries. Therefore, the Company and its subsidiaries applied provisional accounting to consolidate Bao Lai JSC and its subsidiaries.

The provisional fair value of identifiable assets and liabilities of Bao Lai JSC and its subsidiaries at acquisition date are presented below:

	<i>Currency: million VND</i>
	<i>Provisional fair value at acquisition date</i>
Assets	
Cash and cash equivalents	44,594
Short-term trade receivables	65,421
Prepaid expenses	113,679
Construction in progress	120,116
Inventories	178,318
Fixed assets	1,536,244
Other assets	96,240
	2,154,612
Liabilities	
Short-term payables	(37,598)
Other short-term payables	(48,043)
Loans	(504,793)
	(590,434)
Total net assets	1,564,178
Non-controlling interests	(47,501)
Goodwill (Note 19)	1,263,323
Total purchase consideration	2,780,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.3 Business combination (continued)

Acquisition of Bao Lai JSC, a new subsidiary (continued)

Currency: million VND

Cash flow on acquisition

Cash acquired with the subsidiaries	44,594
Cash paid for acquiring the subsidiaries up to 31 December 2020	(2,700,000)

Net cash flow on acquisition	(2,655,406)
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Total consideration is VND2,780 billion, in which VND2,700 billion was paid in cash.

Revenue and net loss before tax of Bao Lai JSC and its subsidiaries from 1 January 2020 to the date being acquired are VND482 billion and VND367 billion respectively and from the date of acquisition to 31 December 2020 are not significant.

4.4 Significant acquisition and disposals with loss of control

Disposal of MV Vietnam Real Estate Trading JSC ("MV Real Estate JSC")

During the year, Green City JSC – a subsidiary of the Company had disposed 80% shares in MV Real Estate JSC to a counterparty for a total consideration of VND8,799 billion. Thereby, the Company and its subsidiaries no longer control over or have significant influence on MV Real Estate JSC. The remaining investment in MV Real Estate JSC is presented as other long-term investment (Note 18.2). Gain from this disposal was recognised in the consolidated income statement with total amount of VND7,149 billion (Note 28.2).

Disposal of S-Vin Vietnam Real Estate Trading JSC ("S-Vin JSC")

During the year, the Company has disposed 90% shares in S-Vin JSC to a counterparty for a total consideration of VND3,273 billion. Thereby, the Company and its subsidiaries no longer have control over or significant influence on S-Vin JSC. The remaining investment in S-Vin JSC is presented as other long-term investment (Note 18.2). Gain from this disposal was recognised in the consolidated income statement with total amount of VND2,946 billion (Note 28.2).

Disposal of MV1 Vietnam Real Estate Trading LLC ("MV1 Real Estate LLC")

During the year, Green City JSC – a subsidiary of the Company had disposed 80% capital contribution in MV1 Real Estate LLC to a counterparty for a total consideration of VND9,635 billion. Thereby, the Company and its subsidiaries no longer have control over MV1 Real Estate LLC. After this transaction, the Company and its subsidiaries hold 20% capital contribution in MV1 Real Estate LLC. Thereby, MV1 Real Estate LLC became an associate of the Company (Note 18.1). Gain from this transaction was recognised in the consolidated income statement (Note 28.2) with total amount of VND6,785 billion, and an unrealised profit from the sales of assets to an associate was recognised in the consolidated balance sheet with total amount of VND1,735 billion (Note 23).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

5. CASH AND CASH EQUIVALENTS

	Currency: million VND	
	Ending balance	Beginning balance
Cash on hand	2,315	1,288
Cash at banks	4,144,423	2,786,932
Cash equivalents	9,566,913	10,544,079
TOTAL	13,713,651	13,332,299

Cash equivalents as at 31 December 2020 comprise bank deposits in VND with terms ranging from 1 month to 3 months, earning interests at rates ranging from 2.2% to 4% per annum (as at 31 December 2019: from 3.9% to 5% per annum).

Details of each type of foreign currency in original currency:

	Ending balance	Beginning balance
Foreign currency:		
- United States dollar (USD)	99,046	2,622

6. HELD-TO-MATURITY INVESTMENTS

6.1 Held-for-trading securities

	Currency: million VND					
	Ending balance			Beginning balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Corporate bonds	359,322	359,322	-	-	-	-
TOTAL	359,322	359,322	-	-	-	-

6.2 Held-to-maturity investments

	Currency: million VND			
	Ending balance		Beginning balance	
	Cost	Carrying value	Cost	Carrying value
Short-term bank deposits	1,694,897	1,694,897	360,611	360,611
TOTAL	1,694,897	1,694,897	360,611	360,611

Short-term bank deposits in VND as at 31 December 2020 have terms ranging from more than 3 months to 12 months, earning interests at rates ranging from 2% to 7.1% per annum (as at 31 December 2019: terms ranging from more than 3 months to 12 months and interests rates ranging from 5% to 7% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

7.1 Short-term trade receivables

	Currency: million VND	
	Ending balance	Beginning balance
Sale of inventory properties	7,142,800	7,456,476
Disposal of investments	2,906,619	694,000
Rendering construction services and related services	92,875	442,173
Rendering real estate management services and related services	195,782	115,335
Leasing activities and rendering related services	146,691	103,360
Others	189,641	-
TOTAL	10,674,408	8,811,344
<i>In which:</i>		
Trade receivables from others	10,359,176	6,629,747
Trade receivables from related parties (Note 35)	315,232	2,181,597
<i>In which, details of receivables which are more than 10% of total balance</i>		
A corporate counterparty	2,906,619	-
Another corporate counterparty	-	1,628,845
Provision for doubtful short-term trade receivables	(9,215)	-

7.2 Short-term advances to suppliers

	Currency: million VND	
	Ending balance	Beginning balance
Advances to other suppliers	8,058,810	8,788,192
Advances to related parties (Note 35)	445,614	14,544
TOTAL	8,504,424	8,802,736
Provision for doubtful advances to suppliers	(24,079)	(19,205)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

8. LOAN RECEIVABLES

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Loans to corporate counterparties and individuals (i)	8,261,293	15,852,454
Loans to related parties (Note 35)	11,200	655,000
TOTAL	8,272,493	16,507,454
Provisions for doubtful loan receivables	(16,000)	(70,000)
Long-term		
Loans to corporate counterparties (ii)	3,770,000	1,000
Loans to related parties (Note 35)	360,000	7,862,900
TOTAL	4,130,000	7,863,900

- (i) Balances as at 31 December 2020 mainly includes loans to individuals amounting to VND8,128 billion, with terms of 12 months and earning interest at rates ranging from 8% to 10.15% per annum. These loans are secured by a number of listed shares.
- (ii) These are loans to corporate counterparties amounting to VND3,770 billion, due in April 2022 and earning interest rate of 9% per annum. These loans are secured by a number of listed shares, a number of shares and a portion of capital contribution in the borrowers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

9. OTHER RECEIVABLES

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Interest income on loans, deposits and bank deposits	2,878,953	2,713,198
Advances for land clearance	1,871,338	427,590
Deposits and capital contribution for Business and Investment Co-operation Contracts (i)	751,705	4,231,792
Short-term deposits, mortgage	612,730	545,372
Receivables from collection and payment on behalf	330,335	2,853,941
Declared profit receivables	68,820	2,617,025
Others	677,058	76,720
TOTAL	7,190,939	13,465,638
Provision for doubtful other short-term receivables	(500)	(29,991)
<i>In which:</i>		
Receivables from others	6,051,346	6,765,972
Receivables from related parties (Note 35)	1,139,593	6,699,666
Long-term		
Deposits and capital contribution for Business and Investment Co-operation Contract (ii)	5,790,000	-
Interest income on long-term loans, deposits and bank deposits	946,204	39,647
Receivables from long-term lease	129,019	127,886
Deposits for rental purpose	73,357	73,357
Others	15,788	10,206
TOTAL	6,954,368	251,096
<i>In which:</i>		
Receivables from others	1,022,258	85,526
Receivables from related parties (Note 35)	5,932,110	165,570
(i) Mainly includes deposits and capital contribution of VND410 billion to a company within the Group for the purpose of investing in several real estate projects under Business and Investment Co-operation Contracts.		
(ii) Mainly includes deposits and capital contribution to some companies within the Group for the purpose of investing in several real estate projects under Construction, Business and Investment Co-operation Contracts.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

10. BAD DEBTS

The Company and its subsidiaries' bad debts mainly include overdue loan principals and interest receivable from corporate counterparties:

Currency: million VND

<i>Debtor</i>	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Corporate counterparties	49,794	-	119,804	608
TOTAL	49,794	-	119,804	608

Details of overdue receivables more than 10% of ending balance:

<i>A corporate counterparty</i>	-	-	82,705	-
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11. INVENTORIES

Currency: million VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Inventory properties under construction (i)	39,606,536	-	54,949,401	-
Completed inventory properties	1,440,753	(9,706)	2,612,151	(8,578)
Inventories acquired for sales (ii)	334,462	(1,190)	578,709	(1,190)
Work in progress related to construction services (iii)	978,351	-	1,845,763	-
Others (iv)	661,139	(26,683)	320,592	-
TOTAL	43,021,241	(37,579)	60,306,616	(9,768)

(i) Mainly includes land use fee, land clearance costs, construction and development costs of Vinhomes Grand Park, Vinhomes Smart City, Vinhomes Ocean Park and other projects.

(ii) Includes villas, apartments and shophouses acquired for sales of some real estate projects in Northern Vietnam.

(iii) Includes the costs incurred related to the rendering of general constructor services, consultancy services to investors of real estate projects.

(iv) Mainly includes inventories, material to provide to the developers of projects, products from white marble and other products.

As at 31 December 2020, inventories with carrying value of VND2,233 billion are pledged with banks to secure the loans of the Company and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

11. INVENTORIES (continued)

Detail movements of provision for obsolete inventories:

	Currency: million VND	
	Current year	Previous year
Beginning balance	9,768	206,800
Add: Provision made during the year	27,811	13,850
Less: Utilisation of provision during the year	-	(210,882)
Ending balance	<u>37,579</u>	<u>9,768</u>

12. PREPAID EXPENSES

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Selling expenses related to inventory properties not yet handed over	1,378,412	1,607,219
Provisional corporate income tax	281,075	357,764
Others	125,108	124,262
TOTAL	<u>1,784,595</u>	<u>2,089,245</u>
Long-term		
Prepaid land rental (i)	2,202,159	2,422,489
Tools and supplies	37,271	28,996
Repair and leasehold improvement	16,474	18,222
Prepaid apartments and villas rental	13,849	30,446
Others	18,241	11,553
TOTAL	<u>2,287,994</u>	<u>2,511,706</u>

- (i) These are mainly prepaid land rental fee of Vinhomes Ocean Park Project and Vinhomes Smart City Project, and land rental rights for Ecology JSC's shopping malls operating under Business Co-operation Contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

13. OTHER ASSETS

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Deposits for investment purpose (i)	6,832,475	15,292,913
TOTAL	6,832,475	15,292,913
<i>In which:</i>		
Deposits to others	2,682,775	6,643,513
Deposits to related parties (Note 35)	4,149,700	8,649,400
Long-term		
Deposits for investment purpose (ii)	38,479,770	8,439,145
Deposits for commercial purpose (iii)	1,032,336	1,032,336
TOTAL	39,512,106	9,471,481
<i>In which:</i>		
Deposits to others	1,032,336	1,032,336
Deposits to related parties (Note 35)	38,479,770	8,439,145
(i) Mainly comprises:		
▶ Deposits of VND4,050 billion to some companies within the Group for the purpose of acquiring shares of several companies that own real estate projects of the Group; and		
▶ Unsecured deposits of VND2,415 billion to some counterparties for the purpose of acquiring shares of some companies that own potential real estate projects.		
(ii) Comprises deposits to some companies within the Group for the purpose of acquiring several real estate projects and shares of companies that own several real estate projects of the Group.		
(iii) An unsecured deposit to a counterparty earning interest rate which is determined by 12-month interest paid-in-arrear VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, adjusted every 3 months. The deposit and interest will be used as settlement for 10% of contract value under separate contracts between the Company and its subsidiaries and this counterparty.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

14. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						
Beginning balance	387,731	194,103	77,675	9,813	8,989	678,311
Newly purchased	-	44,212	1,328	6,545	719	52,804
Newly constructed	563,219	288,089	-	-	-	851,308
Acquisition of subsidiaries	1,064,729	937,486	86,791	7,236	11,036	2,107,278
Transfer from inventories	1,940,223	166,296	-	-	-	2,106,519
Transfer from investment properties	126,251	20,319	-	-	-	146,570
Sold, disposed	-	(1,599)	(67,879)	(48)	-	(69,526)
Ending balance	4,082,153	1,648,906	97,915	23,546	20,744	5,873,264
Fully depreciated						
	-	35,988	1,750	2,258	323	40,319
Accumulated depreciation:						
Beginning balance	16,727	8,304	18,198	4,241	6,103	53,573
Depreciation for the year	64,081	63,222	11,086	4,914	2,255	145,558
Transfer from investment properties	8,739	1,611	-	-	-	10,350
Sold, disposed	-	(1,067)	(18,355)	-	-	(19,422)
Ending balance	89,547	72,070	10,929	9,155	8,358	190,059
Net carrying amount:						
Beginning balance	371,004	185,799	59,477	5,572	2,886	624,738
Ending balance	3,992,606	1,576,836	86,986	14,391	12,386	5,683,205

As at 31 December 2020, tangible fixed assets with carrying value of VND1,221 billion are pledged with banks to secure loans of the Company and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

15. INVESTMENT PROPERTIES

	Land use rights, Buildings and structures	Machinery and equipment	Total
Currency: million VND			
Cost:			
Beginning balance	6,201,639	757,897	6,959,536
Newly purchased	153,998	-	153,998
Newly constructed	1,634,193	302,382	1,936,575
Acquisition of subsidiaries	664,762	104,150	768,912
Transfer to tangible fixed assets	(126,251)	(20,319)	(146,570)
Sold, disposed	(244,189)	-	(244,189)
Other decreases	(165,439)	(31,001)	(196,440)
Ending balance (i)	8,118,713	1,113,109	9,231,822
Accumulated depreciation:			
Beginning balance	238,901	94,005	332,906
Depreciation for the year	145,756	69,017	214,773
Transfer to tangible fixed assets	(8,739)	(1,611)	(10,350)
Sold, disposed	(5,104)	-	(5,104)
Ending balance (i)	370,814	161,411	532,225
Net carrying amount:			
Beginning balance	5,962,738	663,892	6,626,630
Ending balance (i)	7,747,899	951,698	8,699,597

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

15. INVESTMENT PROPERTIES (continued)

- (i) As at 31 December 2020, investment properties mainly include parking components, offices for lease, observation deck, cuisine and convention center and apartments, villas, shophouses for lease.

The Company and its subsidiaries have not determined fair value of investment properties as at 31 December 2020 because of insufficient market information for fair value determination purpose.

16. CAPITALISED BORROWING COSTS

During the year, the Company and its subsidiaries capitalised borrowing costs with an amount of approximately VND370.1 billion (for the year ended 31 December 2019: VND700.7 billion). These borrowing costs mainly related to specific borrowings taken to finance the construction of Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park projects. The capitalised borrowing costs are determined by applying a capitalisation rate from 7.78% per annum to 10.35% per annum (for the year ended 31 December 2019: 8.12% per annum to 10.4% per annum).

17. CONSTRUCTION IN PROGRESS

Construction in progress comprises construction costs, land clearance costs, land use fee, other costs and consideration for acquisition of subsidiaries allocated as a part of project acquisition costs.

Details of construction in progress which are higher than 10% of total balance are as follows:

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Vinhomes Long Beach Can Gio Project	12,534,630	12,453,085
Hoc Mon Urban Project	4,109,548	4,092,295
Vinhomes Grand Park Project	3,378,915	4,183,547

As at 31 December 2020, construction in progress with a carrying value of VND51.02 billion are pledged with banks to secure loans of the Company and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

18. LONG-TERM INVESTMENTS

	Currency: million VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Investments in associates (Note 18.1)	5,838,118	-	-	-
Investments in other entities (Note 18.2)	3,969,035	(235,991)	558,632	-
Held-to-maturity investments (i)	184,680	-	214,680	-
TOTAL	9,991,833	(235,991)	773,312	-

- (i) Balance at 31 December 2020 includes investments in bank bonds in VND having terms ranging from 7 years to 10 years and earning interest at a reference rate plus (+) 0.9% to 1.2% per annum (as at 31 December 2019: terms ranging from 6 years to 10 years and earning interest at a reference rate plus (+) 1% to 1.3% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in associates

Details of associates, voting rights and equity interest of the Company and its subsidiaries in associates as at 31 December 2020 are as follows:

No.	Company name	No of shares	Voting right (%)	Equity interest (%)	Head office	Principal activities
1	Cam Ranh Investment Joint Stock Company ("Cam Ranh JSC")	164,028,749	43.74%	43.70%	Hon Tre Islands, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province, Viet Nam	Investing, developing and trading real estate properties
2	MV1 Real Estate LLC (**)	(*)	20.00%	19.98%	4 th Floor, Vincom Megamall Thao Dien Center, 161 Hanoi Highway, Thao Dien Ward, District 2, Ho Chi Minh City, Viet Nam	Investing, developing and trading real estate properties
3	Tuong Phu Natural Stone Exploiting and Processing LLC ("Tuong Phu LLC")	(*)	40.00%	24.79%	Sub-quarter 13, Yen The Townlet, Luc Yen District, Yen Bai Province, Viet Nam	Exploiting, processing and trading stones, sand, gravel and clay

(*) These are limited liability companies.

(**) During the year, the Company and its subsidiaries completed capital contribution into MV1 Real Estate LLC and completed the disposal of 80% of capital contribution in MV1 Real Estate LLC to a counterparty (Note 4.4). After completion of the transaction, the Company and its subsidiaries hold 20% capital contribution in MV1 Real Estate LLC. Thereby, the Company presented this remaining investment as an investment in associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in associates (continued)

Details of investments in associates are as follows:

	Investments in			Total
	Cam Ranh JSC	MV1 Real Estate LLC	Tuong Phu LLC	
Cost of investment:				
Beginning balance	-	-	-	-
Increase	3,395,395	2,412,849	11,348	5,819,592
Ending balance	3,395,395	2,412,849	11,348	5,819,592
Accumulated share in post-acquisition profit of the associates:				
Beginning balance	-	-	-	-
Share in post-acquisition profit of the associates for the year	18,526	-	-	18,526
Ending balance	18,526	-	-	18,526
Net carrying amount:				
Beginning balance	-	-	-	-
Ending balance	3,413,921	2,412,849	11,348	5,838,118

Currency: million VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

18. LONG-TERM INVESTMENTS (continued)

18.2 Investments in other entities

	Ending balance				Beginning balance					
	Number of shares	Voting right (%)	Ownership (%)	Cost (million VND)	Provision (million VND)	Number of shares	Voting right (%)	Ownership (%)	Cost (million VND)	Provision (million VND)
MV Real Estate JSC (i) (*)	217,963,747	19.82%	19.82%	2,179,638	-	-	-	-	-	-
Vietnam Exhibition Fair Centre JSC ("VEFAC JSC") (ii)	7,758,800	4.66%	4.66%	900,144	(235,991)	-	-	-	-	-
S-Vin Viet Nam Real Estate Trading JSC (iii) (*)	36,362,042	10.00%	10.00%	363,621	-	-	-	-	-	-
Phat Loc Commercial Investment Trading LLC ("Phat Loc LLC") (iv) (*)	(**)	-	51.00%	342,909	-	(**)	-	51.00%	342,909	-
SV Real Estate JSC (v) (*)	7,700,000	4.00%	4.00%	77,000	-	11,000,000	4.00%	4.00%	110,000	-
SV West Hanoi JSC (*)	7,000,000	4.00%	4.00%	70,000	-	7,000,000	4.00%	4.00%	70,000	-
Xavinco Land JSC ("Xavinco JSC") (*)	2,000,000	1.00%	1.00%	22,223	-	2,000,000	1.00%	1.00%	22,223	-
Thang Long Real Estate Trading Investment JSC ("Thang Long Real Estate JSC") (*)	500,000	10.00%	10.00%	13,500	-	500,000	10.00%	10.00%	13,500	-
TOTAL				3,969,035	(235,991)				558,632	-

(*) As at 31 December 2020, the fair value of these investments has not been determined because of insufficient market information for fair value determination purpose.

(**) This is a limited liability company.

(i) During the year, the Company and its subsidiaries have transferred 80% equity interest in MV Real Estate JSC to a counterparty. Thereby, the Company presents this investment in as an investment in other entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

18. LONG-TERM INVESTMENTS (continued)

18.2 Investments in other entities (continued)

- (ii) In August 2020, the Company and its subsidiaries acquired 7,758,000 shares of VEFAC JSC. Thereby, VEFAC JSC becomes an investment in other entities of the Company.
- (iii) As at 31 December 2020, the Company and its subsidiaries transferred 90% shares in S-Vin JSC to a counterparty (Note 4.4). Thereby, the Company presented the remaining investment in this company as an investment in other entities.
- (iv) As at 31 December 2020, the Company no longer controlled or had significant influence over Phat Loc LLC. Thereby, the Company presented this investment as another long-term investment.
- (v) In December 2020, The General Meeting of Shareholders of SV Real Estate JSC issued Decision No.01/2020/NQ-DHDCD-SV dated 15 December 2020 approving the share repurchase transaction of a part of ordinary shares from shareholders in accordance with the voting right in SV Real Estate JSC. Thereby, the investment of the Company and its subsidiaries in SV Real Estate JSC decreased by VND33 billion, corresponding to the value of repurchased shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

19. GOODWILL

Currency: million VND

	Goodwill arising from acquisition of Ecology JSC	Goodwill arising from acquisition of Vietnam Investment JSC	Goodwill arising from acquisition of Gia Lam LLC	Goodwill arising from acquisition of Management JSC	Goodwill arising from acquisition of Tan Lien Phat JSC (*)	Goodwill arising from acquisition of Millenium LLC	Goodwill arising from acquisition of ViniTIS JSC	Goodwill arising from acquisition of Sai Dong JSC	Goodwill arising from acquisition of Bao Lai JSC and its subsidiaries (**)	Total
Cost:										
Beginning balance	369,867	288,149	1,235	115,728	337,767	153,044	-	-	-	1,265,790
Increase from acquisition of subsidiaries	-	-	-	-	-	-	76,637	520,364	1,263,323	1,860,324
Ending balance	369,867	288,149	1,235	115,728	337,767	153,044	76,637	520,364	1,263,323	3,126,114
Accumulated amortisation:										
Beginning balance	112,480	87,629	375	22,162	64,685	24,278	-	-	-	311,609
Amortisation for the year	37,088	28,894	124	11,605	33,869	15,346	5,774	2,566	-	135,266
Ending balance	149,568	116,523	499	33,767	98,554	39,624	5,774	2,566	-	446,875
Net carrying amount:										
Beginning balance	257,387	200,520	860	93,566	273,082	128,766	-	-	-	954,181
Ending balance	220,299	171,626	736	81,961	239,213	113,420	70,863	517,798	1,263,323	2,679,239

(*) These companies were merged into the Company in 2018.

(**) The Company applied provisional accounting for this transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

20. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

20.1 Short-term trade payables

		Currency: million VND	
		<i>Balance (Payable amount)</i>	
		<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables		10,235,689	5,530,445
<i>In which:</i>			
- A corporate counterparty rendering construction services		737,367	652,470
- Others		9,498,322	4,877,975
Trade payables to related parties (Note 35)		1,165,795	547,879
TOTAL		11,401,484	6,078,324

20.2 Advances from customers

		Currency: million VND	
		<i>Ending balance</i>	<i>Beginning balance</i>
Down payments from customers under sales and purchase agreements (i)		25,677,901	39,843,431
Advances from customers for construction services		1,267,859	402,268
Others		22,975	-
TOTAL		26,968,735	40,245,699
<i>In which:</i>			
Advances from others		26,968,735	40,203,079
Advances from related parties		-	42,620

- (i) These mainly represent down payments from customers who signed sales and purchase agreements to purchase inventory properties at real estate projects of the Company and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

21. STATUTORY OBLIGATIONS

Currency: million VND

	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
Payables				
Corporate income tax	1,926,657	8,537,216	(6,256,733)	4,207,140
Value added tax	114,553	2,786,989	(2,526,274)	375,268
Other taxes	54,086	778,148	(379,575)	452,659
TOTAL	2,095,296	12,102,353	(9,162,582)	5,035,067
	<i>Beginning balance</i>	<i>Receivable for the year</i>	<i>Offset during the year</i>	<i>Ending balance</i>
Receivables				
Value added tax	673,229	168,638	(532,801)	309,066
Corporate income tax	41,696	29,591	(29,607)	41,680
Other taxes	237	54	-	291
TOTAL	715,162	198,283	(562,408)	351,037

22. ACCRUED EXPENSES

Currency: million VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Accrued costs for operating tangible fixed assets, investment properties and handed over inventory properties	9,238,457	3,489,249
Accrued construction costs	2,087,810	1,604,205
Accrued commission fees and other expenses related to inventory properties	1,952,247	1,031,847
Accrued bond and loan interest expenses	306,178	655,274
Others	328,092	1,059,336
TOTAL	13,912,784	7,839,911
<i>In which:</i>		
Short-term accrual to others	13,675,857	7,820,481
Short-term accrual to related parties (Note 35)	236,927	19,430
Long-term		
Accrued loan interest expenses	1,368,029	588,885
Others	41,669	-
TOTAL	1,409,698	588,885
<i>In which:</i>		
Long-term accrual to others	1,119,163	370,071
Long-term accrual to related parties (Note 35)	290,535	218,814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

23. UNEARNED REVENUE

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Unearned revenue from real estate management service	507,131	439,862
Unearned revenue from leasing service	24,568	25,834
TOTAL	531,699	465,696
Long-term		
Unrealised profit from transactions with associates	1,735,405	-
Unearned revenue from real estate management service	1,334,326	1,286,692
Unearned revenue from leasing service	256,266	247,858
TOTAL	3,325,997	1,534,550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

24. OTHER PAYABLES

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Deposits and other agreements related to real estate projects (i)	28,590,821	36,356,311
Apartment maintenance funds held on behalf of customers (ii)	2,106,981	1,208,885
Deposits under Business and Investment Co-operation Contracts (iii)	1,868,702	904,000
Deposits from brokerage agents and tenants	190,782	219,413
Payables for receipt on behalf	156,599	104,690
Deposits for disposal of investments	-	6,719,985
Others	1,118,937	1,156,290
TOTAL	34,032,822	46,669,574
<i>In which:</i>		
Other short-term payables to others	31,379,064	45,169,429
Other short-term payables to related parties (Note 35)	2,653,758	1,500,145
Long-term		
Deposits and other agreements related to real estate projects (i)	2,728,138	-
Deposits for transfer of investments (iv)	561,000	-
Deposits under Business and Investment Co-operation Contracts (iii)	163,000	-
Long-term deposits for real estate leasing purposes	85,410	86,651
Others	-	3,725
TOTAL	3,537,548	90,376
<i>In which:</i>		
Other long-term payables to others	3,374,548	90,376
Other long-term payables to related parties (Note 35)	163,000	-

- (i) Balance as at 31 December 2020 includes cash receipts under deposits and other agreements from customers and corporate counterparties related to real estate properties of the Company and its subsidiaries.
- (ii) These pertain to maintenance funds held on behalf of customers of real estate projects of the Company and its subsidiaries, which will be handed over to Building Management Boards. The Company and its subsidiaries are maintaining these funds in cash equivalents and held-to-maturity investments.
- (iii) These pertain to deposits from a number of affiliates to the Company and its subsidiaries pursuant to Business and Investment Co-operation Contracts for purpose of operating and transferring co-operation of shopping mall, hotel and other components of Vinhomes Smart City, Vinhomes Grand Park, Vinhomes Long Beach Can Gio and other projects.
- (iv) This represents amounts paid from corporate counterparties for share transfer in certain companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

25. LOANS

	Beginning balance		Movement during the year		Ending balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Short-term						
Short-term loans from banks (Note 25.1)	3,894,815	3,894,815	2,331,283	(5,636,098)	590,000	590,000
Current portion of long-term loan from banks (Note 25.1)	-	-	1,380,950	-	1,380,950	1,380,950
Loans from counterparties (Note 25.2)	1,960,000	1,960,000	1,805,000	(3,765,000)	-	-
Current portion of long-term corporate bonds (Note 25.3)	12,307,539	12,307,539	8,534,820	(12,398,999)	8,442,360	8,442,360
Loans from related parties (Note 35)	-	-	12,184,663	(11,600,247)	584,416	584,416
	18,162,354	18,162,354	26,236,716	(33,401,344)	10,997,726	10,997,726
Long-term						
Long-term loans from banks (Note 25.1)	1,371,098	1,371,098	510,814	(1,371,098)	510,814	510,814
Loans from counterparties (Note 25.2)	3,390,000	3,390,000	1,960,000	(30,000)	5,320,000	5,320,000
Corporate bonds (Note 25.3)	2,776,927	2,776,927	13,855,545	(9,242,551)	7,389,921	7,389,921
Loans from related parties (Note 35)	805,000	805,000	3,837,000	(3,905,000)	737,000	737,000
	8,343,025	8,343,025	20,163,359	(14,548,649)	13,957,735	13,957,735
TOTAL	26,505,379	26,505,379	46,400,075	(47,949,993)	24,955,461	24,955,461

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

25. LOANS (continued)

25.1 Loans from banks

Detail of short-term loans from banks is presented as below:

<i>Lender</i>	<i>31 December 2020 (million VND)</i>	<i>Maturity date</i>	<i>Collateral</i>
Joint Stock Commercial Bank for Foreign Trade of Vietnam	590,000	January 2021	(i)
TOTAL	590,000		

Details of interests on short-term loans from banks as at 31 December 2020 are as follow:

<i>Loans</i>	<i>Currency</i>	<i>Interest</i>
Secured loans	VND	Floating interest, interest rate during the year ranges from 4.9% to 6.8% per annum

(i) As at 31 December 2020, these short-term loans are secured by the following collaterals:

- A number of shares of some companies within the Group; and
- Assets attached to land area, machinery and equipment of some hospitals.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

25. LOANS (continued)

25.1 Loans from banks (continued)

Detail of long-term loans from banks is presented as below:

Lender	31 December 2020		Maturity date	Collateral
	Currency	Million VND		
Bank for Investment and Development of Vietnam	VND	15,873	August 2024	(ii)
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	329,259	March 2021 to June 2022	(ii)
<i>In which: Current portion of long-term loans</i>				
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	9,852		
Vietnam Technological and Commercial Joint Stock Bank	USD	175,534	June 2022	(ii)
<i>In which: Current portion of long-term loans</i>				
	VND	1,371,098	January 2021	(ii)
TOTAL		1,891,764		
<i>In which:</i>				
Long-term loans		510,814		
Current portion of long-term loans		1,380,950		

Details of interests on long-term loans from banks as at 31 December 2020 are as follow:

Loans	Currency	Interest
Secured loans	VND	Floating interest, interest rate during the year ranges from 6.8% to 10.13% per annum
Secured loans	USD	Floating interest, interest rate during the year is 5.5% per annum

(ii) As at 31 December 2020, these long-term loans are secured by the following collaterals:

- Tangible fixed assets (Note 14), construction in progress (Note 17), inventories (Note 11) and other benefits related to these assets; and
- Capital contribution in a subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

25. LOANS (continued)

25.2 Loans from counterparties

Details of loans from counterparties:

- ▶ Long-term loan from four (04) corporate counterparties with total principal of VND5,320 billion, bearing the interest rate at 9% per annum with maturity date from April 2022 to November 2022.

25.3 Corporate bonds

	Currency: million VND	
	31 December 2020	31 December 2019
Long-term corporate bonds	15,832,281	15,084,466
<i>In which: Current portion of long-term corporate bonds</i>	<i>(8,442,360)</i>	<i>(12,307,539)</i>
TOTAL	7,389,921	2,776,927

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

25. LOANS (continued)

25.3 Corporate bonds (continued)

		Currency: million VND	
Underwriter	31 December 2020	Maturity date	Interest
Techcom Securities Joint Stock Company	11,839,055	From November 2021 to May 2023	(i) Interest rate for the first four periods is from 9% to 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 3.25% per annum. Interest is payable every 3 months.
<i>In which: Current portion of long-term bonds</i>	6,448,193		
Techcom Securities Joint Stock Company	1,994,167	August 2021	(ii) Interest rate for the first and second periods is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 4.25% per annum. Interest is payable every 6 months.
<i>In which: Current portion of long-term bonds</i>	1,994,167		
KB Securities Vietnam Joint Stock Company	1,998,059	May 2023	(i) Interest rate from issuance date to 31 December 2020 is 9.5% per annum. Interest rate for the following periods is calculated as regular saving rate and 12-month VND individual saving rate plus 2.3% per annum. Interest is payable every 3 months.
TOTAL	15,832,281		
<i>In which:</i>			
Long-term bonds	7,389,921		
Current portion of long-term bonds	8,442,360		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended25. **LOANS (continued)**

25.3 Corporate bonds (continued)

- (i) As at 31 December 2020, these corporate bonds are secured by the following collaterals:
- A number of listed shares of some companies within the Group; and
 - A hospitality real estate project; a part of commercial project; asset rights, project development area project in Northern Vietnam; all legal rights and benefits related to the aforementioned contract for the construction of Ring Road 2 project.
- (ii) These loans are unsecured.

26. PROVISIONS

26.1 Short-term provisions

The short-term provisions balance at 31 December 2020 includes the provision related to a deposit for payments under commercial purchase contracts.

26.2 Long-term provisions

The long-term provisions balance at 31 December 2020 mainly includes provisions for warranty costs for inventory properties at the Company and its subsidiaries' projects in accordance with the warranty clause in sales and purchase agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

27. OWNERS' EQUITY

27.1 Increase and decrease in owners' equity

Currency: million VND

	Attributable to shareholders of the parent					Non-controlling interests	Total
	Issued share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Undistributed earnings		
Previous year							
Beginning balance	33,495,139	295,000	-	1,816,269	7,526,959	4,911,507	48,144,874
- Acquisition of new subsidiaries	-	-	-	-	-	1,719,352	1,719,352
- Net profit for the year	-	-	-	-	21,747,376	2,571,724	24,319,100
- Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	56,192	(56,192)	-
- Partial disposal of equity interest in existing subsidiaries without loss of control	-	-	-	-	(41,335)	41,335	-
- Disposal of subsidiaries	-	-	-	-	-	(76,094)	(76,094)
- Cash dividends declared	-	-	-	-	(3,349,514)	(492,746)	(3,842,260)
- Reacquisition of treasury shares	-	-	(5,549,929)	-	-	-	(5,549,929)
Ending balance	33,495,139	295,000	(5,549,929)	1,816,269	26,039,678	8,618,886	64,715,043
Current year							
Beginning balance	33,495,139	295,000	(5,549,929)	1,816,269	26,039,678	8,618,886	64,715,043
- Acquisition of new subsidiaries and step-up acquisition of interest in existing subsidiaries	-	-	-	(625,373)	2,878,447	(5,134,719)	(2,881,645)
- Net profit for the year	-	-	-	-	27,351,280	855,260	28,206,540
- Cash dividends declared	-	-	-	-	-	(63,715)	(63,715)
- Capital contribution from non-controlling interest	-	-	-	-	-	62,000	62,000
- Disposal of subsidiaries	-	-	-	-	-	(60,000)	(60,000)
- Other funds	-	-	-	10,000	(10,000)	-	-
- Refund of capital contribution to non-controlling interests	-	-	-	-	-	(848,308)	(848,308)
Ending balance	33,495,139	295,000	(5,549,929)	1,200,896	56,259,405	3,429,404	89,129,915

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

27. OWNER'S EQUITY (continued)

27.2 Capital transactions with owners

	Currency: million VND	
	Current year	Previous year
Contributed share capital from owners		
Beginning balance	33,495,139	33,495,139
Ending balance	33,495,139	33,495,139

27.3 Ordinary shares and preference shares

	Unit: Shares	
	Ending balance	Beginning balance
Authorised shares	3,349,513,918	3,349,513,918
Issued shares	3,349,513,918	3,349,513,918
Ordinary shares	3,349,513,918	3,349,513,918
Preference shares	-	-
Treasury shares	60,000,000	60,000,000
Ordinary shares	60,000,000	60,000,000
Preference shares	-	-
Shares in circulation	3,289,513,918	3,289,513,918
Ordinary shares	3,289,513,918	3,289,513,918
Preference shares	-	-

The par value of outstanding shares: VND10,000 per share (as at 31 December 2019: VND10,000 per share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

27. OWNERS' EQUITY (continued)

27.4 Dividends

	Currency: million VND	
	Current year	Previous year
Dividends declared and paid during the year		
<i>Dividends per ordinary share</i>		
Cash dividends for 2020: VND0 per share (2019: VND1,000 per share)	-	3,349,514
Dividends declared after the date of reporting period and not yet recognised as liability as at 31 December	-	-

28. REVENUES

28.1 Revenue from sale of goods and rendering of services

	Currency: million VND	
	Current year	Previous year
Gross revenue	71,546,737	51,626,931
<i>In which:</i>		
Revenue from sales of inventory properties	67,309,531	48,161,594
Revenue from rendering real estate management and related services	1,678,240	1,483,024
Revenue from leasing activities and rendering related services	898,466	1,113,647
Revenue from rendering general contractor, construction consultancy and supervision services	708,643	708,450
Others	951,857	160,216
Deductions	-	-
Net revenue	71,546,737	51,626,931
<i>In which:</i>		
Revenue from others	70,766,593	50,944,507
Revenue from related parties	780,144	682,424

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

28. REVENUES (continued)

28.2 Finance income

	Currency: million VND	
	Current year	Previous year
Gain from sales of investment (i)	16,886,238	1,492,806
Interest income from deposits and lendings	2,430,615	2,376,941
Income from Business and Investment Co-operation Contracts (ii)	751,151	5,174,641
Other finance income	176,788	1,399
TOTAL	20,244,792	9,045,787

(i) Mainly pertains to gain from the sales of investment in subsidiaries owning portions of real estate projects (Note 4.4).

(ii) Income from Business and Investment Co-operation Contracts with Vingroup JSC and an affiliate for the development purpose of Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Dragon Bay, Vinhomes Star City Thanh Hoa and Vinhomes Skylake Projects.

28.3 Revenues and expenses relating to investment properties

	Currency: million VND	
	Current year	Previous year
Rental income from investment properties	932,760	893,535
Direct operating expenses of investment properties that generated rental income during the year	(360,573)	(306,923)

29. COST OF GOODS SOLD AND SERVICES RENDERED

	Currency: million VND	
	Current year	Previous year
Cost of inventory properties sold	42,214,202	21,499,616
Cost of rendering real estate management and other related services	1,574,858	1,481,356
Cost of leasing activities and other related costs	429,330	510,756
Cost of rendering general contractor, construction consultancy and supervision services	653,657	584,043
Others	738,613	95,552
TOTAL	45,610,660	24,171,323

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

30. FINANCE EXPENSES

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loans interest and bond issuance costs	3,001,572	2,377,698
Provisions for investment	235,991	-
Other finance expenses	781,698	171,129
TOTAL	4,019,261	2,548,827

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses		
Consultancy, guarantee and commission fees	1,834,879	1,053,679
Advertising, marketing expenses	366,474	801,329
Labour costs	293,853	135,745
Rental expenses of retail outlets	147,194	76,447
Others	38,433	13,473
	2,680,833	2,080,673
General and administrative expenses		
Donation fee	888,435	592,545
Expenses for external services	801,758	761,329
Labour costs	229,184	244,610
Depreciation and amortisation (including amortisation of goodwill)	175,256	147,800
Others	98,827	410,137
	2,193,460	2,156,421
TOTAL	4,874,293	4,237,094

32. OTHER EXPENSES

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Penalty expenses	936,541	143,935
Others	73,895	11,573
TOTAL	1,010,436	155,508

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

33. PRODUCTION AND OPERATING COSTS

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of developing inventory properties	29,813,130	45,139,282
Expenses for external service	5,781,411	4,850,331
Labour costs	1,418,624	1,245,474
Depreciation and amortisation (including amortisation of goodwill)	541,936	351,846
Others	1,111,803	984,151
TOTAL	38,666,904	52,571,084

34. CORPORATE INCOME TAX

The current corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 20% of taxable profits (previous year: 20%).

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.

34.1 CIT expenses

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expenses	8,778,070	5,766,161
Deferred tax income	(467,773)	(339,567)
TOTAL	8,310,297	5,426,594

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

34. CORPORATE INCOME TAX (continued)

34.1 CIT expenses (continued)

Reconciliation between CIT expenses and the accounting profit multiplied by applicable CIT rate is presented below:

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	36,516,837	29,745,694
At CIT rate of 20% applicable to the Company and its subsidiaries	7,303,367	5,949,139
Impacts from acquisition, disposal and legal merge transactions in the consolidated financial statements	627,814	(139,815)
Losses of subsidiaries	25,204	2,238
Differences of cost of goods sold between the individual financial statements and the consolidated financial statements arising from merger and acquisition transactions	367,781	(45,829)
Tax losses carried forward	(7,240)	(265,190)
Shared profit from associates	(3,705)	-
Goodwill amortisation in the consolidated financial statements	27,053	25,320
Dividend income and shared profit under Business and Investment Co-operation Contracts	(87,942)	(657,047)
Non-deductible expenses	210,951	547,462
Tax exempted	(166,243)	-
Others	13,257	10,316
Accounting profit before tax	8,310,297	5,426,594

34.2 Current CIT expense

The current CIT payable is based on taxable income for the current year. The taxable income of the Company and its subsidiaries 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 Company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

34. CORPORATE INCOME TAX (continued)

34.3 Deferred tax

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiaries, and the movement thereon, during the current and previous years:

	Consolidated balance sheet			Consolidated income statement		Currency: million VND
	Ending balance	Beginning balance		Current year	Previous year	
Deferred tax assets						
Provision for obsolete inventories	-	1,622		(1,622)	(81,985)	
Accrued expense and unearned revenue	196,568	35,334		161,234	(36,232)	
Differences arising from selling expenses for real estate projects	52,014	169,727		(117,713)	155,580	
Differences arising from revaluation of net asset of subsidiaries at acquisition date	72,393	70,650		1,743	(4,716)	
Differences arising from revaluation of net asset of subsidiaries under legal merge transaction	-	77		(77)	(99,301)	
Differences arising from unrealised profit	397,703	44,614		353,070	44,614	
Differences from temporarily non-deductible expenses	8,478	8,770		(292)	8,770	
	727,156	330,794				
Deferred tax liabilities						
Differences arising from revaluation of net asset of subsidiaries at acquisition date	(198,873)	(270,303)		71,430	352,837	
	(198,873)	(270,303)				
Net deferred tax assets	528,283	60,491				
Net deferred tax credit to consolidated income statement				467,773	339,567	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

34. CORPORATE INCOME TAX (continued)

Tax losses carried forward

The Company and its subsidiaries are entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the consolidated balance sheet date, the Company and its subsidiaries have aggregated accumulated tax losses of VND1,058.7 billion (31 December 2019: VND62.8 billion) available for offset against future taxable income.

No deferred tax assets have been recognised in respect of these accumulated tax losses because future taxable income cannot be ascertained at this stage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES

35.1 Significant transactions with related parties

Significant transactions with related parties during this year and previous year were as follows:

Related parties	Relationship	Transactions	Currency: million VND	
			Current year	Previous year
Vingroup JSC	Parent company	Lending	23,143,253	-
		Collection of lending	22,783,253	-
		Receivables from shared profit from Business and Investment Co-operation Contracts	624,909	3,014,466
		Deposit under project development agreements, project transfer agreements and share transfer agreements	13,592,179	22,790,474
		Borrowings	10,108,500	-
		Repayment of borrowings	10,108,500	54,606
		Management service payables	657,993	675,356
Vinpearl JSC	Affiliate	Lending	12,399,000	9,127,900
		Collection of lending	16,356,900	5,170,000
		Deposit under project development agreements and share transfer agreements	3,950,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.1 Significant transactions with related parties (continued)

Significant transactions with related parties during this year and previous year were as follows: (continued)

Related parties	Relationship	Transactions	Currency: million VND	
			Current year	Previous year
Vincom Retail JSC	Affiliate	Deposit received for Investment Co-operation Contract	1,775,996	978,315
		Receivables from sale of inventory properties	122,728	91,818
Vinwonders JSC	Affiliate	Deposit received for Business Co-operation Contract	200,000	-
Vinfast Trading and Production LLC ("Vinfast LLC")	Affiliate	Deposit for investment and project transfer purpose	17,005,000	-
		Lending	2,110,000	19,250,000
		Collection of lending	3,760,000	17,600,000
Vinfast Commercial and Services Trading LLC	Affiliate	Payables for goods purchased	2,357,140	-
Vinsmart Research and Manufacturer JSC ("Vinsmart JSC")	Affiliate	Collection of lending	3,355,000	
		Lending	1,100,000	2,255,000
Kind Heart Foundation	Under common owner	Charity expenses	817,000	500,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.1 Significant transactions with related parties (continued)

Terms and conditions of transactions with related parties

The Company and its subsidiaries have sold/purchased goods and rendering/purchased services to/from related parties based on negotiated market prices and contract terms.

The Company and its subsidiaries have entered into Business and Investment Co-operation Contracts with Vingroup JSC, the parent company, and Central Park LLC, an affiliate, for the purpose of developing real estate projects. Accordingly, the Company and its subsidiaries receive a portion of profit from these contracts. During the year, the Company has terminated Business Co-operation Contract with Central Park LLC, collected the capital contribution and shared profit before Central Park LLC became a subsidiary of the Company (Note 4).

Payables and receivables (except for some lendings, borrowings and deposits for share transfer) as at 31 December 2020 are unsecured, free of interest and will be settled in cash. During the year ended 31 December 2020, the Company and its subsidiaries have not made provision for doubtful debts relating to amounts due from related parties (31 December 2019: 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.2 Amount due to and due from related parties

Amounts due to and due from related parties as at 31 December 2020 and 31 December 2019 were as follows:

Currency: million VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade receivables (Note 7.1)				
Vincom Retail JSC	Affiliate	Receivables from sales of inventory properties	122,728	1,028,007
		Other receivables	5,533	-
Vinmec International General Hospital JSC	Affiliate	Receivables from share transfer	-	694,000
Other affiliates		Other receivables (i)	186,971	459,590
			315,232	2,181,597

(i) Other short-term receivables mainly comprise receivables from shared profit, general contractor and technological services.

Short-term advances to supplier (Note 7.2)

Short-term advances to suppliers mainly include advances for goods and services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.2 Amount due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2020 and 31 December 2019 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Other short-term receivables (Note 9)				
Vingroup JSC	Parent company	Capital contribution for Business and Investment Co-operation Contract (ii)	410,230	3,400,230
		Receivables from shared profit of Business and Investment Co-operation Contract	-	1,006,857
		Other receivables	-	100,972
Central Park LLC	Subsidiary (from 14 December 2020)	Receivables from shared profit of Business and Investment Co-operation Contract	-	1,610,168
		Capital contribution for Business and Investment Co-operation Contract (ii)	-	490,000
Other affiliates		Other receivables	729,363	91,439
			1,139,593	6,699,666
Other long-term receivables (Note 9) (ii)				
Vingroup JSC	Parent company	Deposit for Business and Investment Co-operation Contract	3,000,000	-
VinAcademy Education and Training LLC ("VinAcademy LLC")	Affiliate	Capital contribution for Business and Investment Co-operation Contract	2,790,000	-
Other affiliates		Other receivables	142,110	165,570
			5,932,110	165,570

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2020 and 31 December 2019 were as follows: (continued)

			<i>Currency: million VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<i>Other current assets (Note 13) (ii)</i>				
Vinpearl JSC	Affiliate	Deposit for share transfer and investment purpose	3,950,000	-
Vingroup JSC	Parent company	Deposit for project development, share transfer and investment purpose	199,700	5,789,142
VinAcademy LLC	Affiliate	Deposit for construction investment purpose	-	2,790,000
Sai Dong JSC	Subsidiary (from 14 December 2020)	Deposit for share transfer and investment purpose	-	70,258
			4,149,700	8,649,400
<i>Other non-current assets (Note 13) (ii)</i>				
Vingroup JSC	Parent company	Deposit for share transfer, investment and project development purpose	21,474,770	8,439,145
Vinfast LLC	Affiliate	Deposit for project transfer purpose	17,005,000	-
			38,479,770	8,439,145

- (ii) The deposits to Vingroup JSC amounting to VND3,062.8 billion for share transfer of some companies within the Group which are the owners of potential real estate projects are secured by shares of these companies with all rights and interests attached thereto. The remaining deposits are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2020 and 31 December 2019 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables (Note 20.1)				
Vingroup JSC	Parent company	Management service fee payables	368,319	487,662
		Other service fee payables	99,170	28,381
Vinfast LLC	Affiliate	Payables for goods purchased	210,000	-
Vinsmart JSC	Affiliate	Payables for goods purchased	407,628	-
Other affiliates		Others	80,678	31,836
			1,165,795	547,879

Short-term accrued expenses (Note 22)

Short-term accrued expenses mainly include payables to an affiliate for purchasing vouchers.

Long-term accrued expenses (Note 22)

Long-term accrued expenses mainly include interest payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2020 and 31 December 2019 were as follows: (continued)

Currency: million VND				
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Other short-term payables (Note 24)				
Vincom Retail JSC (*)	Affiliate	Deposit received for Investment Co-operation Contract	1,668,702	704,000
		Other payables	269,833	-
Vinschool LLC	Affiliate	Other payables	271,338	-
Vinwonders JSC	Affiliate	Deposit received for Investment Co-operation Contract	200,000	-
Kind Heart Foundation	Under common owner	Payables for charitable purpose	-	500,000
Other affiliates		Other payables (**)	243,885	296,145
			2,653,758	1,500,145

(*) Deposits for shopping mall components bear the interest at 10% per annum.

(**) Other payables mainly include deposits received for Investment Co-operation Contract.

Other long-term payables (Note 24)

Other long-term payables comprise deposit received from an affiliate for the purpose of co-operation and transfer of shopping mall component of Vinhomes Long Beach Can Gio.

35.3 Details of lending to related parties (Note 8)

Details of short-term lending as at 31 December 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Thang Long Real Estate JSC	Affiliate	11,200	9%	December 2021	(i)
		11,200			

(i) This lending is secured by capital contribution of a company within the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.3 Details of lending to related parties (Note 8) (continued)

Details of long-term lending as at 31 December 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vingroup JSC	Parent company	360,000	9%	September 2022	None
		360,000			

(i) This lending is secured by capital contribution of a company within the Group.

Details of short-term lending as at 31 December 2019:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Central Park LLC	Subsidiary (from 14 December 2020)	655,000	9%	December 2020	(i)
		655,000			

(i) This lending is secured by shares of a company within the Group held by this borrower.

Details of long-term lending as at 31 December 2019:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vinpearl JSC	Affiliate	3,957,900	9%	February 2021	(i)
Vinsmart JSC	Affiliate	2,255,000	9%	February 2021	(ii)
Vinfast LLC	Affiliate	1,650,000	9%	February 2021	(iii)
		7,862,900			

(i) This lending is secured by shares of a listed company within the Group held by this borrower and shares of this borrower held by shareholders.

(ii) This lending is secured by entire buildings and structures, machinery and equipment of this borrower.

(iii) This lending is secured by capital contribution of Vingroup JSC in this borrower.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.4 Details of borrowings from related parties (Note 25)

Details of short-term borrowings as at 31 December 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vingroup JSC	Parent company	9,416	9%	August 2021	None
Vinfast LLC	Affiliate	575,000	9%	December 2021	None
		584,416			

Details of long-term borrowings as at 31 December 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Xavinco JSC	Affiliate	336,000	9%	July 2022	(i)
Xalivico Limited Liability Company ("Xalivico LLC")	Affiliate	401,000	9%	July 2022	(i)
		737,000			

(i) These loans are secured by shares of the Company in a subsidiary.

Details of long-term borrowings as at 31 December 2019:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Xalivico LLC	Affiliate	422,500	9%	July 2021	(i)
Xavinco JSC	Affiliate	382,500	9%	July 2021	(i)
		805,000			

(i) These loans are secured by shares of the Company in a subsidiary.

35.5 Other related party transactions

Remuneration to members of management and Board of Directors:

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries	47,956	62,792
TOTAL	47,956	62,792

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

36. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Net profit after tax attributable to ordinary shareholders	27,351,280,198,252	21,747,376,096,636
Adjust for the effect of dilution	-	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	27,351,280,198,252	21,747,376,096,636
	<i>Current year</i>	<i>Previous year</i>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,289,513,918	3,344,926,936
Adjust for the effect of dilution	-	-
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,289,513,918	3,344,926,936

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Basic earnings per share	8,315	6,502

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

37. SEGMENT INFORMATION

The Company and its subsidiaries do not present segmental information for the year ended 31 December 2020 because real estate trading and related services are principal sources accounting for a substantial portion in the Company and its subsidiaries' total revenue, profit and assets. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

38. COMMITMENTS AND CONTINGENCIES

Commitments under operating leases where the Company and its subsidiaries are lessees

The Company and its subsidiaries, as lessees, have signed land rental contract and other operating lease arrangements for apartments, shophouses and villas and other operating lease arrangements. The minimum lease commitments as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: million VND	
	Ending balance	Beginning balance
Less than 1 year	111,672	124,024
From 1 to 5 years	505,354	290,977
More than 5 years	5,759,524	3,703,184
TOTAL	6,376,550	4,118,185

Commitments under operating leases where the Company and its subsidiaries are lessors

The Company and its subsidiaries, as lessors, lease office, apartments, shophouses and villas under operating lease agreements. The future minimum rental receivables as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: million VND	
	Ending balance	Beginning balance
Less than 1 year	537,615	610,672
From 1 to 5 years	653,775	614,070
More than 5 years	2,174,135	410,299
TOTAL	3,365,525	1,635,041

Lease commitment

Ecology JSC, a subsidiary, entered into lease contracts with an affiliate for leasing retail areas at two (02) real estate projects. As at 31 December 2020, the present values of the minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND20.2 billion, VND51.1 billion and VND60.2 billion. As at 31 December 2020, the total minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND21.3 billion, VND87.7 billion and VND500.3 billion.

Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects

The Company and its subsidiaries have entered into a number of contracts relating to the development of certain real estate projects. The outstanding commitment on these contracts as at 31 December 2020 amounts to approximately VND9,704 billion (as at 31 December 2019: VND13,161 billion). In addition, according to a land lease agreement between a subsidiary and a counterparty, the remaining consideration payable under this agreement as at 31 December 2020 is USD110,000,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

38. COMMITMENTS AND CONTINGENCIES (continued)

Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects (continued)

Under Build – Transfer Contract in 2016 between Hanoi Construction Department and a subsidiary and a counterparty, the outstanding commitment of this contract as at 31 December 2020 is VND362 billion.

Under a Business Co-operation Contract dated November 2017 between a subsidiary and a counterparty, the subsidiary commits to contribute 100% investment capital for a potential real estate project in Hanoi. The project will be implemented within 2 years commencing from the date the subsidiary receives land parcel for construction. In accordance with this agreement, upon the completion of the project, the subsidiary will be entitled to manage and operate a portion of the project's asset. The total estimated capital is VND790 billion, the remaining commitment of this agreement as at 31 December 2020 is VND782.1 billion.

In May 2018, the Company and a subsidiary have entered into a Capital Transfer Agreement with a corporate counterparty to acquire 32.5% of Berjaya VFC LLC's equity interest. At 31 December 2020, the remaining consideration payable under this agreement is VND503.7 billion.

In June 2019, a subsidiary has entered into an Investment Co-operation Contract with counterparties for the purpose of investing in a real estate project. Accordingly, the subsidiary commits to deposit to secure the call option of capital contribution in this project. At 31 December 2020, the remaining commitment under this agreement amounts to VND172.5 billion.

As disclosed in Note 13, a subsidiary has entered into Share Transfer Agreement with a company within the Group for the purpose of acquiring shares in a company owning real estate project. At 31 December 2020, the remaining commitment under this agreement amounts to VND6,028 billion.

Commitment under interest support agreements to buyers of inventory properties at real estate projects of the Company and its subsidiaries

According to three-party (3) interest support agreements among the Company and its subsidiaries as investors, buyers of inventory properties of the Company's projects (including Vinhomes West Point, Vinhomes Ocean Park, Vinhomes Grand Park, Vinhomes Smart City, Vinhomes Symphony and Vinhomes Marina Projects) and certain banks, the Company and its subsidiaries commit to support the buyers in getting loans to finance for a part of the selling price and to settle the interest within a committed period.

Commitments under Business Co-operation Contracts

Under the Business Co-operation Contract signed in February 2012 between Royal City JSC and Thien Huong Investment JSC ("Thien Huong JSC") regarding the school operations in Vinhomes Royal City project, Royal City JSC 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 agreement. The duration of the Business Co-operation Contract is from February 2012 to the end of 2043.

Under the Business Co-operation Contracts between the Company and its subsidiaries with Vinschool LLC regarding the school components of real estate projects, the Company and its subsidiaries are entitled to the share of Vinschool LLC's revenue, which is equal to 15% of revenue and can be adjusted according to the agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended


39. NOTES TO CASH FLOW MOVEMENT

	Currency: million VND	
	Current year	Previous year
Actual cash received from loans during the year:		
Cash received from normal loan agreements	5,996,930	6,239,057
Cash received from issuance of bonds	13,665,935	608,000
Actual cash payment of loans during the year:		
Cash payment for normal loan agreements	(7,539,963)	(9,302,281)
Cash payment for principal of bonds	(13,200,000)	(3,100,000)

40. EVENTS AFTER THE BALANCE SHEET DATE

Except for the events after the consolidated balance sheet date as presented in other notes of the consolidated financial statements, there is no other matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Company and its subsidiaries.


Hoang Minh Thai
Preparer


Le Tien Cong
Chief Accountant



Phạm Thị Hồng Hoa
Chief Executive Officer

Hanoi, Vietnam

19 March 2021

Vinhomes Joint Stock Company

Consolidated financial statements

For the year ended 31 December 2019



Vinhomes Joint Stock Company

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Vinhomes Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 28th amendment dated 28 June 2019 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent. Vingroup JSC and its subsidiaries are hereby referred as the Group

BOARD OF DIRECTORS

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

Ms. Nguyen Dieu Linh	Chairwoman	Appointed on 28 February 2019 Ms. Nguyen Dieu Linh was appointed as the Chairperson as replacement for Mr. Pham Nhat Vuong on 28 February 2019
Mr. Pham Nhat Vuong	Member	
Mr. Nguyen Viet Quang	Member	
Ms. Cao Thi Ha An	Member	
Mr. Varun Kapur	Independent member	
Mr. Mueen Uddeen	Independent member	

SUPERVISORY BOARD

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

Mr. Pham Khoi Nguyen	Head of the Supervisory Board
Ms. Doan Thi Thu Mai	Member
Ms. Le Thi Duyen	Member

Vinhomes Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

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

Mr. Pham Thieu Hoa	Chief Executive Officer	Appointed on 18 May 2019
	Deputy Chief Executive Officer	Resigned on 18 May 2019
Ms. Luu Thi Anh Xuan	Chief Executive Officer	Appointed on 28 February 2019
		Resigned on 18 May 2019
Ms. Nguyen Dieu Linh	Chief Executive Officer	Resigned on 28 February 2019
Mr. Douglas John Farrell	Deputy Chief Executive Officer	
Ms. Nguyen Ngoc Thuy Linh	Deputy Chief Executive Officer	
Mr. Nguyen Duc Quang	Deputy Chief Executive Officer	
Ms. Phi Thi Thuc Nga	Deputy Chief Executive Officer	
Mr. Nguyen Van Trai	Deputy Chief Executive Officer	
Mr. Pham Van Khuong	Deputy Chief Executive Officer	
Ms. Dao Thi Thien Huong	Deputy Chief Executive Officer	Appointed on 10 January 2019
		Resigned on 15 July 2019

LEGAL REPRESENTATIVES

The legal representatives of the Company:

- ▶ up to 5 March 2019 are Mr. Pham Nhat Vuong, Chairman, Ms. Nguyen Dieu Linh, Chief Executive Officer and Mr. Nguyen Van Trai, Deputy Chief Executive Officer;
- ▶ from 6 March 2019 to 19 May 2019 are Ms. Nguyen Dieu Linh, Chairwoman, Ms. Luu Thi Anh Xuan, Chief Executive Officer and Mr. Nguyen Van Trai, Deputy Chief Executive Officer;
- ▶ from 20 May 2019 to 27 June 2019 are Ms. Nguyen Dieu Linh, Chairwoman, Mr. Pham Thieu Hoa, Chief Executive Officer and Mr. Nguyen Van Trai, Deputy Chief Executive Officer; and
- ▶ from 28 June 2019 to the date of this report are Ms. Nguyen Dieu Linh, Chairwoman, Mr. Pham Thieu Hoa, Chief Executive Officer, Mr. Nguyen Van Trai, Deputy Chief Executive Officer and Mr. Pham Van Khuong, Deputy Chief Executive Officer.

Ms. Le Thi Hai Yen, Chief Financial Officer, is authorised to sign the financial statements of the Company in accordance with the Letter of Authorisation No 064/2019/GUQ-TGD-VH dated 26 July 2019.

AUDITOR

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

Vinhomes Joint Stock Company

REPORT OF MANAGEMENT

Management of Vinhomes Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries 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 Company and its subsidiaries 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 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 Company and its subsidiaries 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 Company and its subsidiaries and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and its subsidiaries 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 Company and its subsidiaries 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:



Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

30 March 2020

Reference: 60871645/21120223-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Vinhomes Joint Stock Company

We have audited the accompanying consolidated financial statements of Vinhomes Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Company and its subsidiaries") as prepared on 30 March 2020 and set out on pages 6 to 81, 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.

Management's responsibility

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 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 Company and its subsidiaries 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




Le Vu Truong
Deputy General Director
Audit Practicing Registration
Certificate No. 1588-2018-004-1



Nguyen Hoang Linh
Auditor
Audit Practicing Registration
Certificate No. 3835-2016-004-1

Hanoi, Vietnam

30 March 2020

CONSOLIDATED BALANCE SHEET
as at 31 December 2019

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		139,555,054	91,202,544
110	I. Cash and cash equivalents	5	13,332,299	3,515,372
111	1. Cash		2,788,220	2,695,195
112	2. Cash equivalents		10,544,079	820,177
120	II. Short-term investments		360,611	1,009,405
123	1. Held-to-maturity investments	6	360,611	1,009,405
130	III. Current accounts receivable		47,467,976	43,356,144
131	1. Short-term trade receivables	7.1	8,811,344	7,144,805
132	2. Short-term advances to suppliers	7.2	8,802,736	2,552,554
135	3. Short-term loan receivables	8	16,507,454	4,527,857
136	4. Other short-term receivables	9	13,465,638	29,241,297
137	5. Provision for doubtful short-term receivables	10	(119,196)	(110,369)
140	IV. Inventories	11	60,296,848	36,858,429
141	1. Inventories		60,306,616	37,065,229
149	2. Provision for obsolete inventories		(9,768)	(206,800)
150	V. Other current assets		18,097,320	6,463,194
151	1. Short-term prepaid expenses	12	2,089,245	1,005,321
152	2. Value-added tax deductible	21	673,229	119,251
153	3. Tax and other receivables from the State	21	41,933	94,494
155	4. Other current assets	13	15,292,913	5,244,128

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2019

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		57,685,974	28,486,210
210	I. Long-term receivables		8,114,996	213,789
215	1. Long-term loan receivables	8	7,863,900	-
216	2. Other long-term receivables	9	251,096	213,789
220	II. Fixed assets		690,347	128,186
221	1. Tangible fixed assets	14	624,738	100,435
222	Cost		678,311	119,583
223	Accumulated depreciation		(53,573)	(19,148)
227	2. Intangible fixed assets		65,609	27,751
228	Cost		108,952	50,628
229	Accumulated amortisation		(43,343)	(22,877)
230	III. Investment properties	15	6,626,630	5,828,905
231	1. Cost		6,959,536	5,994,452
232	2. Accumulated depreciation		(332,906)	(165,547)
240	IV. Long-term assets in progress		28,212,527	18,363,034
242	1. Construction in progress	17	28,212,527	18,363,034
250	V. Long-term investments	18	773,312	478,312
253	1. Investments in other entities	18.1	558,632	378,632
255	2. Held-to-maturity investments	18	214,680	99,680
260	VI. Other long-term assets		13,268,162	3,473,984
261	1. Long-term prepaid expenses	12	2,511,706	508,583
262	2. Deferred tax assets	33.3	330,794	340,864
268	3. Other long-term assets	13	9,471,481	1,543,754
269	4. Goodwill	19	954,181	1,080,783
270	TOTAL ASSETS		197,241,028	119,688,754

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2019

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		132,525,985	71,543,880
310	I. Current liabilities		121,556,854	42,872,273
311	1. Short-term trade payables	20.1	6,078,324	2,504,134
312	2. Short-term advances from customers	20.2	40,245,699	14,206,623
313	3. Statutory obligations	21	2,095,296	2,543,863
315	4. Short-term accrued expenses	22	7,839,911	6,083,735
318	5. Short-term unearned revenues	23	465,696	458,115
319	6. Other short-term payables	24	46,669,574	10,672,890
320	7. Short-term loans	25	18,162,354	6,402,913
330	II. Non-current liabilities		10,969,131	28,671,607
333	1. Long-term accrued expenses	22	588,885	520,943
336	2. Long-term unearned revenues	23	1,534,550	1,718,386
337	3. Other long-term liabilities	24	90,376	114,028
338	4. Long-term loans	25	8,343,025	25,505,723
341	5. Deferred tax liabilities	33.3	270,303	623,140
342	6. Long-term provisions	26	141,992	189,387

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2019

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
400	D. OWNERS' EQUITY		64,715,043	48,144,874
410	I. Capital	27	64,715,043	48,144,874
411	1. Share capital		33,495,139	33,495,139
411a	- Shares with voting rights		33,495,139	33,495,139
412	2. Share premium		295,000	295,000
415	3. Treasury shares		(5,549,929)	-
420	4. Other funds belonging to owners' equity		1,816,269	1,816,269
421	5. Undistributed earnings		26,039,678	7,626,959
421a	- Undistributed earnings by the end of prior year		4,277,445	-
421b	- Undistributed earnings of current year		21,762,233	7,626,959
429	6. Non-controlling interests		8,618,886	4,911,507
440	TOTAL LIABILITIES AND OWNERS' EQUITY		197,241,028	119,688,754


Bui Tien Luc
Preparer


Nguyen Huu Thanh
Chief Accountant


Le Thi Hai Yen
Chief Financial Officer



Hanoi, Vietnam

30 March 2020

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	51,626,931	38,664,328
02	2. Deductions	28.1	-	-
10	3. Net revenue from sale of goods and rendering of services	28.1	51,626,931	38,664,328
11	4. Cost of goods sold and services rendered	29	(24,171,323)	(28,603,258)
20	5. Gross profit from sale of goods and rendering of services		27,455,608	10,061,070
21	6. Finance income	28.2	9,045,787	14,565,047
22	7. Finance expenses	30	(2,548,827)	(2,456,954)
23	In which: Interest expenses and bond issuance expenses		(2,377,698)	(2,382,622)
24	8. Shares of profit of associates	18.1	-	191
25	9. Selling expenses	31	(2,080,673)	(1,381,105)
26	10. General and administrative expenses	31	(2,156,421)	(1,062,826)
30	11. Operating profit		29,715,474	19,725,423
31	12. Other income		185,728	100,932
32	13. Other expenses		(155,508)	(107,621)
40	14. Other profit/(loss)		30,220	(6,689)
50	15. Accounting profit before tax		29,745,694	19,718,734
51	16. Current corporate income tax expense	33.1	(5,766,161)	(4,630,061)
52	17. Deferred tax income/(expense)	33.3	339,567	(312,354)
60	18. Net profit after tax		24,319,100	14,776,319

CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
61	19. Net profit after tax attributable to shareholders of the parent		21,747,376	14,284,453
62	20. Net profit after tax attributable to non-controlling interests		2,571,724	491,866

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
70	21. Basic earnings per share	35	6,502	4,503



Bui Tien Luc
Preparer



Nguyen Huu Thanh
Chief Accountant



Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

30 March 2020

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		29,745,694	19,718,734
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	38	351,846	261,532
03	Reversal of provisions		(197,023)	(28,000)
04	Foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(899)	(1,414)
05	Profits from investing activities	38	(9,115,700)	(14,478,398)
06	Interest expenses and bond issuance expenses	30	2,377,698	2,382,622
08	Operating profit before changes in working capital		23,161,616	7,855,076
09	(Increase)/decrease in receivables		(3,032,812)	5,329,601
10	(Increase)/decrease in inventories		(7,354,995)	11,297,369
11	Increase/(decrease) in payables (other than interest, corporate income tax)		51,451,474	(20,385,216)
12	(Increase)/decrease in prepaid expenses		(2,885,248)	427,513
14	Interest paid		(3,309,171)	(2,579,917)
15	Corporate income tax paid	21	(6,102,455)	(3,407,626)
20	Net cash flows from/(used in) operating activities		51,928,409	(1,463,200)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(3,846,972)	(750,555)
22	Proceeds from disposals of fixed assets and other long-term assets		205,848	1,618,545
23	Loans to other entities and payments for purchase of debt instruments of other entities	38	(14,077,010)	(13,939,642)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		30,762,019	19,995,489
25	Payments for investments in other entities (net of cash hold by entity being acquired)	38	(61,164,624)	(52,277,281)
26	Proceeds from sale of investments in other entities (net of cash hold by entity being disposed)	38	19,568,901	26,397,780
27	Interest and dividends received		1,232,061	1,113,713
30	Net cash flows used in investing activities		(27,319,777)	(17,841,951)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares		-	12,240,979
32	Reacquisition of treasury shares	27.1	(5,549,929)	-
33	Drawdown of borrowings		6,847,057	100,191,076
34	Repayment of borrowings		(12,402,281)	(90,227,832)
36	Dividends paid		(3,686,552)	(945,277)
40	Net cash flows (used in)/from financing activities		(14,791,705)	21,258,946

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase in cash for the year		9,816,927	1,953,795
60	Cash and cash equivalents at the beginning of the year		3,515,372	1,561,577
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at the end of the year	5	13,332,299	3,515,372



Bui Tien Luc
Preparer



Nguyen Huu Thanh
Chief Accountant



Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

30 March 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2019 and for the year then ended

1. CORPORATE INFORMATION

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 28th amendment dated 28 June 2019 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent. Vingroup JSC and its subsidiaries are hereby referred as the Group.

The Company's normal course of business cycle of real estate development activity begins when the Company receives investment certificate, carries out land clearance and construction works until the project is completed. Accordingly, the normal course of business cycle of real estate development activity ranges from 12 months to 36 months.

The Company's normal course of business cycle of other activities is normally within 12 months.

The number of the Company's employees as at 31 December 2019: 7,116 (31 December 2018: 6,258).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure

As at 31 December 2019, the Company has 18 subsidiaries (as at 31 December 2018: 18 subsidiaries). The information on these subsidiaries, along with the Company's direct and indirect voting rights and direct and indirect equity interest in each subsidiary is as follows:

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
1	Gia Lam Urban Development and Investment Limited Liability Company ("Gia Lam LLC") (i)	85.00	83.95	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
2	Ecology Development and Investment Joint Stock Company ("Ecology JSC") (i)	99.18	98.76	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
3	Vietnam Investment and Consulting Investment Joint Stock Company ("Vietnam Investment JSC") (i)	69.50	68.64	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
4	Can Gio Tourist City Corporation ("Can Gio JSC") (i)	99.89	98.56	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
5	Tay Tang Long Real Estate LLC ("Tay Tang Long LLC")	90.00	90.00	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
6	Berjaya Vietnam International University Township ("Berjaya VIUT LLC") (i)	97.90	88.17	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
7	Royal City Real Estate Development and Investment JSC ("Royal City JSC")	57.85	57.85	No. 72A Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi	Investing, developing and trading real estate properties
8	Lang Van Development and Investment JSC ("Lang Van JSC") (i)	99.00	95.82	No. 7 Truong Sa Street, Hoa Hai Ward, Ngu Hanh Son District, Da Nang City	Investing, developing and trading real estate properties
9	Metropolis Hanoi LLC	100.00	100.00	HH land area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi	Investing, developing and trading real estate properties

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
10	Berjaya Vietnam Financial Center LLC ("Berjaya VFC LLC") (i)	67.50	60.78	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
11	Thai Son Investment and Construction JSC ("Thai Son JSC") (i)	100.00	90.06	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
12	Millenium Trading Investment and Development LLC ("Millenium LLC")	100.00	100.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties and office leasing
13	GS Cu Chi Development JSC ("GS Cu Chi JSC") (i)	100.00	99.89	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
14	Phu Gia Property Trading Limited Liability Company ("Phu Gia LLC") (i) (ii)	98.00	96.79	No. 63 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	Investing, developing and trading real estate properties
15	AnThinh Trading and Commercial Development JSC ("An Thinh JSC")	85.00	85.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
16	Delta JSC (i)	100.00	99.34	110 Dang Cong Binh, 6 th Hamlet, Xuan Thoi Thuong Ward, Hoc Mon District, Ho Chi Minh City	Investing, developing and trading real estate properties
17	Green City Development JSC ("Green City JSC")	90.00	90.00	No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
18	MV Viet Nam Real Estate Trading JSC ("MV Real Estate JSC") (i)	99.82	89.84	4 th Floor, Vincom Megamall Thao Dien, 161 Ha Noi Highway, Thao Dien Ward, District 2, Ho Chi Minh City	Investing, developing and trading real estate properties

(i) The equity interest in these subsidiaries differs from voting right since the Company controls over these subsidiaries indirectly through other subsidiaries.

(ii) This company is in the process of completing dissolution procedures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The consolidated financial statements of the Company and its subsidiaries, which are expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards 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 Company and its subsidiaries' applied accounting documentation system is the General Journal.

2.3 Fiscal year

The Company and its subsidiaries' 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 consolidated financial statements are prepared in VND which is also the Company's accounting currency. For the purpose of presenting the consolidated financial statements as at 31 December 2019, the figures are rounded to the nearest millions and presented in millions of Vietnam dong ("million VND").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

2. BASIS OF PREPARATION (continued)

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 Company obtains control, and continued to be consolidated until such control ceases, except when the Company only obtains temporary control and the subsidiary is acquired with a view of resale within 12 months from acquisition.

The financial statements of 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 result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Inventories

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.

Inventory property

Property acquired or being constructed for sale or to be held for long-term lease that meets the requirements of outright revenue recognition in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Cost includes:

- ▶ Freehold, leasehold and development rights for land;
- ▶ Amounts payable/paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, 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, less costs to completion and the estimated costs to sell.

The cost of inventory property 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 reasonable relative cost basis.

Construction inventory

The Company and its subsidiaries use perpetual method to record raw materials and merchandise which are valued at cost of purchase on a weighted average basis.

Work in progress of construction contracts comprises costs of materials, labour costs, construction costs payable to sub-contractors and other related costs which have not been accepted by the investors at the date of the financial statements.

Provision for obsolete inventories

An inventories 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 Company and its subsidiaries, based on appropriate evidence of impairment available at the consolidated balance sheet date.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 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 consolidated balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the consolidated income statement.

3.4 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.

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.

3.5 Leased assets

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 Company and its subsidiaries are the lessors

The net investment under finance lease contracts is included as a receivable in the consolidated balance sheet. The interest amount of the leased payments are recognised in the consolidated income statement over the period of the lease contracts to achieve a constant rate of interest on the net investment outstanding.

Assets subject to operating leases are presented as 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.

Where the Company and its subsidiaries are the lessees

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

3.7 Depreciation and amortisation

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	15 - 48 years
Machinery and equipment	5 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years
Computer software	3 - 5 years
Others	2 - 5 years

3.8 Investment properties

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

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 Company and its subsidiaries.

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

Definite land use rights, buildings and structures	27 - 50 years
Machinery and equipment	7 - 10 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Investment properties* (continued)

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. 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.

3.9 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Company and its subsidiaries incur 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 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.

3.10 *Prepaid expenses*

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

Short-term prepaid expenses include commission fees for selling inventory properties, provisional corporate income tax for down payments from customers for the purchase of inventory properties at the Company and its subsidiaries' real estate projects and other prepaid expenses that are expected to generate future economic benefit within one ordinary course of business cycle.

Long-term prepaid expenses include tools and supplies, long-term prepaid rental fee and other prepaid expenses that generate future economic benefits for more than one year.

Prepaid land rental

The prepaid land rental represents the remaining unamortised balance of advance payment made in accordance with the lease contract signed with the authorities. Such prepaid rental is recognised as a long-term prepaid expense and is amortised to the consolidated income statement over the remaining lease period according to Circular 45/2013/TT-BTC. Besides, prepaid land rental also comprises land lease incurred from business combination, in which, the acquiree is a lessee under operating leases with favourable lease terms compared with the fair value at the date of business combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Business combinations and goodwill

Business combinations are accounted for using the acquisition 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.

Where equity instruments are issued by the acquirer as consideration, fair value of the consideration shall be measured at fair value of these instruments at the exchange date. In case the published price at the date of exchange is an unreliable indicator of fair value, the fair value of those instruments could, for example, be estimated by reference to their proportional interest in the fair value of the acquirer or by reference to the proportional interest in the fair value of the acquiree obtained, whichever is the more clearly evident.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Company and its subsidiaries' 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 Company and its subsidiaries conduct 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.

Business combinations involving entities or businesses 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.

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

- ▶ The assets and liabilities of the 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.

After the date of business combination, if the Company and its subsidiaries transfer and lose control of investment in these entities, the difference between the cost of a business combination and net assets, which was previously recognised in owners' equity, is recognised in the consolidated income statement.

3.12 Assets acquisitions and business combinations

The Company and its subsidiaries acquire subsidiaries that own assets and production activities. At the date of acquisition, the Company and its subsidiaries consider whether the acquisition represents the acquisition of a business. The Company and its subsidiaries account for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Assets acquisitions and business combinations (continued)

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.

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 parent company shall not remeasure the previously held equity interests. Instead previously held equity interests at carrying value and the consideration are allocated to the assets and liabilities acquired based on their relative fair values as at acquisition date.

3.13 Investments

Held-for-trading securities and investments in other entities

Held-for-trading 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 expense in the consolidated income statement.

Held-to-maturity investments

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

3.14 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company and its subsidiaries. Payables to construction contractors are recognised for amounts certified by the construction work certificate signed with contractors, whether or not billed to the Company and its subsidiaries.

3.15 Provisions

General provisions

Provisions are recognised when the Company and its subsidiaries have 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 Company and its subsidiaries expect some or all of a provision to be reimbursed, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Provisions (continued)

General provision (continued)

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.

Warranty provision for inventory properties

The Company and its subsidiaries estimate provision for warranty expenses based on revenues and available information about the repair of inventory properties sold in the past.

3.16 Foreign currency transactions

Transactions in currencies other than the Company and its subsidiaries' reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the consolidated balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly.

All foreign exchange differences 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 in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

3.18 Appropriation of net profits

Net profit after tax (excluding gain arising from a bargain purchase) is available for appropriation to shareholders pursuant to decision of the Board of Directors (approved by General Meeting of Shareholders), and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Advances from customers buying inventory properties

Payments received from customers as deposits for purchase of inventory 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. Incentives under promotion programs which are, in substance, revenue deductions are offset against account "Advances from customers" which are not qualified to be recognised as revenue for the year.

3.20 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries 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 passed to the buyer.

Revenue from sale of inventory properties also includes long-term lease of investment property qualified for recognition of outright sales. If the lease term is greater than 90% of the asset's useful life, the Company and its subsidiaries recognise the revenue for the entire prepaid lease payment if all 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.

Rental income

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

Rendering of services

Revenue from rendering of services is recognised when the services are rendered to customers.

Interest

Income 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 Company and its subsidiaries' entitlement as an investor to receive the dividend is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Revenue recognition (continued)

Income from capital transfer

Income from capital transfer is identified as difference between transfer consideration and cost of capital transfer. This income is recognised on the date when the transaction arises being the date when the transfer contract is exercised.

Income from Business and Investment Co-operation Contracts in which the Company and its subsidiaries are entitled to profit before tax or profit after tax

Income from the profit before tax or profit after tax of real estate business under Business and Investment Co-operation Contracts is recognised as finance income in the consolidated income statement.

In the transaction in which the Company and its subsidiaries provide multiple products and services to the customer in the same arrangement, the Company and its subsidiaries determine the obligation to sell the products and the obligation to render the services separately and only recognises the revenue when each individual obligation is completed by the Company and its subsidiaries. The contract value is allocated to individual product by taking the total contract value minus the estimated fair value of the services. Payments from customers under contracts corresponding to the unfulfilled obligations are presented as "Advances from customers" or "Unearned revenues" in the consolidated balance sheet.

3.21 Construction contract

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, as measured by reference to the work performed that has been agreed 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 it is probable will be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

3.22 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years 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 Company and its subsidiaries to offset current tax assets against current tax liabilities and when the Company and its subsidiaries intend to settle their current tax assets and liabilities on a net basis.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation (continued)

Deferred tax

Deferred tax is provided using the 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 related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures 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 temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each consolidated 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 period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation (continued)

Deferred tax (continued)

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 Company and its subsidiaries to off-set 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 Company and its subsidiaries intend 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.

3.23 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 Company (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 Company (after adjusting for interest 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.

3.24 Segment information

A segment is a component determined separately by the Company and its subsidiaries 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.

Real estate trading and related services are principal sources of revenue and profit of the Company and its subsidiaries, while revenue from other activities accounts for a minimal portion in the Company and its subsidiaries' total revenue. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

3.25 Related parties

Parties are considered to be related parties of the Company and its subsidiaries 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 Company and its subsidiaries 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.26 Demerger

Demerger transactions where the Company is the demerged company are carried out as follows:

- ▶ Assets, liabilities transferred to the new company is deducted from the respective items in the consolidated balance sheet by the carrying value at the date of demerger;
- ▶ Difference between assets and liabilities transferred to the new company is deducted from equity in the consolidated balance sheet; and
- ▶ No gain or loss is recognised for the demerger transaction.

3.27 Bond issuance transaction cost

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

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR

4.1 Disposal of Prime Land Real Estate Investment Joint Stock Company ("Prime Land JSC")

On 28 March 2019, under Share Transfer Agreements signed between the Company and a subsidiary with counterparties, the Company and the aforementioned subsidiary have disposed all shares in Prime Land JSC for total consideration of VND2,413 billion. Accordingly, the Company recognised a gain from this transaction in the consolidated income statement (Note 28.2).

4.2 Acquisition of group of assets

During the year, the Company and its subsidiaries have acquired shares of the following companies from counterparties. Management has reviewed and assessed that the acquisition of shares of these companies is the acquisition of group of assets, rather than business combination. The total consideration for each of these acquisitions was allocated to the assets and liabilities acquired based on their relative fair values at acquisition date. Accordingly, a part of consideration was recognised in construction in progress (Note 17). The non-controlling interests were also recognised at their relative proportion of the interests in the assets and liabilities acquired. These acquired assets and liabilities are presented in the same categories as other similar assets and liabilities held by the Company and its subsidiaries.

Acquisition of Green City JSC, a new subsidiary

On 1 July 2019, the Company and its subsidiaries completed the acquisition of 90% shares of Green City JSC from counterparties for a total consideration of VND15,474 billion. As a result, Green City JSC became a subsidiary of the Company. At the date of acquisition, Green City JSC is the owner of a potential real estate project.

Acquisition of Delta JSC, a new subsidiary

On 8 July 2019, the Company and its subsidiaries completed the acquisition of 100% shares of Delta JSC from counterparties for a total consideration of VND4,920 billion. As a result, Delta JSC became a subsidiary of the Company. At the date of acquisition, Delta JSC is the owner of a potential real estate project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

5. CASH AND CASH EQUIVALENTS

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	1,288	2,029
Cash at banks	2,786,932	2,693,166
Cash equivalents	10,544,079	820,177
TOTAL	13,332,299	3,515,372

Cash equivalents as at 31 December 2019 comprise bank deposits in VND with term ranging from 1 month to 3 months, earning interests at rates ranging from 3.9% to 5% per annum (as at 31 December 2018: from 3.9% to 5.5% per annum).

Details of each type of foreign currency in original currency:

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currency:		
- United States dollar (USD)	2,622	10,475

6. HELD-TO-MATURITY INVESTMENTS

	<i>Currency: million VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Carrying value</i>	<i>Cost</i>	<i>Carrying value</i>
Short-term bank deposits	360,611	360,611	1,009,405	1,009,405
TOTAL	360,611	360,611	1,009,405	1,009,405

Short-term bank deposits in VND as at 31 December 2019 have terms ranging from more than 3 months to 12 months, earning interests at rates ranging from 5% to 7% per annum (as at 31 December 2018: from 6.1% to 7.1% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

7.1 Short-term trade receivables

	Currency: million VND	
	Ending balance	Beginning balance
Sale of inventory properties	7,456,476	5,258,911
Disposal of investments	694,000	939,949
Rendering construction services and related services	442,173	772,169
Rendering real estate management services and related services	115,335	79,200
Leasing activities and rendering related services	103,360	94,576
TOTAL	8,811,344	7,144,805
<i>In which:</i>		
Trade receivables from others	6,629,747	4,484,621
Trade receivables from related parties (Note 34)	2,181,597	2,660,184
<i>In which, details of receivables which are more than 10% of total balance</i>		
A corporate counterparty	1,628,845	-

7.2 Short-term advances to suppliers

	Currency: million VND	
	Ending balance	Beginning balance
Advances to other suppliers	8,788,192	2,550,405
Advances to related parties (Note 34)	14,544	2,149
TOTAL	8,802,736	2,552,554
Provision for doubtful advances to suppliers	(19,205)	(11,664)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

8. LOAN RECEIVABLES

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Loans to corporate counterparties and individuals (i)	15,852,454	4,527,857
<i>In which:</i>		
Current portion of long-term loan receivables	26,324	23,257
Loans to related parties (Note 34)	655,000	-
TOTAL	16,507,454	4,527,857
Provisions for doubtful loan receivables	(70,000)	(70,000)
Long-term		
Loans to corporate counterparties and individuals	1,000	-
Loans to related parties (Note 34)	7,862,900	-
TOTAL	7,863,900	-

(i) Balances as at 31 December 2019 mainly include:

- ▶ Loans to individuals amounting to VND12,001 billion, with terms of 12 months, and earning an interest rate of 10% to 10.15% per annum. These loans are secured by a number of listed shares and capital contributions in several companies.
- ▶ Loans to corporate counterparties amounting to VND3,770 billion, with terms of 12 months, and earning interest rate of 9% per annum. These loans are guaranteed by a number of shares of a listed company within the Group, a number of shares and a portion of the capital contribution in the borrowers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

9. OTHER RECEIVABLES

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Capital contribution for Business and Investment Co-operation Contract (i)	4,231,792	25,726,793
Receivables from payment on behalf (ii)	2,853,941	522,957
Interest income on loans, deposits and bank deposits	2,713,198	1,170,922
Declared profit receivables (iii)	2,617,025	1,294,827
Short-term deposits, mortgage	545,372	86,746
Others	504,310	439,052
TOTAL	13,465,638	29,241,297
Provision for doubtful other short-term receivables	(29,991)	(28,705)
<i>In which:</i>		
Receivables from others	6,765,972	16,229,553
Receivables from related parties (Note 34)	6,699,666	13,011,744
Long-term		
Receivable from long-term lease	127,886	125,621
Deposits for rental purpose	73,357	73,357
Interest income on long-term loans, deposits and bank deposits	39,647	-
Others	10,206	14,811
TOTAL	251,096	213,789
<i>In which:</i>		
Receivables from others	85,526	93,212
Receivables from related parties (Note 34)	165,570	120,577

- (i) Mainly includes capital contribution of VND3,890 billion to companies within the Group for the purpose of investing in several real estate projects under Business and Investment Co-operation Contracts.
- (ii) Mainly includes down paymentss collected by third party on behalf of the Company and its subsidiaries.
- (iii) This represents receivables for profit declaration from Business and Investment Co-operation Contracts with Vingroup JSC and an affiliate for the purpose of investing in Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Star City Thanh Hoa, Vinhomes Skylake and Vinhomes Dragon Bay Projects. The total profit sharing from these contracts is presented in Note 28.2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

10. BAD DEBTS

The Company and its subsidiaries' bad debts mainly include overdue loan principals and interest receivable from corporate counterparties:

Debtor	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Corporate counterparties	119,804	608	110,369	-
TOTAL	119,804	608	110,369	-

Details of overdue receivables more than 10% of ending balance:

<i>Phu Son Cement JSC</i>	82,705	-	82,705	-
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11. INVENTORIES

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Inventory properties under construction (i)	54,949,401	-	33,682,718	(201,365)
Completed inventory properties	2,612,151	(8,578)	1,287,356	-
Inventories acquired for sales (ii)	578,709	(1,190)	1,009,381	(5,435)
Work in progress related to construction services (iii)	1,845,763	-	712,409	-
Others	320,592	-	373,365	-
TOTAL	60,306,616	(9,768)	37,065,229	(206,800)

- (i) Mainly includes land use fee, land clearance costs, construction and development costs of Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Grand Park, Vinhomes Marina and Vinhomes West Point Projects.
- (ii) Includes villas and shophouses acquired for sales of some real estate projects in Northern Vietnam.
- (iii) Includes the costs incurred related to the rendering of general constructor services to investors of real estate projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

11. INVENTORIES (continued)

Detail movements of provision for obsolete inventories:

	Currency: million VND	
	Ending balance	Beginning balance
Beginning balance	206,800	259,110
Add: Provision made during the year	13,850	184,728
Less: Disposal of subsidiary	-	(49,258)
Less: Utilisation of provision during the year	(210,882)	(187,780)
Ending balance	9,768	206,800

12. PREPAID EXPENSES

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Commission fee related to inventory properties not yet handed over	1,509,431	834,413
Provisional corporate income tax	357,764	154,122
Guarantee fee prepaid related to inventory properties not yet handed over	97,788	-
Others	124,262	16,786
TOTAL	2,089,245	1,005,321
Long-term		
Prepaid land rental (i)	2,422,489	365,250
Tools and supplies	28,996	27,451
Prepaid villas rental	30,446	44,504
Repair and leasehold improvement	18,222	66,842
Others	11,553	4,536
TOTAL	2,511,706	508,583

- (i) These are prepaid land rental fee of Vinhomes Ocean Park Project and Vinhomes Smart City Project, and land rental rights for Ecology JSC's shopping malls operating under Business Co-operation Contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

13. OTHER ASSETS

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Deposits for investment purpose (i)	15,292,913	5,014,141
Electrical equipment systems	-	229,987
TOTAL	15,292,913	5,244,128
<i>In which:</i>		
Deposits to others	6,643,513	974,871
Deposits to related parties (Note 34)	8,649,400	4,269,257
Long-term		
Deposits for investment purpose (ii)	8,439,145	511,418
Deposits for commercial purpose (iii)	1,032,336	1,032,336
TOTAL	9,471,481	1,543,754
<i>In which:</i>		
Deposits to others	1,032,336	1,032,336
Deposits to related parties (Note 34)	8,439,145	511,418

(i) Mainly comprises:

- Deposits of VND3,063 billion to a company within the Group for acquiring additional shares of its subsidiaries that own potential real estate projects. In which, a portion of these deposits with total amount of VND1,940 billion is secured by several shares and related rights, benefit of these shares;
- A deposit of VND1,985 billion to a company within the Group for the purpose of acquiring a real estate project;
- Deposits of VND741 billion to a company within the Group for the purpose of investing in a number of real estate projects;
- A deposit of VND2,790 billion to an affiliate for the purpose of investing and constructing a project. This deposit is secured by capital contribution of this affiliate;
- Deposits of VND3,400 billion to counterparties for the purpose of acquiring shares of a company that owns a real estate project. These deposits are secured by a number of shares in this company; and
- A deposit of VND2,750 billion to a counterparty for the purpose of acquiring shares of a company that owns a potential project. This deposit is interest-free and secured by a number of shares of a non-listed company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

13. OTHER ASSETS (continued)

- (ii) Comprises deposits to a company within the Group for the purpose of acquiring a real estate project and shares of companies that own potential real estate projects; and
- (iii) An unsecured deposit to a counterparty earning interest rate which is determined by 12-month interest paid-in-arrear VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, adjusted every 3 months. The deposit and interest will be used as settlement for 10% of contract value under separate contracts between the Company and its subsidiaries and this counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

14. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Currency: million VND						
Cost:						
Beginning balance	9,768	20,492	76,872	3,897	8,554	119,583
Newly purchased	92	12,862	803	6,157	536	20,450
Newly constructed	344,297	160,922	-	-	-	505,219
Acquisition of subsidiaries	28,670	45	-	665	-	29,380
Transfer from inventories	4,904	-	-	-	-	4,904
Sold, disposed	-	(218)	-	(906)	(101)	(1,225)
Ending balance	387,731	194,103	77,675	9,813	8,989	678,311
Fully depreciated	-	15,256	2,749	1,665	246	19,916
Accumulated depreciation:						
Beginning balance	-	6,068	8,278	800	4,002	19,148
Depreciation for the year	11,974	2,351	9,920	3,037	2,136	29,418
Acquisition of subsidiaries	4,753	24	-	590	-	5,367
Sold, disposed	-	(139)	-	(186)	(35)	(360)
Ending balance	16,727	8,304	18,198	4,241	6,103	53,573
Net carrying amount:						
Beginning balance	9,768	14,424	68,594	3,097	4,552	100,435
Ending balance	371,004	185,799	59,477	5,572	2,886	624,738

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

15. INVESTMENT PROPERTIES

	Currency: million VND	
	Land use rights, Buildings and structures	Machinery and equipment Total
Cost:		
Beginning balance	5,342,589	5,994,452
Newly purchased	677,136	677,136
Newly constructed	599,504	181,389
Other additions	19,849	1,272
Transfer to inventories	(31,896)	-
Sold, disposed (i)	(360,251)	(360,251)
Other decreases	(45,292)	(76,627)
Ending balance (ii)	6,201,639	757,897
Accumulated depreciation:		
Beginning balance	109,913	55,634
Depreciation for the year	132,958	38,371
Transfer to inventories	(216)	-
Sold, disposed	(3,754)	-
Ending balance (ii)	238,901	94,005
Net carrying amount:		
Beginning balance	5,232,676	5,938,818
Ending balance (ii)	5,962,738	661,892

(i) Investment properties sold and disposed during the year mainly include villas for lease of a real estate project in Hanoi.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

15. INVESTMENT PROPERTIES (continued)

(ii) As at 31 December 2019, investment properties mainly include: office-for-lease component in Vinhomes Times City Project; office component of Vincom Center Dong Khoi at No. 72, Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City; office component of Vinhomes Symphony Project; parking component in Vinhomes Times City, Vinhomes Central Park, Vinhomes Green Bay, Vinhomes Golden River, Vinhomes Royal City, Vinhomes Metropolis Projects, Landmark 81 SkyView; and apartments, villas, shophouses for lease in other projects.

The Company and its subsidiaries have not determined fair value of investment properties as at 31 December 2019 because of insufficient market information for fair value determination purpose.

16. CAPITALISED BORROWING COSTS

During the year, the Company and its subsidiaries capitalised borrowing costs with an amount of approximately VND700.7 billion (for the year ended 31 December 2018: VND459 billion). These borrowing costs mainly related to specific borrowings taken to finance the construction of Vinhomes Central Park, Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park Projects. The capitalised borrowing costs are determined by applying a capitalisation rate from 8.12% per annum to 10.4% per annum (for the year ended 31 December 2018: 7% per annum to 10.03% per annum).

17. CONSTRUCTION IN PROGRESS

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Vinhomes Long Beach Can Gio Project	12,453,085	12,403,704
Vinhomes Grand Park Project	4,183,547	-
Hoc Mon Urban Project	4,092,295	-
Leman Golf Course & Villa Cu Chi Project	1,688,815	1,657,779
Vinhomes Smart City Project	1,466,565	356,058
Vinhomes Ky Hoa Project	1,141,329	1,133,149
Vinhomes Ocean Park Project	1,130,702	416,685
Vinhomes Golden River Project	839,811	642,158
Other Projects	1,216,378	1,753,501
TOTAL	28,212,527	18,363,034

The balance represents construction costs, land clearance costs, land use fee, project development costs and consideration for acquisition of subsidiaries allocated as a part of project acquisition costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

18. LONG-TERM INVESTMENTS

	Currency: million VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Investments in other entities (Note 18.1)	558,632	-	378,632	-
Held-to-maturity investments (i)	214,680	-	99,680	-
TOTAL	773,312	-	478,312	-

(i) As at 31 December 2019, the balances represent four investments in bonds, details are as follows:

Issuer	Ending balance (million VND)	Maturity date	Interest rate
Joint Stock Commercial Bank for Investment and Development of Vietnam	100,000	28 November 2025	Interest rate is equal to the reference interest rate plus 1.3% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual, reference from 4 banks (Joint Stock Commercial Bank for Investment and Development of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, Joint Stock Commercial Bank for Foreign Trade of Vietnam and Vietnam Bank for Agriculture and Rural Development)
Joint Stock Commercial Bank for Foreign Trade of Vietnam	50,000	25 November 2026	Interest rate for the first period is 7.57% per annum; the interest rate from the following years is equal to the 12-month interest paid-in-arrear VND saving rate for individual plus 1% per annum.
Joint Stock Commercial Bank for Investment and Development of Vietnam	49,680	19 December 2028	Interest rate is equal to the reference interest rate plus 1% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual.
Vietnam Joint Stock Commercial Bank for Industry and Trade	15,000	29 October 2026	Interest rate is equal to the reference interest rate plus 1% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual, reference from 4 banks (Joint Stock Commercial Bank for Investment and Development of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, Joint Stock Commercial Bank for Foreign Trade of Vietnam and Vietnam Bank for Agriculture and Rural Development)
TOTAL	214,680		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in other entities

	Ending balance			Beginning balance				
	Number of shares	Voting right (%)	Equity interest (%)	Amount (*) (million VND)	Number of shares	Voting right (%)	Equity interest (%)	Amount (million VND)
SV Real Estate JSC (i)	11,000,000	4%	4%	110,000	-	-	-	-
SV West Hanoi JSC (ii)	7,000,000	4%	4%	70,000	-	-	-	-
Xavinco Land JSC ("Xavinco JSC")	2,000,000	1%	1%	22,223	2,000,000	1%	1%	22,223
Thang Long Real Estate Trading Investment JSC ("Thang Long Real Estate JSC")	500,000	10%	10%	13,500	500,000	10%	10%	13,500
Phat Loc Commercial Investment Trading LLC ("Phat Loc LLC") (iii)	(**)	-	51%	342,909	(**)	-	51%	342,909
TOTAL				558,632				378,632

(*) As at 31 December 2019, the fair value of these investments has not been determined because of insufficient market information for fair value determination purpose.

(**) This is a limited liability company.

(i) On 1 November 2019, the Company completed the capital contribution of VND110 billion to SV Real Estate JSC. Thereby, SV Real Estate JSC became other long-term investment of the Company.

(ii) On 13 November 2019, the Company completed the capital contribution of VND70 billion in SV West Hanoi JSC. Thereby, SV West Hanoi JSC became other long-term investment of the Company.

(iii) As at 31 December 2019, the Company no longer controls or has significant influence over Phat Loc LLC. Therefore, the Company presents this investment as other long-term investment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

19. GOODWILL

Currency: million VND

	Goodwill arising from acquisition of Ecology JSC	Goodwill arising from acquisition of Vietnam Investment JSC	Goodwill arising from acquisition of Gla Lam LLC	Goodwill arising from acquisition of Management JSC (*)	Goodwill arising from acquisition of Tan Lien Phat JSC (*)	Goodwill arising from acquisition of Millennium LLC	Total
Cost:							
Beginning balance	369,867	288,149	1,235	115,728	337,767	153,044	1,265,790
Ending balance	369,867	288,149	1,235	115,728	337,767	153,044	1,265,790
Accumulated amortisation:							
Beginning balance	75,443	58,814	252	10,608	30,962	8,928	185,007
Amortisation for the year	37,037	28,815	123	11,554	33,723	15,350	126,602
Ending balance	112,480	87,629	375	22,162	64,685	24,278	311,609
Net carrying amount:							
Beginning balance	294,424	229,335	983	105,120	306,805	144,116	1,080,783
Ending balance	257,387	200,520	860	93,566	273,082	128,766	954,181

(*) These companies were merged into the Company in 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

20. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

20.1 Short-term trade payables

		Currency: million VND	
		<i>Balance (Payable amount)</i>	
		<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables		5,530,445	2,192,065
<i>In which:</i>			
- A corporate counterparty rendering construction service		652,470	440,897
- Others		4,877,975	1,751,168
Trade payables to related parties (Note 34)		547,879	312,069
TOTAL		6,078,324	2,504,134

20.2 Advances from customers

		Currency: million VND	
		<i>Ending balance</i>	<i>Beginning balance</i>
Down payments from customers under sales and purchase agreements (i)		39,843,431	13,718,960
Advances from customers for construction services		402,268	487,663
TOTAL		40,245,699	14,206,623
<i>In which:</i>			
Advances from others		40,203,079	13,992,195
Advances from related parties (Note 34)		42,620	214,428

- (i) These mainly represent down payments to purchase inventory properties at Vinhomes Ocean Park, Vinhomes Grand Park, Vinhomes Smart City, Vinhomes Marina, Vinhomes West Point and Vinhomes Metropolis Projects from customers who signed sales and purchase agreements with the Company and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

21. STATUTORY OBLIGATIONS

<i>Currency: million VND</i>				
	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
Payables				
Corporate income tax	2,121,043	5,854,204	(6,048,590)	1,926,657
Value added tax	412,631	1,857,228	(2,155,306)	114,553
Other taxes	10,189	7,936,822	(7,892,925)	54,086
TOTAL	2,543,863	15,648,254	(16,096,821)	2,095,296
	<i>Beginning balance</i>	<i>Receivable for the year</i>	<i>Offset during the year</i>	<i>Ending balance</i>
Receivables				
Value added tax	119,251	614,333	(60,355)	673,229
Corporate income tax	94,261	53,865	(106,430)	41,696
Other taxes	233	4	-	237
TOTAL	213,745	668,202	(166,785)	715,162

22. ACCRUED EXPENSES

<i>Currency: million VND</i>		
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Accrued costs for completed investment properties and handed over inventory properties	3,489,249	2,294,541
Accrued construction costs	1,604,205	1,413,051
Accrued commission fees and other expenses related to inventory properties	1,031,847	1,385,362
Accrued bond and loan interest expenses	655,274	833,817
Others	1,059,336	156,964
TOTAL	7,839,911	6,083,735
<i>In which:</i>		
Short-term accrual to others	7,820,481	5,732,349
Short-term accrual to related parties (Note 34)	19,430	351,386
Long-term		
Accrued loan interest expenses	588,885	520,943
TOTAL	588,885	520,943
<i>In which:</i>		
Long-term accrual to others	370,071	102,099
Long-term accrual to related parties (Note 34)	218,814	418,844

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

23. UNEARNED REVENUE

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Unearned revenue from real estate management service	439,862	423,489
Unearned revenue from leasing service	25,834	34,626
TOTAL	465,696	458,115
Long-term		
Unearned revenue from real estate management service	1,286,692	1,460,577
Unearned revenue from leasing service	247,858	257,809
TOTAL	1,534,550	1,718,386

24. OTHER PAYABLES

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Deposits and other agreements related to real estate projects (i)	36,356,311	4,786,478
Deposits for disposal of investments (ii)	6,719,985	-
Apartment maintenance funds held on behalf of customers (iii)	1,208,885	1,549,065
Deposits under Business and Investment Co-operation Contracts (iv)	904,000	2,562,807
Deposits from brokerage agents and tenants	219,413	322,153
Receipt on behalf payables	104,690	567,393
Others	1,156,290	884,994
TOTAL	46,669,574	10,672,890
<i>In which:</i>		
Other short-term payables to others	45,169,429	8,121,647
Other short-term payables to related parties (Note 34)	1,500,145	2,551,243
Long-term		
Other long-term deposits	86,651	99,024
Others	3,725	15,004
TOTAL	90,376	114,028

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

24. OTHER PAYABLES (continued)

- (i) Balance as at 31 December 2019 includes cash receipts under deposits and other agreements from customers and corporate counterparties related to real estate properties of the Company and its subsidiaries.
- (ii) This represents amounts received from corporate counterparties for share transfer in certain companies.
- (iii) These pertain to maintenance fund held on behalf of customers of real estate projects of the Company and its subsidiaries, which will be handed over to Building Management Boards. The Company and its subsidiaries are maintaining these funds in cash equivalents and held-to-maturity investments.
- (iv) These pertain to deposits from a number of affiliates to the Company and its subsidiaries pursuant to Business and Investment Co-operation Contracts for purpose of operating and transferring co-operation of shopping mall and school components of Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Central Park, Vinhomes Grand Park and Vinhomes Long Beach Can Gio Projects. The deposits related to the shopping mall components are bearing interest at 10% per annum.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS

	Beginning balance		Movement during the year		Ending balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Short-term						
Loans from banks (Note 25.1)	22,433	22,433	4,235,219	(362,837)	3,894,815	3,894,815
Loans from counterparties (Note 25.2)	1,960,000	1,960,000	950,000	(950,000)	1,960,000	1,960,000
Current portion of long-term corporate bonds (Note 25.3)	3,037,874	3,037,874	12,407,855	(3,138,190)	12,307,539	12,307,539
Loans from related parties (Note 34)	1,382,606	1,382,606	1,087,500	(2,470,106)	-	-
	6,402,913	6,402,913	18,680,574	(6,921,133)	18,162,354	18,162,354
Long-term						
Loans from banks (Note 25.1)	1,421,098	1,421,098	-	(50,000)	1,371,098	1,371,098
Loans from counterparties (Note 25.2)	3,200,000	3,200,000	1,950,000	(1,760,000)	3,390,000	3,390,000
Corporate bonds (Note 25.3)	14,386,625	14,386,625	736,032	(12,345,730)	2,776,927	2,776,927
Loans from related parties (Note 34)	6,498,000	6,498,000	439,000	(6,132,000)	805,000	805,000
	25,505,723	25,505,723	3,125,032	(20,287,730)	8,343,025	8,343,025
TOTAL	31,908,636	31,908,636	21,805,606	(27,208,863)	26,505,379	26,505,379

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS (continued)

25.1 Loans from banks

(i) Detail of short-term loans from bank is presented as below:

<i>Lender</i>	<i>Ending balance (million VND)</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Collateral</i>
Vietnam Technological and Commercial Joint Stock Bank	3,700,000	From July 2020 to August 2020	Interest rate for the first period is 10.35% per annum. Interest rate for the following periods is calculated every 3 months on the 19 th as short-term base interest rate for large corporates/LIBOR plus 2.95% per annum but no lower than the minimum interest rate prescribed by Techcombank for each period, each type of customer corresponding to the time of interest rate adjustment. Interest is paid on a monthly basis.	Project development right, receivables, bank balance related to a Project of a subsidiary located in Ho Chi Minh city and shares in a subsidiary held by the Company, another subsidiary and an affiliate.
Military Commercial Joint Stock Bank	178,181	Principal amount is payable in full in April 2020	12-month VND saving rate for individual plus 0.7% per annum.	None
Vietnam Prosperity Joint Stock Commercial Bank ("VPBank")	16,634	Principal amount is payable in full in May 2020	9.3% per annum.	Shares of the Company and affiliates (*).
TOTAL	3,894,815			

(*) This loan is an integral part of a credit line contract signed between Vingroup JSC and VPBank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS (continued)

25.1 Loans from banks (continued)

(ii) Detail of long-term loans from bank is presented as below :

<i>Lender</i>	<i>Ending balance (million VND)</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Collateral</i>
Vietnam Technological and Commercial Joint Stock Bank	1,371,098	Principal amount is payable in full in January 2021.	Interest rate for the first period is 10% per annum. Interest rate for the following periods is calculated as the average of 12-month interest paid-in-arrear VND saving rate for individual from 4 state- owned banks: Vietcombank, Vietinbank, BIDV and Agribank, plus 3.33% per annum. Interest is payable in each three- month period.	Capital contribution amount of a subsidiary in another subsidiary.

TOTAL

1,371,098

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS (continued)

25.2 Loans from counterparties

Loans from counterparties comprises:

- ▶ Short-term loans from three (03) counterparties with the principal of VND1,960 billion, bearing the interest rate at 9% per annum with maturity date from September 2020 to October 2020. These loans are unsecured; and
- ▶ Long-term loans from three (03) counterparties with total principal of VND3,390 billion, bearing the interest rate at 9% per annum with maturity date in July 2021. These loans are unsecured.

25.3 Corporate bonds

	Ending balance	Beginning balance
Long-term corporate bonds	15,084,466	17,424,499
<i>In which: Current portion of long-term corporate bonds</i>	<i>(12,307,539)</i>	<i>(3,037,874)</i>
TOTAL	2,776,927	14,386,625

Currency: million VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS (continued)

25.3 Corporate bonds (continued)

Underwriter	Ending balance	Maturity date	Interest rate	Currency: million VND	Collateral
Techcom Securities Joint Stock Company	5,468,373	October 2020	Interest rate for the first and second periods is 9.2% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 3.25% per annum. Interest is payable every 6 months.	(i)	
	1,979,167	August 2021	Interest rate for the first and second periods is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 4.25% per annum. Interest is payable every 6 months.	None	
	4,963,969	September 2020	Interest rate for the first and second periods is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 4% per annum. Interest is payable every 6 months.	None	
	1,875,197	December 2020	Interest rate for the first period is 9.73% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 2.9% per annum. Interest is payable every 3 months.	(ii)	
KB Securities Vietnam Joint Stock Company	797,760	November 2021	Interest rate for the first and second periods is 10.2% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate from Vietnam Prosperity Joint-Stock Commercial Bank in this period plus 3.3% per annum. Interest is payable every 6 months.	(iii)	

TOTAL **15,084,466**

In which:

Long-term corporate bonds

2,776,927

Current portion of corporate bonds

(12,307,539)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS (continued)

25.3 Corporate bonds (continued)

- (i) Collateral of this bond includes a cultural park and eco-tourism project located in Central Vietnam.
- (ii) Collateral of this bond includes a Project of a subsidiary located in Northern Vietnam.
- (iii) Collateral of this bond includes the asset right arising from the Build-Transfer contract of overhead road project along the Ring Road 2; a part of assets and asset right of an urban functional area Project located in Northern Vietnam and a number of listed shares of a company within the Group.

26. LONG-TERM PROVISIONS

This represents provision for warranty costs for inventory properties at Vinhomes Times City, Vinhomes Royal City, Vinhomes Golden River, Vinhomes Central Park, Vinhomes Green Bay, Vinhomes Metropolis, Vinhomes Marina and Vinhomes New Center Projects in accordance with the warranty clause in sales and purchase agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

27. OWNERS' EQUITY

27.1 Increase and decrease in owners' equity

Currency: million VND

	Attributable to shareholders of the parent					Non-controlling interests	Total
	Issued share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Undistributed earnings		
Previous year							
Beginning balance	2,000,000	-	-	(99,118)	5,003,298	3,219,605	10,123,785
- Additional shares issued	12,000,000	-	-	-	-	-	12,000,000
- Stock dividends	10,699,024	-	-	-	(10,699,024)	-	-
- Shares issued under merger contracts	10,365,000	295,000	-	2,116,151	-	174,868	12,951,019
- Acquisition of new subsidiaries	-	-	-	(249,697)	-	2,543,421	2,293,724
- Net profit for the year	-	-	-	-	14,284,453	491,866	14,776,319
- Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	475	(1,452,653)	(1,452,178)
- Partial disposal of equity interest in existing subsidiaries without loss of control	-	-	-	-	(62,243)	62,243	-
- Disposal of subsidiaries	-	-	-	48,933	-	(82,566)	(33,633)
- Cash dividends declared	-	-	-	-	(900,000)	(45,277)	(945,277)
- Demerger	(1,568,885)	-	-	-	-	-	(1,568,885)
Ending balance	33,495,139	295,000	-	1,816,269	7,626,959	4,911,507	48,144,874
Current year							
Beginning balance	33,495,139	295,000	-	1,816,269	7,626,959	4,911,507	48,144,874
- Acquisition of new subsidiaries	-	-	-	-	-	1,719,352	1,719,352
- Net profit for the year	-	-	-	-	21,747,376	2,571,724	24,319,100
- Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	56,192	(56,192)	-
- Partial disposal of equity interest in existing subsidiaries without loss of control	-	-	-	-	(41,335)	41,335	-
- Disposal of subsidiaries	-	-	-	-	-	(76,094)	(76,094)
- Cash dividends declared (i)	-	-	-	-	(3,349,514)	(492,746)	(3,842,260)
- Reacquisition of treasury shares (ii)	-	-	(5,549,929)	-	-	-	(5,549,929)
Ending balance	33,495,139	295,000	(5,549,929)	1,816,269	26,039,678	8,618,886	64,715,043

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

27. OWNERS' EQUITY (continued)

27.1 Increase and decrease in owners' equity (continued)

- (i) Pursuant to the Resolution No. 01/2019/NQ-DHDCD-VH dated 27 May 2019, the General Meeting of Shareholders of the Company approved the plan on using profit after tax of 2018. Accordingly, the Company will pay cash dividends with ratio of 10% per share (which is equivalent to VND1,000 per share). On 30 July 2019, the Chairwoman approved the Decision No. 03/2019/QD-CTHDQT-VH on declaration of cash dividends to the existing shareholders with aggregate amount of approximately VND3,350 billion from accumulated retained earnings up to 31 December 2018.
- (ii) Pursuant to the Resolution No. 20/2019/NQ-HDQT-VH dated 30 October 2019, Board of Directors approved the share buyback to keep as treasury stocks. Accordingly, maximum number of shares to be bought back is 60,000,000 shares, equivalent to 1.79% of charter capital. On 12 December 2019, the Company completed the share buyback of 60,000,000 shares with the average transaction price of VND92,425 per share.

27.2 Capital transactions with owners' equity

	Currency: million VND	
	Current year	Previous year
Contributed share capital from owners		
Beginning balance	33,495,139	2,000,000
Additional shares issued	-	12,000,000
Stock dividends	-	10,699,024
Shares issued under merger contracts	-	10,365,000
Demerger	-	(1,568,885)
Ending balance	<u>33,495,139</u>	<u>33,495,139</u>

27.3 Ordinary shares and preference shares

	Unit: Shares	
	Ending balance	Beginning balance
Authorised shares	3,349,513,918	3,349,513,918
Issued shares	3,349,513,918	3,349,513,918
Ordinary shares	3,349,513,918	3,349,513,918
Preference shares	-	-
Treasury shares	60,000,000	-
Ordinary shares	60,000,000	-
Preference shares	-	-
Shares in circulation	3,289,513,918	3,349,513,918
Ordinary shares	3,289,513,918	3,349,513,918
Preference shares	-	-

The par value of outstanding shares: VND10,000 per share (as at 31 December 2018: VND10,000 per share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

27. OWNERS' EQUITY (continued)

27.4 Dividends

	Currency: million VND	
	Current year	Previous year
Dividends declared and paid during the year		
<i>Dividends on ordinary shares</i>		
Cash dividends for 2019: VND1,000 per share (2018: VND4,500 per share)	3,349,514	900,000
Stock dividends for 2019: 0 shares (2018: 2,000 shares per 1,000 existing shares)	-	4,000,000
Stock dividends for 2019: 0 shares (2018: 250 shares per 1,000 existing shares)	-	6,699,024
Dividends declared after the date of reporting period and not yet recognised as liability as at 31 December	-	-

28. REVENUE

28.1 Revenue from sale of goods and rendering of services

	Currency: million VND	
	Current year	Previous year
Gross revenue	51,626,931	38,664,328
<i>In which:</i>		
Revenue from sales of inventory properties	48,161,594	35,769,365
Revenue from rendering real estate management and related services	1,483,024	960,729
Revenue from leasing activities and rendering related services	1,113,647	816,437
Revenue from rendering general contractor, construction consultancy and supervision services	708,450	985,691
Others	160,216	132,106
Deductions	-	-
Net revenue	51,626,931	38,664,328
<i>In which:</i>		
Revenue from others	50,944,507	37,635,952
Revenue from related parties	682,424	1,028,376

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

28. REVENUE (continued)

28.2 Finance Income

Currency: million VND

	Current year	Previous year
Income from Business and Investment Co-operation Contracts (i)	5,174,641	9,513,096
Gains from disposal of investments (ii)	1,492,806	3,508,042
Interest income from deposits and loans	2,376,941	1,541,300
Other finance income	1,399	2,609
TOTAL	9,045,787	14,565,047

(i) Income from Business and Investment Co-operation Contracts with Vingroup JSC and an affiliate for the development purpose of Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Dragon Bay, Vinhomes Star City Thanh Hoa and Vinhomes Skylake Projects.

(ii) Gain from the transfer of shares in Prime Land JSC (Note 4.1).

28.3 Revenue and expenses relating to investment properties

Currency: million VND

	Current year	Previous year
Rental income from investment properties	893,535	637,694
Direct operating expenses of investment properties that generated rental income during the year	(306,923)	(282,609)

29. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: million VND

	Current year	Previous year
Cost of inventory properties sold	21,499,616	26,242,671
Cost of rendering real estate management and related services	1,481,356	954,904
Cost of rendering general contractor, construction consultancy and supervision services	584,043	751,119
Cost of leasing activities and other related costs	510,756	572,447
Others	95,552	82,117
TOTAL	24,171,323	28,603,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

30. FINANCE EXPENSES

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loan interest and bond issuance costs	2,377,698	2,382,622
Loss from disposals of investments	-	68,281
Foreign exchange losses	-	1,195
Other finance expenses	171,129	4,856
TOTAL	2,548,827	2,456,954

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses		
Consultancy and commission fees for handed over inventory properties	1,053,679	1,060,365
Advertising and marketing expenses	801,329	73,935
Labour costs	135,745	93,673
Rental expenses of retail outlets	76,447	63,565
Others	13,473	89,567
	2,080,673	1,381,105
General and administrative expenses		
Expenses for external services	761,329	588,428
Donation	592,545	157,890
Labour costs	244,610	130,099
Depreciation and amortisation	147,800	124,920
Others	410,137	61,489
	2,156,421	1,062,826
TOTAL	4,237,094	2,443,931

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. PRODUCTION AND OPERATING COSTS

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of developing inventory properties	45,139,282	24,831,551
Expenses for external services	4,850,331	3,685,141
Labour costs	1,245,474	791,207
Depreciation and amortisation	351,846	261,532
Others	984,151	199,793
TOTAL	52,571,084	29,769,224

33. CORPORATE INCOME TAX

The current corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 20% of taxable profits (previous year: 20%).

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.

33.1 CIT expense

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	5,766,161	4,630,061
Deferred tax (income)/expense	(339,567)	312,354
TOTAL	5,426,594	4,942,415

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. CORPORATE INCOME TAX (continued)

33.1 CIT expense (continued)

Reconciliation between CIT expenses and the accounting profit multiplied by applicable CIT rate is presented below:

	Currency: million VND	
	Current year	Previous year
Accounting profit before tax	29,745,694	19,718,734
At CIT rate of 20% applicable to the Company	5,949,139	3,943,747
Losses of subsidiaries	2,238	88,010
Impacts from acquisition, disposal and legal merge transactions in the consolidated financial statements	(139,815)	(179,772)
Differences of cost of goods sold between the individual financial statements and the consolidated financial statements	(45,829)	415,692
Differences arising from revaluation of net asset of subsidiaries as at acquisition date	-	601,756
Difference from recording outright sale transaction	-	32,166
CIT adjustments of subsidiaries	-	26,366
Tax losses carried forward	(265,190)	(118,667)
Shared profit from associates	-	(38)
Goodwill amortisation in the consolidated financial statements	25,320	23,424
Dividend income and shared profit under Business and Investment Co-operation Contracts	(657,047)	(3)
Non-deductible expenses	547,462	100,374
Losses ineligible for offsetting against taxable income	-	14,138
Others	10,316	(4,778)
CIT expenses	5,426,594	4,942,415

33.2 Current CIT expense

The current CIT payable is based on taxable income for the current year. The taxable income of the Company and its subsidiaries 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 Company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. CORPORATE INCOME TAX (continued)

33.3 Deferred tax

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiaries, and the movement thereon, during the current and previous years:

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Provision for obsolete inventories	1,622	83,607	(81,985)	83,607
Accrued expense and deferred revenue	35,334	71,566	(36,232)	63,626
Selling expenses for real estate projects	169,727	10,947	155,580	3,184
Differences from recording outright sale transaction	-	-	-	(24,041)
Differences arising from revaluation of net asset of subsidiaries at acquisition date	70,650	75,366	(4,716)	(24,837)
Differences arising from revaluation of net asset of subsidiaries under legal merge transaction	77	99,378	(99,301)	99,378
Differences arising from unrealised profit	44,614	-	44,614	-
Differences from temporarily non-deductible expenses	8,770	-	8,770	-
	330,794	340,864		
Deferred tax liabilities				
Differences arising from revaluation of net asset of subsidiaries at acquisition date	(270,303)	(623,140)	352,837	(513,271)
	(270,303)	(623,140)		
Net deferred tax assets/(liabilities)	60,491	(282,276)		
Net deferred tax credit/(charge) to consolidated income statement			339,567	(312,354)

Currency: million VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. CORPORATE INCOME TAX (continued)

Tax losses carried forward

The Company and its subsidiaries are entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company and its subsidiaries have aggregated accumulated tax losses of VND62.8 billion (31 December 2018: VND1,337.8 billion) available for offset against future taxable income.

No deferred tax assets have been recognised in respect of these accumulated tax losses because future taxable income cannot be ascertained at this stage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH REPATED PARTIES

34.1 Significant transactions with related parties

Significant transactions with related parties during this year and previous year were as follows:

			Currency: million VND	
Related parties	Relationship	Transactions	Current year	Previous year
Vingroup JSC	Parent company	Deposit under project development agreements, project transfer agreements and share transfer agreements	22,790,474	15,760,946
		Collection of deposit under project development agreements, project transfer agreements and share transfer agreements	(13,272,604)	-
		Collection of contribution for Business and Investment Co-operation Contracts	(7,825,000)	-
		Contribution for Business and Investment Co-operation Contract	280,000	-
		Receivables from collection on behalf of down payments from customers under sales and purchase agreements	6,038,847	-
		Receipt of collection on behalf of down payments from customers under sales and purchase agreements	(5,950,000)	-
		Receivables from shared profit from Business and Investment Co-operation Contracts	3,014,466	6,626,813
		Collection of shared profit from Business and Investment Co-operation Contracts	(3,302,430)	(5,331,992)
		Project transfer payables	(3,147,470)	-
		Project transfer paid	918,020	-
		Net off deposit under share transfer agreements with project transfer payables	2,229,450	-
		Management services payables	(675,356)	(194,578)
		Management services paid	389,797	159,844
		Repayment of borrowings	54,606	25,458,929
		Borrowings	-	(23,860,000)
		Payables for collection on behalf related to sale of properties	(38,654)	(623,738)
		Repayment for collection on behalf related to sale of properties	5,321	1,800,760
		Receivables from cash centralised account	15,779	65,940,871
		Receipt from cash centralised account	(15,786)	(66,017,770)
		Dividend payables	(2,333,164)	(11,545,124)
		Dividend paid in cash	2,333,164	890,100
		Dividend paid in shares	-	10,655,024
		Receivables from share transfer	-	693,000
		Receipt from share transfer	-	(10,515,252)
		Receipt from share issuance	-	(9,500,000)
		Decrease in share capital due to demerger	-	1,568,885
		Payables for share transfer	-	(4,814,154)
		Payment for share transfer	-	4,814,154
		Lending	-	1,238,891
		Collection of lending	-	(1,238,891)
		Interest payables	(107)	(377,397)
		Payment for management fees and brand name Royalty fee	-	502,875

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 Significant transactions with related parties (continued)

Significant transactions with related parties during this year and previous year were as follows:
(continued)

Currency: million VND

Related parties	Relationship	Transactions	Current year	Previous year
Xavinco JSC	Affiliate	Repayment of borrowings	258,500	966,000
		Borrowings	-	(840,000)
Xalivico LLC	Affiliate	Borrowings	(184,000)	(840,000)
		Repayment of borrowings	8,500	966,000
		Interest payables	(32,612)	-
Central Park Development LLC ("Central Park LLC")	Affiliate	Receivables from shared profit from Business and Investment Co-operation Contracts	1,610,168	-
		Repayment of borrowings	1,435,000	1,775,000
		Borrowings	(290,000)	(1,050,000)
		Lending	800,000	-
		Collection of lending	(145,000)	-
		Capital contribution for Business and Investment Co-operation Contract	-	490,000
Vietnam Grand Prix LLC ("Grand Prix LLC")	Affiliate	Repayment of borrowings	808,000	-
		Borrowings	-	(940,000)
		Interest paid	31,007	-
		Interest payables	(6,374)	-
Vinschool One Member LLC ("Vinschool LLC")	Affiliate	Collection of disposal of assets	-	(914,441)
		Receivables from disposal of assets	-	914,441
		Repayment of borrowings	-	735,000
Vinmec International General Hospital JSC ("Vinmec JSC")	Affiliate	Receivables from share transfer	-	894,000
Vincommerce General Commercial Services JSC ("Vincommerce JSC")	Affiliate (until 30 December 2019)	Lending	1,000,000	14,550,000
		Collection of lending	(1,000,000)	(15,060,000)
		Borrowings	-	(3,560,000)
		Repayment of borrowings	-	3,560,000
		Payables for share transfer	-	(3,000,000)
		Payment for share transfer	-	3,000,000
		Payables for goods purchased	(121,391)	(2,102,622)
		Payment for goods purchased	108,548	2,519,664

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 Significant transactions with related parties (continued)

Significant transactions with related parties during this year and previous year were as follows:
(continued)

Currency: million VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Vinfast Trading and Production LLC ("Vinfast LLC")	Affiliate	Lending	19,250,000	-
		Collection of lending	(17,600,000)	-
		Repayment of borrowings	3,240,000	26,005,000
		Borrowings	-	(27,164,000)
		Interest receivables	165,186	-
		Interest received	(150,196)	-
		Interest paid	179,755	-
		Interest payables	(10,184)	(401,789)
Vinpearl JSC	Affiliate	Lending	9,127,900	-
		Collection of lending	(5,170,000)	-
		Deposit received for Business Co-operation contract	-	(2,199,807)
		Receivables from sale of inventory properties	2,276,986	-
		Repayment of borrowings	1,745,000	7,875,000
		Borrowings	-	(9,620,000)
Phu Quoc Tourism Development and Investment JSC ("Phu Quoc Tourism JSC")	Parent's associate	Refund of deposit for general contractor services	-	1,961,800
		Receipt of deposit for the general contractor services	-	(1,961,800)
Kind Heart Foundation	Under common owner	Payables for charitable purpose	(500,000)	(100,000)
		Payment for charitable purpose	100,000	-
		Receipt of advances amount for charitable purpose	-	(92,449)
Vincom Retail JSC	Affiliate	Deposit for Investment Co-operation Contract	(978,315)	(1,818,166)
		Receivables from sale of inventory properties	91,818	2,930,333
VinAcademy Education and Training LLC ("VinAcademy LLC")	Affiliate	Deposit for construction investment activities	2,790,000	-
Vinsmart Research and Manufacture JSC ("Vinsmart JSC")	Affiliate	Lending	2,255,000	-
Southern Star JSC	Affiliate (until 20 March 2019)	Repayment of borrowings	-	510,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 Significant transactions with related parties (continued)

Terms and conditions of transactions with related parties during the year are as follows

The Company and its subsidiaries have sold/purchased goods and rendering/purchased services to/from related parties based on negotiated market prices and contract terms.

The Company and its subsidiaries have entered into Business and Investment Co-operation Contracts with Vingroup JSC, parent company, and Central Park LLC, an affiliate, for the purpose of developing real estate projects. Accordingly, the Company and its subsidiaries will receive a portion of profit from these contracts.

Payables and receivables (except for some lending, borrowings and deposits for share transfer) as at 31 December 2019 are unsecured, free of interest and will be settled in cash. During the year ended 31 December 2019, the Company and its subsidiaries have 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows:

Currency: million VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Trade receivables (Note 7.1)				
Vincom Retail JSC	Affiliate	Receivables from sale of inventory properties	1,028,007	1,356,167
		Receivables from general contractor and supervision services	14,074	199,956
		Other receivables	11,993	9,257
Vinmec JSC	Affiliate	Receivables from share transfer	694,000	694,000
		Other receivables	7,552	2,644
Vingroup JSC	Parent company	Receivables from general contractor and supervision services	153,576	100,722
		Other receivables	-	9,956
VinAcademy LLC	Affiliate	Receivables from sale of inventory properties	76,000	-
		Other receivables	1,212	-
Vinpearl JSC	Affiliate	Receivables from sale of inventory properties	76,999	-
		Other receivables	40,560	-
Kind Heart Foundation	Under common owner	Receivables from general contractor services	33,902	33,902
Vinschool LLC	Affiliate	Receivables from shared revenue from educational activity and related services	12,597	9,362
Vincommerce JSC	Affiliate (until 30 December 2019)	Receivables from general contractor and supervision services	-	113,424
		Receivables from office leasing	-	6,127
Other affiliates		Other receivables	31,125	124,667
			2,181,597	2,660,184

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

			Currency: million VND	
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term advance to suppliers (Note 7.2)				
VinID JSC	Affiliate	Other advance to suppliers	6,804	-
Other affiliates		Other advance to suppliers	7,740	2,149
			14,544	2,149
Other short-term receivables (Note 9)				
Vingroup JSC	Parent company	Capital contribution for Business and Investment Co-operation Contract (*)	3,400,230	10,945,230
		Receivables from shared profit from Business and Investment Co-operation Contract	1,008,857	1,294,821
		Receivables from payment on behalf	100,972	11,743
Central Park LLC	Affiliate	Receivables from shared profit from Business and Investment Co-operation Contract	1,610,168	-
		Capital contribution for Business and Investment Co-operation Contract (*)	490,000	490,000
		Other receivables	18,714	250
VinAcademy LLC	Affiliate	Receivables from payment on behalf	41,781	-
Other affiliates		Other receivables	30,944	269,700
			6,699,666	13,011,744

(*) These capital contributions for Business and Investment Co-operation Contracts are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Other long-term receivables (Note 9)				
Vinsmart JSC	Affiliate	Interest receivables	18,221	-
Vinpearl JSC	Affiliate	Interest receivables	13,529	-
Vincom Retail JSC	Affiliate	Receivables from leasing	127,886	120,577
Other affiliates		Other receivables	5,934	-
			165,570	120,577
Other current assets (Note 13) (*)				
Vingroup JSC	Parent company	Deposit for share transfer and investment purpose	5,789,142	4,198,999
VinAcademy LLC	Affiliate	Deposit for construction investment purpose	2,790,000	-
Sai Dong JSC	Affiliate	Deposit for share transfer and investment purpose	70,258	70,258
			8,649,400	4,269,257

(*) In which, deposits to Vingroup JSC and affiliates with total amount of VND3,919 billion are unsecured.

Other non-current assets (Note 13)

Vingroup JSC	Parent company	Deposit for share transfer and investment purpose (*)	8,439,145	511,418
			8,439,145	511,418

(*) These deposits are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables (Note 20.1)				
Vingroup JSC	Parent company	Management service payables	487,662	202,103
		Other trade payables	28,381	50,123
Vincom Retail JSC	Affiliate	Payables for goods purchased	13,242	-
Vincommerce JSC	Affiliate (until 30 December 2019)	Payables for goods purchased	-	5,552
Other affiliates		Other trade payables	18,594	54,291
			547,879	312,069
Short-term advances from customers (Note 20.2)				
Vinschool LLC	Affiliate	Advances for construction activities	34,725	-
Vingroup JSC	Parent company	Advances for goods purchased	-	41,268
Vincommerce JSC	Affiliate (until 30 December 2019)	Advances for goods purchased	-	93,109
Vincom Retail JSC	Affiliate	Advances for goods purchased	-	48,921
Kind Heart Foundation	Under common owner	Advances for construction activities	-	14,392
Other affiliates		Other advances from customers	7,895	16,738
			42,620	214,428

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term accrued expenses (Note 22)				
Vincom Retail JSC	Affiliate	Deposit interest payables	10,298	19,381
VinTech JSC	Affiliate	Sponsor fee payables	8,878	-
Vingroup JSC	Parent company	Interest payables	-	186,517
Central Park LLC	Affiliate	Interest payables	-	116,758
Grand Prix LLC	Affiliate	Interest payables	-	24,633
Other affiliates		Other accrued expenses	254	4,097
			19,430	351,386
Long-term accrued expenses (Note 22)				
Xavinco JSC	Affiliate	Interest payables	151,473	106,198
Xalivico LLC	Affiliate	Interest payables	67,341	34,728
Vinfast LLC	Affiliate	Interest payables	-	169,571
Vinpearl JSC	Affiliate	Interest payables	-	103,154
Other affiliates		Other accrued expenses	-	5,193
			218,814	418,844

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

Currency: million VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Other short-term payables (Note 24)				
Vincom Retail JSC	Affiliate	Deposit received for Investment Co-operation Contract	704,000	-
		Other payables	14,391	23,377
Kind Heart Foundation	Under common owner	Payables for charitable purpose	500,000	100,000
Vinschool LLC	Affiliate	Deposit received for Business Co-operation Contract	200,000	200,000
		Other payables	72,497	-
Vinpearl JSC	Affiliate	Deposit received for Business Co-operation Contract	-	2,199,807
		Other payables	2,194	1,718
Other affiliates		Other payables	7,063	26,341
			1,500,145	2,551,243

34.3 Details of lending to related parties (Note 8)

Details of short-term lending as at 31 December 2019:

Related parties	Relationship	Amount million VND	Interest rate % per annum	Maturity date	Collateral
Central Park LLC	Affiliate	655,000	9%	December 2020	(i)
		655,000			

(i) This lending is secured by shares of an affiliate held by this borrower.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.3 Details of lending to related parties (Note 8) (continued)

Details of long-term lending as at 31 December 2019:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vinpearl JSC	Affiliate	3,957,900	9%	February 2021	(i)
Vinsmart JSC	Affiliate	2,255,000	9%	February 2021	(ii)
Vinfast Producing and Trading LLC	Affiliate	1,650,000	9%	February 2021	(iii)
		<u>7,862,900</u>			

(i) The lending is secured by shares of a listed company within the Group held by this borrower and shares of this borrower held by shareholders.

(ii) The lending is secured by entire buildings and structures, machinery and equipment of this borrower.

(iii) The lending is secured by capital contribution of Vingroup JSC in this borrower.

The balance of lending to related parties as at 31 December 2018 is nil.

34.4 Details of borrowings from related parties (Note 25)

Details of long-term borrowings as at 31 December 2019:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Xalivico LLC	Affiliate	422,500	9%	July 2021	(i)
Xavinco JSC	Affiliate	382,500	9%	July 2021	(i)
		<u>805,000</u>			

(i) These loans are secured by shares of the Company in a subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.4 Details of borrowings from related parties (Note 25) (continued)

Details of short-term borrowings as at 31 December 2018:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Grand Prix LLC	Affiliate	808,000	9%	September 2019	None
Central Park LLC	Affiliate	520,000	9%	From January 2019 to September 2019	(ii)
Vingroup JSC	Parent company	54,606	9%	December 2019	(ii)
		<u>1,382,606</u>			

Details of long-term borrowings as at 31 December 2018:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vinfast LLC	Affiliate	3,240,000	9%	February 2020	(ii)
Vinpearl JSC	Affiliate	1,745,000	9%	February 2020	(ii)
Xavinco JSC	Affiliate	641,000	9%	February 2020	(ii)
Central Park LLC	Affiliate	625,000	9%	From January 2020 to February 2020	(ii)
Xalivico LLC	Affiliate	247,000	9%	February 2020	(ii)
		<u>6,498,000</u>			

(ii) These loans are secured by listed and non-listed shares of some companies within the Group.

34.5 Other related party transactions

Remuneration to members of management and Board of Directors:

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries	<u>62,792</u>	<u>23,797</u>
TOTAL	<u>62,792</u>	<u>23,797</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

35. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Currency: VND	
	Current year	Previous year
Net profit after tax attributable to ordinary shareholders	21,747,376,096,636	14,284,453,166,652
Adjust for the effect of dilution	-	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	21,747,376,096,636	14,284,453,166,652
	Current year	Previous year
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,344,926,936	3,171,919,955
Adjust for the effect of dilution	-	-
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,344,926,936	3,171,919,955

	Currency: VND	
	Current year	Previous year
Basic earnings per share	6,502	4,503

36. SEGMENT INFORMATION

The Company and its subsidiaries do not present segmental information for the year ended 31 December 2019 because real estate trading and related services are principal sources accounting for a substantial portion in the Company and its subsidiaries' total revenue, profit and assets. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

37. COMMITMENTS AND CONTINGENCIES

Commitments under operating leases where the Company and its subsidiaries are lessees

The Company and its subsidiaries, as lessees, have signed land rental contract and other operating lease arrangements. The minimum lease commitments as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: million VND	
	Ending balance	Beginning balance
Less than 1 year	124,024	563,106
From 1 to 5 years	290,977	377,807
More than 5 years	3,703,184	1,300,271
TOTAL	4,118,185	2,241,184

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

37. COMMITMENTS AND CONTINGENCIES (continued)

Commitments related to program of management services and apartments rental

The Company provided management and leasing services to customers who bought apartments at real estate projects. Accordingly, for the first 2 to 3 years from the date of apartments being handed over, customers are guaranteed by these entities to receive the committed profit under signed agreement with customer.

Commitments under operating leases where the Company and its subsidiaries are lessors

The Company and its subsidiaries, as lessors, lease office, apartments, shophouses and villas under operating lease agreements. The future minimum rental receivables as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: million VND	
	Ending balance	Beginning balance
Less than 1 year	610,672	165,716
From 1 to 5 years	614,070	64,755
More than 5 years	410,299	402,647
TOTAL	1,635,041	633,118

Under the Business Co-operation Contract signed in February 2012 between Royal City JSC, a subsidiary, and Thien Huong Investment JSC ("Thien Huong JSC") regarding the school operations in Vinhomes Royal City project, Royal City JSC 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 agreement. The duration of the Business Co-operation Contract is from February 2012 to the end of August 2043.

Lease commitment

Ecology JSC, a subsidiary, entered into lease contracts with an affiliate for leasing retail areas at two (02) real estate projects. At 31 December 2019, the present values of the minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND18 billion, VND46 billion, VND58 billion.

At 31 December 2019, the total minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND21 billion, VND85 billion, VND523 billion.

Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects

The Company and its subsidiaries have entered into a number of contracts relating to the development of certain real estate projects. The outstanding commitment on these contracts as at 31 December 2019 amounts to approximately VND13,161 billion (as at 31 December 2018: VND7,266 billion).

On 25 June 2019, a subsidiary of the Company has entered into a Project Transfer Agreement ("PTA") with counterparties to acquire a real estate project. The total consideration payable will be determined as the total of land use rights, assets value and other general expenses directly attributable to this real estate project incurred by counterparties up to the acquisition date. As at 31 December 2019, the remaining commitment under this agreement amounts to VND172.5 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

37. COMMITMENTS AND CONTINGENCIES (continued)

Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects (continued)

Under a Business Co-operation Contract dated 23 November 2017 between Royal City JSC and a counterparty, Royal City JSC commits to contribute 100% investment capital for a potential real estate project in Hanoi. The total estimated capital is VND790 billion, the remaining commitment of this agreement as at 31 December 2019 is VND782.1 billion.

On 25 May 2018, the Company and Can Gio JSC, a subsidiary, have entered into a Capital Transfer Agreement with a corporate counterparty to acquire 32.5% of Berjaya VFC LLC's equity interest. As at 31 December 2019, the remaining consideration payable under this agreement is VND503.7 billion.

Commitment under interest support agreements to buyers of inventory properties at real estate projects of the Company and its subsidiaries

According to three-party (3) interest support agreements among the Company and its subsidiaries as investors, buyers of inventory properties of the Company's projects (including Vinhomes Metropolis, Vinhomes Golden River, Vinhomes West Point, Vinhomes Ocean Park, Vinhomes Grand Park, Vinhomes Smart City, Vinhomes New Center Ha Tinh and Vinhomes Marina Projects) and certain banks, the Company and its subsidiaries commit to support the buyers in getting loans to finance for a part of the selling price and to settle the interest within a committed period.

38. NOTES TO CASH FLOW MOVEMENT

	Currency: million VND	
	Current year	Previous year
<i>Code 02 - Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)</i>		
Depreciation and amortisation	225,244	144,413
Goodwill amortisation (Note 19)	126,602	117,119
TOTAL	351,846	261,532
<i>Code 05 - Profits from investing activities</i>		
Shared profit under Business and Investment Co-operation Contract (Note 28.2)	(5,174,841)	(9,513,096)
Gain on disposal of investments in other entities (Note 28.2 and Note 30)	(1,492,806)	(3,439,761)
Interest income (Note 28.2)	(2,376,941)	(1,541,300)
(Gain)/loss on disposal of fixed assets and investment properties	(70,812)	15,950
Dividend income (Note 28.2)	(500)	-
Share of profit from associates	-	(191)
TOTAL	(9,115,700)	(14,478,398)
<i>Code 23 - Loans to other entities and payments for purchase of debt instruments of other entities</i>		
Disbursement of loans	(11,715,930)	(13,352,891)
Term deposits with maturity over three months	(2,361,080)	(586,751)
TOTAL	(14,077,010)	(13,939,642)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

38. NOTES TO CASH FLOW MOVEMENT (continued)

	Currency: million VND	
	Current year	Previous year
<i>Code 25 - Payments for investments in other entities</i>		
Payment for acquisition of new subsidiaries, additional shares in existing subsidiaries and investment in other entities	(19,559,996)	(21,661,139)
Contribution to Business Co-operation Contracts	(11,330,000)	(18,640,000)
Deposit to acquire investments in other entities	(9,123,420)	(4,819,262)
Deposit to acquire projects	(9,186,208)	(5,229,705)
Return of deposit for purpose of investing and developing project	(6,875,000)	-
Payment of dividend declared to previous shareholders of subsidiaries prior to merger date	-	(1,109,675)
Deposit under project development agreement	(5,090,000)	(817,500)
TOTAL	(61,164,624)	(52,277,281)
<i>Code 26 - Proceeds from sales of investments in other entities</i>		
Proceeds from disposal of investments, net of cash held by entities being acquired	2,647,328	17,107,780
Redemption of contribution to Business Co-operation Contracts	7,825,088	-
Redemption of deposit to acquire shares	-	5,110,000
Proceeds from transfer of rights and obligations related to share purchase deposit agreement	-	4,180,000
Collection of deposits for purpose of transferring other long-term investments	6,719,985	-
Redemption of deposits for purpose of developing potential real estate projects	2,376,500	-
TOTAL	19,568,901	26,397,780

39. EVENTS AFTER THE BALANCE SHEET DATE

Except for the events after the consolidated balance sheet date as presented in other notes of the consolidated financial statements, the Company and its subsidiaries also have the following events after the consolidated balance sheet date:

On 10 January 2020, a subsidiary of the Company entered into deposit contracts with individuals to acquire shares in a real estate company, with total deposit amount of VND1,800 billion.

On 10 March 2020, the Company and its subsidiaries completed the acquisition of 7,000,000 shares, equivalent to 100% equity interest in a company from Vingroup JSC, a counterparty and an affiliate with a total consideration of VND70 billion. Accordingly, this company became a subsidiary of the Company. On 16 March 2020, the Company and its subsidiaries completed the additional capital contribution to this subsidiary amounting to VND5,930 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

39. EVENTS AFTER THE BALANCE SHEET DATE (continued)

In February 2020, the Prime Minister of the Socialist Republic of Vietnam officially announced an epidemic of acute respiratory infections caused by Coronavirus disease Pandemic ("Covid-19 Pandemic"). Since then, the complicated movements of Covid-19 Pandemic have significantly affected the production and business activities of the Company and its subsidiaries.

The Company and its subsidiaries have proposed several general solutions to cut costs and reorganise business operations during the Covid-19 Pandemic. The Company is in the progress of making assessment on the effect of Covid-19 Pandemic on business operations of the Company and its subsidiaries in 2020.

There is no other matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Company and its subsidiaries.

		
Bui Tien Luc Preparer	Nguyen Huu Thanh Chief Accountant	 Le Thi Hai Yen Chief Financial Officer

Hanoi, Vietnam

30 March 2020

Vinhomes Joint Stock Company
[previously known as Hanoi Southern City
Development Joint Stock Company]

Consolidated financial statements

For the year ended 31 December 2018



Vinhomes Joint Stock Company

[previously known as Hanoi Southern City Development Joint Stock Company]

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Vinhomes Joint Stock Company

[previously known as Hanoi Southern City Development Joint Stock Company]

GENERAL INFORMATION

THE COMPANY

Vinhomes Joint Stock Company ("the Company"), previously known as Hanoi Southern City Development JSC ("Hanoi Southern JSC"), is a joint stock company established in Vietnam in accordance with the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. In accordance with the 19th amended Enterprise Registration Certificate dated 2 February 2018, Hanoi Southern JSC has changed its business name to Vinhomes Joint Stock Company. The Company also subsequently received amended Enterprise Registration Certificates with the the 26th amendment dated 6 March 2019 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent. Vingroup JSC and its subsidiaries are hereby referred to as the Group.

BOARD OF DIRECTORS

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

Ms. Nguyen Dieu Linh	Chairwoman	Appointed on 28 February 2019
Mr. Pham Nhat Vuong	Chairman	Appointed on 21 February 2018
		Resigned on 28 February 2019
Ms. Mai Huong Noi	Chairwoman	Resigned on 21 February 2018
Mr. Nguyen Viet Quang	Member	Appointed on 21 February 2018
Ms. Cao Thi Ha An	Member	Appointed on 21 February 2018
Mr. Varun Kapur	Independent member	Appointed on 21 February 2018
Mr. Mueen Uddeen	Independent member	Appointed on 21 February 2018
Mr. Pham Thieu Hoa	Member	Resigned on 21 February 2018
Ms. Nguyen Mai Hoa	Member	Resigned on 21 February 2018

SUPERVISORY BOARD

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

Mr. Pham Khoi Nguyen	Head of the Supervisory Board	Appointed on 21 February 2018
Ms. Le Thi Kim Thanh	Head of the Supervisory Board	Resigned on 21 February 2018
Ms. Doan Thi Thu Mai	Member	Appointed on 21 February 2018
Ms. Le Thi Duyen	Member	Appointed on 21 February 2018
Ms. Doan Thi Bich Ngoc	Member	Resigned on 21 February 2018
Ms. Doan Thi Ha	Member	Resigned on 21 February 2018

Vinhomes Joint Stock Company
[previously known as Hanoi Southern City Development Joint Stock Company]

GENERAL INFORMATION (continued)

MANAGEMENT

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

Ms. Luu Thi Anh Xuan	Chief Executive Officer	Appointed on 28 February 2019
Ms. Nguyen Dieu Linh	Chief Executive Officer	Appointed on 23 February 2018 Resigned on 28 February 2019
Mr. Nguyen Viet Quang	Chief Executive Officer	Resigned on 23 February 2018
Ms. Nguyen Thi Thu Hoai	Deputy Chief Executive Officer	Appointed on 21 February 2018 Resigned on 4 June 2018
Mr. Douglas John Farrell	Deputy Chief Executive Officer	Appointed on 21 February 2018
Ms. Nguyen Ngoc Thuy Linh	Deputy Chief Executive Officer	Appointed on 21 February 2018
Mr. Nguyen Duc Quang	Deputy Chief Executive Officer	Appointed on 21 February 2018
Ms. Nguyen Mai Hoa	Deputy Chief Executive Officer	Resigned on 21 February 2018
Mr. Pham Thieu Hoa	Deputy Chief Executive Officer	
Ms. Phi Thi Thuc Nga	Deputy Chief Executive Officer	Resigned on 21 February 2018 Appointed on 8 June 2018
Ms. Mai Thu Thuy	Deputy Chief Executive Officer	Resigned on 21 February 2018
Mr. Nguyen Van Trai	Deputy Chief Executive Officer	Appointed on 1 June 2018
Mr. Pham Van Khuong	Deputy Chief Executive Officer	Appointed on 1 October 2018
Ms. Dao Thi Thien Huong	Deputy Chief Executive Officer	Appointed on 10 January 2019

LEGAL REPRESENTATIVES

The legal representatives of the Company:

- ▶ up to 22 February 2018 is Mr. Nguyen Viet Quang;
- ▶ from 23 February 2018 to 11 June 2018 is Ms. Nguyen Dieu Linh, Chief Executive Officer;
- ▶ from 12 June 2018 to 5 March 2019 are Ms. Nguyen Dieu Linh, Chief Executive Officer, Mr. Nguyen Van Trai, Deputy Chief Executive Officer and Mr. Pham Nhat Vuong, Chairman;
- ▶ from 6 March 2019 to the date of this report are Ms. Nguyen Dieu Linh, Chairwoman, Ms. Luu Thi Anh Xuan, Chief Executive Officer and Mr. Nguyen Van Trai, Deputy Chief Executive Officer.

Ms. Le Thi Hai Yen, Chief Financial Officer, is authorised to sign the financial statements of the Company in accordance with the Letter of Authorisation No 010/2019/GUQ-TGD-VHJSC dated 6 March 2019.

AUDITOR

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

Vinhomes Joint Stock Company
[previously known as Hanoi Southern City Development Joint Stock Company]

REPORT OF MANAGEMENT

Management of Vinhomes Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2018.

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 Company and its subsidiaries 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 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 Company and its subsidiaries 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 Company and its subsidiaries and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and its subsidiaries 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 Company and its subsidiaries as at 31 December 2018 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:

Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

26 March 2019



**Building a better
working world**

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Reference: 60871645/20331603-HN

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of Vinhomes Joint Stock Company
[previously known as Hanoi Southern City Development Joint Stock Company]**

We have audited the accompanying consolidated financial statements of Vinhomes Joint Stock Company ("the Company"), previously known as Hanoi Southern City Development Joint Stock Company, and its subsidiaries (collectively referred to as "the Company and its subsidiaries") as prepared on 26 March 2019 and set out on pages 6 to 94, which comprise the consolidated balance sheet as at 31 December 2018, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.



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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 Company and its subsidiaries as at 31 December 2018, 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



Le Vu Truong
Deputy General Director
Audit Practicing Registration
Certificate No. 1588-2018-004-1

Nguyen Hoang Linh
Auditor
Audit Practicing Registration
Certificate No. 3835-2016-004-1

Hanoi, Vietnam

26 March 2019

CONSOLIDATED BALANCE SHEET
as at 31 December 2018

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		91,202,543,545,647	44,421,050,167,080
110	I. Cash and cash equivalents	5	3,515,372,453,072	1,561,577,770,818
111	1. Cash		2,695,195,180,365	818,341,400,251
112	2. Cash equivalents		820,177,272,707	743,236,370,567
120	II. Short-term investments		1,009,404,569,232	-
123	1. Held-to-maturity investments	6	1,009,404,569,232	-
130	III. Current accounts receivable		43,356,143,612,198	24,774,715,203,806
131	1. Short-term trade receivables	7.1	7,144,805,092,954	11,945,377,777,386
132	2. Short-term advances to suppliers	7.2	2,552,553,752,942	1,695,194,896,147
135	3. Short-term loan receivables	8	4,527,857,439,663	9,477,028,513,431
136	4. Other short-term receivables	9	29,241,296,067,036	1,755,862,686,147
137	5. Provision for doubtful short-term receivables	10	(110,368,740,397)	(98,748,669,305)
140	IV. Inventories	11	36,858,428,958,296	17,006,259,676,992
141	1. Inventories		37,065,228,524,079	17,265,369,555,979
149	2. Provision for obsolete inventories		(206,799,565,783)	(259,109,878,987)
150	V. Other current assets		6,463,193,952,849	1,078,497,515,464
151	1. Short-term prepaid expenses	12	1,005,320,832,545	786,169,470,464
152	2. Value-added tax deductible	21	119,251,028,829	83,535,446,363
153	3. Tax and other receivables from the State	21	94,493,903,683	2,214,131,652
155	4. Other current assets	13	5,244,128,187,792	206,578,466,985

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2018

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		28,486,212,922,051	6,882,768,858,975
210	I. Long-term receivables		213,789,123,875	87,738,322,397
215	1. Long-term loan receivables		-	3,257,497,661
216	2. Other long-term receivables	9	213,789,123,875	84,480,824,736
220	II. Fixed assets		128,187,004,268	1,355,894,476,327
221	1. Tangible fixed assets	14	100,435,383,996	1,296,934,619,609
222	Cost		119,582,952,985	1,451,230,179,505
223	Accumulated depreciation		(19,147,568,989)	(154,295,559,896)
227	2. Intangible fixed assets		27,751,620,272	58,959,856,718
228	Cost		50,628,208,058	75,484,179,936
229	Accumulated amortisation		(22,876,587,786)	(16,524,323,218)
230	III. Investment properties	15	5,828,905,860,211	163,038,247,202
231	1. Cost		5,994,452,370,082	196,220,103,796
232	2. Accumulated depreciation		(165,546,509,871)	(33,181,856,594)
240	IV. Long-term assets in progress		18,363,034,037,803	2,462,055,543,041
242	1. Construction in progress	17	18,363,034,037,803	2,462,055,543,041
250	V. Long-term investments	18	478,312,164,507	1,754,972,107,124
252	1. Investments in associates	18.1	-	9,443,697,124
253	2. Investments in other entities	18.2	378,632,164,507	1,695,528,410,000
255	3. Held-to-maturity investments	18	99,680,000,000	50,000,000,000
260	VI. Other long-term assets		3,473,984,731,387	1,059,070,162,884
261	1. Long-term prepaid expenses	12	508,583,153,143	392,514,863,581
262	2. Deferred tax assets	33.3	340,864,044,729	39,743,980,836
268	3. Other long-term assets	13	1,543,754,158,486	-
269	4. Goodwill	19	1,080,783,375,029	626,811,318,467
270	TOTAL ASSETS		119,688,756,467,698	51,303,819,026,055

Vinhomes Joint Stock Company B01-DN/HN
[previously known as Hanoi Southern City Development Joint Stock Company]

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2018

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		71,543,881,480,730	41,180,033,529,612
310	I. Current liabilities		42,872,273,594,509	34,223,057,193,372
311	1. Short-term trade payables	20.1	2,504,134,374,954	925,390,582,708
312	2. Short-term advances from customers	20.2	14,206,623,474,438	16,845,744,264,404
313	3. Statutory obligations	21	2,543,862,616,184	230,506,823,635
314	4. Payable to employees		-	3,626,966,610
315	5. Short-term accrued expenses	22	6,083,734,652,114	1,738,436,383,603
318	6. Short-term unearned revenues	23	458,115,463,386	16,617,259,917
319	7. Other short-term payables	24	10,672,889,629,674	5,763,144,422,167
320	8. Short-term loans	25	6,402,913,383,759	8,699,590,490,328
330	II. Non-current liabilities		28,671,607,886,221	6,956,976,336,240
333	1. Long-term accrued expenses	22	520,943,001,214	-
336	2. Long-term unearned revenues	23	1,718,385,689,622	268,018,281,667
337	3. Other long-term liabilities	24	114,028,026,191	4,453,549,069
338	4. Long-term loans	25	25,505,722,594,751	6,627,686,696,069
341	5. Deferred tax liabilities	33.3	623,140,392,739	-
342	6. Long-term provisions	26	189,388,181,704	56,817,809,435

Vinhomes Joint Stock Company
[previously known as Hanoi Southern City Development Joint Stock Company]


B01-DN/HN

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2018

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
400	D. OWNERS' EQUITY		48,144,874,986,968	10,123,785,496,443
410	I. Capital	27	48,144,874,986,968	10,123,785,496,443
411	1. Share capital	27.1	33,495,139,180,000	2,000,000,000,000
411a	- Shares with voting rights		33,495,139,180,000	2,000,000,000,000
412	2. Share premium	27.1	295,000,000,000	-
420	3. Other funds belonging to owners' equity	27.1	1,816,269,367,634	(99,117,851,011)
421	4. Undistributed earnings		7,626,959,265,966	5,003,298,133,184
421a	- Undistributed earnings by the end of prior year		-	2,970,805,560,320
421b	- Undistributed earnings of current year		7,626,959,265,966	2,032,492,572,864
429	5. Non-controlling interests	27.1	4,911,507,173,368	3,219,605,214,270
440	TOTAL LIABILITIES AND OWNERS' EQUITY		119,688,756,467,698	51,303,819,026,055


Phung Thi Bich Hong
Preparer


Bui Thi Ha
Chief Accountant


Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

26 March 2019

Vinhomes Joint Stock Company B02-DN/HN
[previously known as Hanoi Southern City Development Joint Stock Company]

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	38,664,328,193,703	15,297,312,397,141
02	2. Deductions	28.1	-	-
10	3. Net revenue from sale of goods and rendering of services	28.1	38,664,328,193,703	15,297,312,397,141
11	4. Cost of goods sold and services rendered	29	(28,603,257,862,200)	(10,130,622,531,207)
20	5. Gross profit from sale of goods and rendering of services		10,061,070,331,503	5,166,689,865,934
21	6. Finance income	28.2	14,565,046,792,984	964,268,046,313
22 23	7. Finance expenses In which: Interest expenses and bond issuance expenses	30	(2,456,954,093,023) (2,382,621,895,215)	(1,652,417,155,368) (901,949,220,589)
24	8. Shares of profit/(loss) of associates	18.1	191,238,076	(88,152,941,732)
25	9. Selling expenses	31	(1,381,104,519,276)	(1,585,809,553,121)
26	10. General and administrative expenses	31	(1,062,825,660,762)	(452,513,058,995)
30	11. Operating profit		19,725,424,089,502	2,352,065,203,031
31	12. Other income		100,932,140,457	91,806,843,120
32	13. Other expenses		(107,622,081,650)	(335,089,997,551)
40	14. Other loss		(6,689,941,193)	(243,283,154,431)
50	15. Accounting profit before tax		19,718,734,148,309	2,108,782,048,600
51	16. Current corporate income tax expense	33.2	(4,630,060,569,450)	(574,855,234,140)
52	17. Deferred tax (expense)/ income	33.3	(312,354,333,423)	31,562,245,294
60	18. Net profit after tax		14,776,319,245,436	1,565,489,059,754

CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
61	19. Net profit after tax attributable to shareholders of the parent		14,284,453,166,652	1,409,642,043,514
62	20. Net profit after tax attributable to non-controlling interests		491,866,078,784	155,847,016,240
70	21. Basic earnings per share	35	4,503	1,880



Phung Thi Bich Hong
Preparer



Bui Thi Ha
Chief Accountant



Phung Thi Bich Hong
Chief Financial Officer

Hanoi, Vietnam

26 March 2019

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		19,718,734,148,309	2,108,782,048,600
02	<i>Adjustments for:</i>			
	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	38	261,531,599,917	410,151,852,498
03	(Reversal of provisions)/provisions		(27,999,828,381)	278,527,967,484
04	Foreign exchange (gains)/losses arisen from revaluation of monetary accounts denominated in foreign currency		(1,413,212,829)	15,599,813,801
05	(Profits)/losses from investing activities	38	(14,478,398,435,371)	176,968,048,334
06	Interest expenses and bond issuance expenses	30	2,382,621,895,215	901,949,220,589
08	Operating profit before changes in working capital		7,855,076,166,860	3,891,978,951,306
09	Decrease/(increase) in receivables		5,329,600,918,213	(2,625,640,190,299)
10	Decrease in inventories		11,297,368,866,011	250,399,794,809
11	(Decrease)/increase in payables (other than interest, corporate income tax)		(20,385,215,510,655)	3,408,875,999,083
12	Decrease/(increase) in prepaid expenses		427,513,271,356	(696,801,595,134)
14	Interest paid		(2,579,916,793,715)	(561,183,467,403)
15	Corporate income tax paid	21	(3,407,626,140,888)	(871,578,330,632)
20	Net cash flows (used in)/from operating activities		(1,463,199,222,818)	2,796,051,161,730

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(750,554,985,693)	(2,405,312,393,577)
22	Proceeds from disposals of fixed assets and other long-term assets		1,618,544,881,294	33,942,874,366
23	Loans to other entities and payments for purchase of debt instruments of other entities	38	(13,939,641,731,353)	(10,670,000,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		19,995,489,401,601	4,692,359,866,717
25	Payments for investments in other entities	38	(52,277,281,389,717)	(3,469,299,732,640)
26	Proceeds from sale of investments in other entities	38	26,397,779,889,480	2,028,086,730,055
27	Interest and dividends received		1,113,712,586,604	331,260,739,350
30	Net cash flows used in investing activities		(17,841,951,347,784)	(9,458,961,915,729)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares		12,240,978,700,000	28,111,000,000
33	Drawdown of borrowings		100,191,075,763,433	31,231,831,086,884
34	Repayment of borrowings		(90,227,832,170,577)	(25,837,875,938,367)
36	Dividends paid		(945,277,040,000)	-
40	Net cash flows from financing activities		21,258,945,252,856	5,422,066,148,517

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase/(decrease) in cash for the year		1,953,794,682,254	(1,240,844,605,482)
60	Cash and cash equivalents at the beginning of the year		1,561,577,770,818	2,802,422,910,160
61	Impact of exchange rate fluctuation		-	(533,860)
70	Cash and cash equivalents at the end of the year	5	3,515,372,453,072	1,561,577,770,818



Phung Thi Bich Hong
Preparer



Bui Thi Ha
Chief Accountant



Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

26 March 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2018 and for the year then ended

1. CORPORATE INFORMATION

Vinhomes Joint Stock Company ("the Company"), previously known as Hanoi Southern City Development JSC ("Hanoi Southern JSC"), is a joint stock company established in Vietnam in accordance with the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. In accordance with the 19th amended Enterprise Registration Certificate dated 2 February 2018, Hanoi Southern JSC has changed its business name to Vinhomes Joint Stock Company. The Company also subsequently received amended Enterprise Registration Certificates with the 26th amendment dated 6 March 2019 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam.

The Company and its subsidiaries' normal course of business cycle of real estate development activity begins when the Company and its subsidiaries receive investment certificate, carry out land clearance and construction work until the project is completed. Accordingly, the normal course of business cycle of real estate development activity ranges from 12 months to 36 months.

The Company and its subsidiaries' normal course of business cycle of other activities is normally within 12 months.

The number of the Company's employees as at 31 December 2018: 6,258 (31 December 2017: 11).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure

As at 31 December 2018, the Company has 18 subsidiaries (as at 31 December 2017: 7 subsidiaries). The information on these subsidiaries, along with the Company's direct and indirect voting rights and direct and indirect equity interest in each subsidiary is as follows:

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
1	Prime Land Real Estate Investment Joint Stock Company ("Prime Land JSC") (i)	92.47	92.37	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
2	Gia Lam Urban Development and Investment Limited Liability Company ("Gia Lam LLC") (i)	85.00	83.95	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
3	Ecology Development and Investment Joint Stock Company ("Ecology JSC") (i)	99.18	98.76	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
4	Vietnam Investment and Consulting Investment Joint Stock Company ("Vietnam Investment JSC") (i)	69.50	68.64	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
5	Can Gio Tourist City Corporation ("Can Gio JSC")	99.89	99.89	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
6	Tay Tang Long Real Estate LLC ("Tay Tang Long LLC")	90.00	90.00	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
7	Berjaya Vietnam International University Township ("Berjaya VIUT LLC") (i)	97.90	97.89	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
8	Royal City Real Estate Development and Investment JSC ("Royal City JSC")	57.85	57.85	No. 72A Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi	Investing, developing and trading real estate properties
9	Lang Van Development and Investment JSC ("Lang Van JSC") (i)	99.00	95.82	No. 7 Truong Sa Street, Hoa Hai Ward, Ngu Hanh Son District, Da Nang City	Investing, developing and trading real estate properties
10	Metropolis Hanoi Limited Liability Company ("Metropolis Hanoi LLC")	100.00	100.00	HH land area, Pham Hung Street, Nam Tu Liem District, Hanoi	Investing, developing and trading real estate properties

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
11	Berjaya Vietnam Financial Center LLC ("Berjaya VFC LLC")	67.50	67.50	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
12	Thai Son Investment and Construction JSC ("Thai Son JSC") (i)	100.00	99.99	No. 290 Nam Ky Khoi Nghia Street, Ward 8, District 3, Ho Chi Minh City	Investing, developing and trading real estate properties
13	West Hanoi Urban Development and Trading Investment LLC ("West Hanoi LLC") (i)	100.00	99.99	T4-L2-10 Times City, No. 458 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
14	Dat Rong Vang Investment and Construction LLC ("Dat Rong Vang LLC") (i)	100.00	99.99	No. 290 Nam Ky Khoi Nghia Street, Ward 8, District 3, Ho Chi Minh City	Investing, developing and trading real estate properties
15	Millenium Trading Investment and Development LLC ("Millenium LLC")	100.00	100.00	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
16	GS Cu Chi Development JSC ("GS Cu Chi JSC") (i)	100.00	99.90	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
17	Phu Gia Property Trading Limited Liability Company ("Phu Gia LLC") (i) (ii)	98.00	96.79	No. 63 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	Investing, developing and trading real estate properties
18	An Thinh Trading and Commercial Development JSC ("An Thinh JSC") (iii)	85.00	85.00	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties

(i) The equity interest in these subsidiaries differs from voting right since the Company controls over these subsidiaries indirectly through other subsidiaries.

(ii) This company is in the process of completing dissolution procedures.

(iii) The Company is in the process of completing capital contribution procedures for establishment of this Company pursuant to Resolution No. 43/2018/NQ-HDQT-VINHOMES dated 29 October 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The consolidated financial statements of the Company and its subsidiaries, which are expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards 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 Company and its subsidiaries' applied accounting documentation system is the General Journal.

2.3 *Fiscal year*

The Company and its subsidiaries' 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 consolidated financial statements are prepared in VND which is also the Company's accounting currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

2. BASIS OF PREPARATION (continued)

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 2018.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until such control ceases, except when the Company only obtains temporary control and the subsidiary is acquired with a view of resale within 12 months from acquisition.

The financial statements of 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 result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Inventories

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.

Inventory property

Property acquired or being constructed for sale or to be held for long-term lease that meets the requirements of outright revenue recognition in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Cost includes:

- ▶ Freehold, leasehold and development rights for land;
- ▶ Amounts payable/paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, 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, less costs to completion and the estimated costs to sell.

The cost of inventory property 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 reasonable relative cost basis.

Inventory construction

The Company and its subsidiaries use perpetual method to record raw materials and merchandise which are valued at cost of purchase on a weighted average basis.

Work in progress of construction contracts comprises costs of materials, labour costs, construction costs payable to sub-contractors and other related costs which have not been accepted by the investors at the date of the financial statements.

Provision for obsolete inventories

An inventories 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 Company and its subsidiaries, based on appropriate evidence of impairment available at the consolidated balance sheet date.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 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 consolidated balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the consolidated income statement.

3.4 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.

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.

3.5 Leased assets

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 Company and its subsidiaries are the lessors

The net investment under finance lease contracts is included as a receivable in the consolidated balance sheet. The interest amount of the leased payments are recognised in the consolidated income statement over the period of the lease contracts to achieve a constant rate of interest on the net investment outstanding.

Assets subject to operating leases are presented as 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.

Where the Company and its subsidiaries are the lessees

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

3.7 Depreciation and amortisation

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	44 - 48 years
Machinery and equipment	5 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years
Copyrights	5 - 10 years
Computer software	3 - 5 years
Others	2 - 5 years

3.8 Investment properties

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

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 Company and its subsidiaries.

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

Definite land use right	45 - 49 years
Buildings and structures	27 - 50 years
Machinery and equipment	7 - 10 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Investment properties* (continued)

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. 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.

3.9 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Company and its subsidiaries incur 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 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.

3.10 *Prepaid expenses*

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

Short-term prepaid expenses include commission fees for selling inventory properties, provisional corporate income tax for down payments from customers for the purchase of inventory properties at the Company and its subsidiaries' real estate projects and other prepaid expenses that are expected to generate future economic benefit within one ordinary course of business cycle.

Long-term prepaid expenses include tools and supplies, long-term prepaid rental fee and other prepaid expenses that generate future economic benefits for more than one year.

Prepaid land rental

The prepaid land rental represents the remaining unamortised balance of advance payment made in accordance with the lease contract signed with the authorities. Such prepaid rental is recognised as a long-term prepaid expense and is amortised to the consolidated income statement over the remaining lease period according to Circular 45/2013/TT-BTC. Besides, prepaid land rental also comprises land lease incurred from business combination, in which, the acquiree is a lessee under operating leases with favourable lease terms compared with the fair value at the date of business combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 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.

Where equity instruments are issued by the acquirer as consideration, fair value of the consideration shall be measured at fair value of these instruments at the exchange date. In case the published price at the date of exchange is an unreliable indicator of fair value, the fair value of those instruments could, for example, be estimated by reference to their proportional interest in the fair value of the acquirer or by reference to the proportional interest in the fair value of the acquiree obtained, whichever is the more clearly evident.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Company and its subsidiaries' 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 Company and its subsidiaries conduct 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.

Business combinations involving entities or businesses under common control

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

- ▶ The assets and liabilities of the 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.

After the date of business combination, if the Company and its subsidiaries transfer and lose control of investment in these entities, the difference between the cost of a business combination and net assets, which was previously recognised in owners' equity, is recognised in the consolidated income statement.

3.12 Assets acquisitions and business combinations

The Company and its subsidiaries acquire subsidiaries that own assets and production activities. At the date of acquisition, the Company and its subsidiaries consider whether the acquisition represents the acquisition of a business. The Company and its subsidiaries account for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Assets acquisitions and business combinations (continued)

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.

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 parent company shall not remeasure the previously held equity interests. Instead previously held equity interests at carrying value and the consideration are allocated to the assets and liabilities acquired based on their relative fair values as at acquisition date.

3.13 Investments

Investments in associates

The Company and its subsidiaries' investment in their associate is accounted for using the equity method of accounting. An associate is an entity in which the Company and its subsidiaries have significant influence that is neither subsidiaries nor joint ventures. The Company and its subsidiaries generally deem they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Company and its subsidiaries' share of net assets of the associate. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment by the Company and its subsidiaries. The consolidated income statement reflects the share of the post-acquisition results from 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 cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from associates reduces the carrying amount of the investment.

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

Held-for-trading securities and investments in other entities

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

Provision for diminution in value of held-for-trading securities and investments in entities

Provision is made for any diminution in value of the held-for-trading securities and investments in entities at the consolidated balance sheet date in accordance with the guidance under the Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Investments (continued)

Held-to-maturity investments

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

3.14 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company and its subsidiaries. Payables to construction contractors are recognised for amounts certified by the construction work certificate signed with contractors, whether or not billed to the Company and its subsidiaries.

3.15 Provisions

General provision

Provisions are recognised when the Company and its subsidiaries have 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 Company and its subsidiaries expect some or all of a provision to be reimbursed, 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.

If the effect of the time value of money is material, provisions are discounted using a current pretax 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.

Warranty provision for inventory properties

The Company and its subsidiaries estimate provision for warranty expenses based on revenues and available information about the repair of inventory properties sold in the past.

3.16 Foreign currency transactions

Transactions in currencies other than the Company and its subsidiaries' reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments or at the average of buying and selling exchange rates of the commercial bank where the Company and its subsidiaries make payment regularly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Foreign currency transactions (continued)

At the end of the reporting year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the consolidated balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly or at the average of buying and selling exchange rates of the commercial bank where the Company and its subsidiaries make payment regularly.

All foreign exchange differences incurred during the year and arisen from the translation of monetary accounts denominated in foreign currency at period-end are taken to the consolidated income statement.

3.17 Appropriation of net profits

Net profit after tax (excluding gain arising from a bargain purchase) is available for appropriation to shareholders after approval by the Annual General Shareholder Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

3.18 Advances from customers buying inventory properties

Payments received from customers as deposits for purchase of inventory 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. Incentives under promotion programs which are, in substance, revenue deductions are offset against account "Advances from customers" which are not qualified to be recognised as revenue for the year.

3.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Revenue recognition (continued)

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 passed to the buyer.

Revenue from sale of inventory properties also includes long-term lease of investment property qualified for recognition of outright sales. If the lease term is greater than 90% of the asset's useful life, the Company and its subsidiaries recognise the revenue for the entire prepaid lease payment if all 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.

Rental income

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

Rendering of services

Revenue from rendering of services is recognised when the services are rendered to customers.

Interest

Income 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 Company and its subsidiaries' entitlement as an investor to receive the dividend is established.

Income from capital transfer

Income from capital transfer is identified as difference between transfer consideration and cost of capital transfer. This income is recognised on date when the transaction arises being the date when the transfer contract is exercised.

Income from Business and Investment Co-operation Contracts in which the Company and its subsidiaries are entitled to profit before tax

Income from the profit before tax of real estate business under Business and Investment Co-operation Contracts is recognised as finance income in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Construction contract

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 balance sheet date, as measured by reference to the work performed that has been agreed 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 it is probable will be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

3.21 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years 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 Company and its subsidiaries to offset current tax assets against current tax liabilities and when the Company and its subsidiaries intend to settle their current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the 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 related 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 joint ventures 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Taxation (continued)

Deferred tax (continued)

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 temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit 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 no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred 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 period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the each balance sheet date.

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 Company and its subsidiaries to off-set 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 Company and its subsidiaries intend 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.

3.22 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 Company (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 Company (after adjusting for interest 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
 as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Segment information

A segment is a component determined separately by the Company and its subsidiaries 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.

Real estate trading and related services are principal sources of revenue and profit of the Company and its subsidiaries, while revenue from other activities accounts for a minimal portion in the Company and its subsidiaries' total revenue. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries's geographical segments to be based on the location of the assets which is in Vietnam.

3.24 Related parties

Parties are considered to be related parties of the Company and its subsidiaries 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 Company and its subsidiaries 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.

3.25 Demerger

Demerger transactions where the Company is the demerged company are carried out as follows:

- ▶ Assets, liabilities transferred to the new company is deducted from the respective items in the consolidated balance sheet by the carrying value at the date of demerger;
- ▶ Difference between assets and liabilities transferred to the new company is deducted from equity in the consolidated balance sheet; and
- ▶ No gain or loss is recognised for the demerger transaction.

4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR

4.1 Acquisition of group of assets

During the year, the Company and its subsidiaries has acquired shares/equity interest of the following companies from individuals and corporate counterparties. Management has reviewed and assessed that the acquisition of shares/equity interest of these companies is the acquisition of group of assets, rather than business combination. The total consideration for each of these acquisitions was allocated to the assets and liabilities acquired based on their relative fair values at acquisition date. Accordingly, a part of consideration was recognised in construction in progress (Note 17). The non-controlling interests were also recognised at their relative proportion of the interests in the assets and liabilities acquired. These acquired assets and liabilities are presented in the same categories as other similar assets and liabilities held by the the Company and its subsidiaries.

Acquisition of Tay Tang Long LLC, a new subsidiary

On 18 January 2018, the Company completed the acquisition of 59% equity interest in Tay Tang Long LLC from Vingroup JSC, the parent company, and Vinpearl Joint Stock Company ("Vinpearl JSC"), an affiliate, for a total consideration of VND177 billion and thereby increased its equity interest in Tay Tang Long LLC from 31% to 90%. As a result, Tay Tang Long LLC became a subsidiary of the Company. At the date of acquisition, Tay Tang Long LLC is the owner of a potential real estate project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.1 Acquisition of group of assets (continued)

Acquisition of Berjaya VIUT LLC, a new subsidiary

On 8 February 2018, the Company completed the acquisition of 97.9% equity interest in Berjaya VIUT LLC from individuals and a corporate counterparty for a total consideration of VND11,748 billion. As a result, Berjaya VIUT LLC became a subsidiary of the Company. At the date of acquisition, Berjaya VIUT LLC is the owner of a potential real estate project.

Acquisition of Lang Van JSC, a new subsidiary

On 27 February 2018, the Company completed the acquisition of 91.47% equity interest in Lang Van JSC from Vingroup JSC, the parent company, Sai Dong Urban Development and Investment Joint Stock Company ("Sai Dong JSC") and Times Trading Investment and Development One Member LLC ("Times Trading LLC"), affiliates, for a total consideration of VND302 billion. As a result, Lang Van JSC became a subsidiary of the Company. At the date of acquisition, Lang Van JSC is the owner of a potential real estate project.

Acquisition of Metropolis Hanoi LLC, a new subsidiary

On 28 February 2018, the Company completed the acquisition of 100% equity interest in Metropolis Hanoi LLC from Vincommerce General Commerce Services JSC ("Vincommerce JSC"), an affiliate, for a total consideration of VND2,000 billion. As a result, Metropolis Hanoi LLC became a subsidiary of the Company. At the date of acquisition, Metropolis Hanoi LLC is the owner of a potential real estate project.

Acquisition of Berjaya VFC LLC, a new subsidiary

On 7 March 2018, the Company has contributed capital amounting to VND2,009 billion to Berjaya VFC LLC, equivalent to 67.5% charter capital of Berjaya VFC LLC. As a result, Berjaya VFC LLC became a subsidiary of the Company. At the date of acquisition, Berjaya VFC LLC is the owner of a potential real estate project.

Acquisition of Thai Son JSC, a new subsidiary

On 8 May 2018, the Company completed the acquisition of 96.47% shares of Thai Son JSC from a corporate counterparty for a total consideration of VND1,700 billion. As a result, Thai Son JSC became a subsidiary of the Company. At acquisition date, Thai Son JSC held 90.32% and 98.32% equity interest in Dat Rong Vang JSC and West Hanoi JSC, respectively. As a result, Dat Rong Vang JSC and West Hanoi JSC became subsidiaries of the Company. At the date of acquisition, West Hanoi JSC is the owner of a potential real estate project. On September 2018, Thai Son JSC acquired the remaining equity interest in Dat Rong Vang JSC and West Hanoi JSC, thereby, increased voting rights in those companies to 100%. On October 2018, the Company and its subsidiaries completed the acquisitions of 0.56% shares of Thai Son JSC from individuals, thereby increased voting right in Thai Son JSC to 100%.

Acquisition of GS Cu Chi JSC, a new subsidiary

On 2 July 2018, the Company and its subsidiaries completed the acquisition of 100% equity interest in GS Cu Chi JSC from individuals for a total consideration of VND1,205 billion. As a result, GS Cu Chi JSC became a subsidiary of the Company. At the date of acquisition, GS Cu Chi JSC is the owner of a potential real estate project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.2 Business combinations involving entities under common control

Merger of Tan Lien Phat Construction Investment Corporation JSC ("Tan Lien Phat JSC")

On 25 January 2018, the General Meeting of Shareholders of Tan Lien Phat JSC, an affiliate, approved the Resolution No. 02/2018/NQ-DHDCD-TLP on the merger of Tan Lien Phat JSC into the Company.

According to the Merger contract dated 27 January 2018 between the Company and Tan Lien Phat JSC, the Company issued 655,000,000 shares at par value of VND10,000 per share in exchange for shares of Tan Lien Phat JSC at ratio of 1:1. The issuance increased the Company's share capital by VND6,550 billion.

The principal activities of Tan Lien Phat JSC are developing, trading real estate properties. Tan Lien Phat JSC's head office is located at No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City. At the merger date, Tan Lien Phat JSC is the developer of Vinhomes Central Park Project located at Binh Thanh District, Ho Chi Minh City.

At the merger date, Tan Lien Phat JSC held 99.05% equity interest in Can Gio JSC, which owns a potential real estate project. Through the merger transaction, the Company directly holds the investment in Can Gio JSC.

The Company's management assessed this transaction is a business combination involving two entities under common control. Thereby, the net assets acquired of Tan Lien Phat JSC and Can Gio JSC are measured at their carrying value on the consolidated financial statements of Vingroup JSC, the parent company. The difference between the consideration transferred and the carrying value of the net assets of Tan Lien Phat JSC and Can Gio JSC is recognised in other funds belonging to owners' equity in the consolidated balance sheet.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.2 Business combinations involving entities under common control (continued)

Merger of Tan Lien Phat Construction Investment Corporation JSC ("Tan Lien Phat JSC")
(continued)

The carrying value of identifiable assets and liabilities of Tan Lien Phat JSC and Can Gio JSC at the merger date are presented below:

	<i>Currency: VND</i>
	<i>Carrying value at merger date</i>
Assets	
Cash and cash equivalents	104,934,129,001
Held-to-maturity investments	469,047,992,353
Short-term trade receivables	5,727,958,949,506
Short-term advances to suppliers	544,575,397,685
Other short-term receivables	521,588,679,555
Inventories	11,153,741,952,144
Short-term prepaid expenses	337,735,058,715
Other current assets	48,130,887,684
Investment properties	729,675,162,471
Accumulated depreciation for investment properties	(10,315,703,679)
Construction in progress	12,347,694,286,076
Goodwill (Note 19)	337,766,778,506
Other non-current assets	6,050,698,557,619
	<u>38,363,232,127,636</u>
Liabilities	
Short-term trade payables	1,092,046,389,338
Short-term advances from customers	5,341,922,756,374
Statutory obligations	222,802,083,787
Short-term accrued expenses	1,656,492,208,317
Other short-term payables	3,791,964,098,222
Short-term loans	17,362,366,019,851
Long-term provisions	54,619,597,302
	<u>29,522,213,153,191</u>
Total net assets	<u>8,841,018,974,445</u>
Non-controlling interests	(174,867,536,302)
Difference between consideration and net assets recognised in other funds belonging to owners' equity (Note 27.1)	<u>(2,116,151,438,143)</u>
Total consideration	<u>6,550,000,000,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.2 Business combinations involving entities under common control (continued)

Merger of Tan Lien Phat Construction Investment Corporation JSC ("Tan Lien Phat JSC")
(continued)

Cash flow on merger

Net cash acquired with the merger	104,934,129,001
Cash paid up to 31 December 2018	-

Net cash flow on merger	<u>104,934,129,001</u>
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Total consideration of VND6,550 billion was settled by issuing 655,000,000 ordinary shares of the Company at par value of VND10,000 per share.

Acquisition of Royal City JSC, a new subsidiary

On 27 February 2018, the Company completed the acquisition of 57.85% shares of Royal City JSC from Vingroup JSC, the parent company, for a total consideration of VND2,019.6 billion, and thereby, Royal City JSC became a subsidiary of the Company. At the date of acquisition, Royal City JSC is the owner of Vinhomes Royal City Project located on Nguyen Trai Street, Thanh Xuan District, Hanoi.

The Company's management assessed this transaction as a business combination involving two entities under common control. Thereby, the net assets acquired of Royal City JSC are measured at the carrying value in the consolidated financial statements of Vingroup JSC, the parent company. The difference between the consideration transferred and the carrying value of the net assets of Royal City JSC is recognised in other funds belonging to owners' equity in the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.2 Business combinations Involving entities under common control (continued)

Acquisition of Royal City JSC, a new subsidiary (continued)

The carrying value of identifiable assets and liabilities of Royal City JSC at the date of acquisition are presented below:

	<i>Currency: VND</i>
	<i>Carrying value at acquisition date</i>
Assets	
Cash and cash equivalents	48,286,883,502
Short-term trade receivables	1,292,424,199,779
Short-term loan receivables	600,000,000,000
Inventories	27,236,370,753
Other current assets	177,790,708,870
Investment properties	511,232,010,497
Other non-current assets	124,499,976,085
Total assets	2,781,470,149,486
Liabilities	
Short-term trade payables	46,636,116,995
Short-term advances from customers	42,958,755,658
Short-term accrued expenses	27,403,407,219
Short-term provisions	29,160,836,381
Other liabilities	61,404,091,437
	207,563,207,690
Total net assets	2,573,906,941,796
Non-controlling interests	(1,090,657,666,205)
Difference between consideration and net assets recognised in other funds belonging to owners' equity (Note 27.1)	536,407,842,047
Total consideration	2,019,657,117,638
Cash flow on acquisition	
Net cash acquired with the subsidiary	48,286,883,502
Cash paid up to 31 December 2018	(2,019,657,117,638)
Net cash flow used in acquisition	(1,971,370,234,136)

Total consideration of VND2,019.6 billion was fully paid in cash. Profit before tax of Royal City JSC for the period from the acquisition date to 31 December 2018 is VND128 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.2 Business combinations involving entities under common control (continued)

Acquisition of Millenium LLC, a new subsidiary

On 1 June 2018, the Company completed the acquisition of 100% equity interest in Millenium LLC from Vingroup JSC, the parent company, for a total consideration of VND1,000 billion, and thereby, Millenium LLC became a subsidiary of the Company.

The principal activities of Millenium LLC are real estates development and trading, office leasing and other related services. Millenium LLC's head office is located at Floor 20A, Vincom Center Dong Khoi Building, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City. At acquisition date, Millenium LLC is the developer of Vinhomes Golden River Project at District 1, Ho Chi Minh City and manages the operation of the Office component of Vincom Center Dong Khoi at District 1, Ho Chi Minh City.

The Company's management assesses this transaction as a business combination involving two entities under common control. Thereby, the net assets acquired of Millenium LLC are measured at their carrying value in the consolidated financial statements of Vingroup JSC, the ultimate parent company. The difference between the consideration transferred and the carrying value of net assets of Millenium LLC is recognised in other funds belonging to owners' equity in the consolidated balance sheet.

The carrying value of identifiable assets and liabilities of Millenium LLC at the date of acquisition are presented below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.2 Business combinations involving entities under common control (continued)

Acquisition of Millenium LLC, a new subsidiary (continued)

Currency: VND

*Carrying value at
acquisition date*

Assets

Cash and cash equivalents	88,206,600,423
Held-to-maturity investments	377,046,147,334
Short-term trade receivables	844,062,413,673
Short-term advances to suppliers	256,675,123,746
Short-term loan receivables	5,660,483,234,254
Other short-term receivables	323,090,793,939
Inventories	6,432,410,206,519
Short-term prepaid expenses	266,250,901,538
Investment properties	1,888,375,170,091
Construction in progress	570,133,389,793
Goodwill (Note 19)	153,044,574,162
Other assets	106,215,066,320

16,965,993,621,792

Liabilities

Short-term trade payables	787,314,559,327
Short-term advances from customers	4,437,840,223,047
Statutory obligations	685,272,624,154
Short-term accrued expenses	1,086,287,223,599
Other short-term payables	4,660,498,978,573
Other long-term liabilities	130,707,025,639
Short-term loans	3,878,112,186,227

Total net assets

1,299,960,801,226

Difference between consideration and net assets recognised in
other funds belonging to owners' equity (Note 27.1)

(299,960,801,226)

Total consideration

1,000,000,000,000

Cash flow on acquisition

Net cash acquired with the subsidiary	88,206,600,423
Cash paid up to 31 December 2018	(1,000,000,000,000)

Net cash flow used in acquisition

(911,793,399,577)

Total consideration of VND1,000 billion was fully paid in cash. Profit before tax of Millenium LLC for the period from the acquisition date to 31 December 2018 is VND557 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended**4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR**
(continued)**4.2 Business combinations involving entities under common control** (continued)*Acquisition of Vincom Construction and Consultant LLC ("Vincom Construction LLC"), a new subsidiary*

On 9 August 2018, the Company completed the acquisition of 100% equity interest in Vincom Construction LLC from Vingroup JSC for a total consideration of VND270 billion. Thereby, Vincom Construction LLC became a subsidiary of the Company.

According to Resolution No. 06/2018/NQ-DHDCD-VINHOMES dated 13 September 2018 and Merger Contract dated 13 September 2018 between the Company and Vincom Construction LLC, General Meeting of Shareholders of the Company and owner of Vincom Construction LLC approved the merger of this company to the Company.

The principal activities of Vincom Construction LLC at the merger date are to provide general contractor services, consulting and designing construction services, supervision and management construction services. Vincom Construction LLC's head office was located at No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi.

The Company's management assessed this transaction as a business combination involving two entities under common control. Thereby, the net assets acquired of Vincom Construction LLC are measured at their carrying value in consolidated financial statements of Vingroup JSC, the ultimate parent company. The difference between the consideration transferred and the carrying amount of net assets of Vincom Construction LLC is recognised in other funds belonging to owners' equity in the consolidated balance sheet.

The carrying value of identifiable assets and liabilities of Vincom Construction LLC at the date of acquisition are presented below:

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4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.2 Business combinations involving entities under common control (continued)

Acquisition of Vincom Construction LLC, a new subsidiary (continued)

Currency: VND

Carrying value at
acquisition date

Assets

Cash and cash equivalents	218,934,200,333
Short-term trade receivables	498,717,166,658
Short-term advances to suppliers	231,535,181,871
Other short-term receivables	195,058,033,436
Short-term loan receivables	1,455,000,000,000
Inventories	826,505,381,254
Value-added tax deductible	51,212,828,917
Other assets	9,619,135,813

3,486,581,928,282

Liabilities

Short-term trade payables	280,771,364,434
Short-term advances from customers	2,575,106,155,388
Short-term accrued expenses	117,166,141,563
Other short-term payables	209,920,415,611
Short-term loans	46,868,004,218

Total net assets **256,749,847,068**

Difference between consideration and net assets recognised in
other funds belonging to owners' equity (Note 27.1) 13,250,152,932

Total consideration **270,000,000,000**

Cash flow on acquisition

Net cash acquired with the subsidiary	218,934,200,333
Cash paid up to 31 December 2018	<u>(270,000,000,000)</u>

Net cash flow used in acquisition **(51,065,799,667)**

Total consideration of VND270 billion was fully paid in cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.3 Other business combination

Merger of Vinhomes Trading and Real Estate Management JSC ("Vinhomes Management JSC")

On 25 January 2018, the General Meeting of Shareholders of Vinhomes Management JSC approved the Resolution No. 01/2018/NQ/DHDCD-VH on the merger of Vinhomes Management JSC into the Company.

According to the Merger Contract dated 27 January 2018 between the Company and Vinhomes Management JSC, the Company issued 381,500,000 shares at par value of VND10,000 per share in exchange for shares of Vinhomes Management JSC. The issuance increased the Company's share capital by VND3,815 billion.

The principal activities of Vinhomes Management JSC at the merger date are to invest, construct, trade and act as agency, consultant relating to real estate properties. Vinhomes Management JSC's head office was located at No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi.

The fair value of the Company's consideration given, identifiable assets and liabilities of Vinhomes Management JSC at the merger date are presented below:

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4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.3 Other business combination (continued)

Merger of Vinhomes Trading and Real Estate Management JSC ("Vinhomes Management JSC") (continued)

Currency: VND

Fair value at merger date

Assets	
Cash	436,915,335,232
Held-to-maturity investments	172,130,755,950
Short-term trade receivables	856,634,989,252
Short-term advances to suppliers	300,287,774,697
Short-term loan receivables	6,655,000,000,000
Short-term other receivables	60,868,234,328
Inventories	3,193,901,415,457
Other current assets	74,049,195,945
Tangible fixed assets	13,120,586,212
Investment properties	2,343,281,072,129
Deferred tax assets	100,202,980,865
Other long-term assets	57,002,986,359
	14,263,395,326,426
Liabilities	
Short-term trade payables	732,056,233,244
Short-term advances from customers	1,535,686,360,613
Statutory obligations	148,347,886,487
Short-term accrued expenses	1,447,722,481,729
Unearned revenues	1,895,303,265,447
Dividend payables	934,675,000,000
Deferred tax liabilities	107,955,305,246
Long-term provisions	24,787,867,658
Other payables	3,442,589,083,536
	3,994,271,842,466
Total net assets	3,994,271,842,466
Goodwill (Note 19)	115,728,157,534
Fair value of consideration (*)	4,110,000,000,000
Cash flow on merger	
Net cash acquired with the merger	436,915,335,232
Cash paid up to 31 December 2018	-
Net cash flow on merger	436,915,335,232

(*) At the merger date, the Company assessed that the fair value of the acquiree's shares is a more reliable measurement of fair value of consideration. Fair value of consideration is determined as fair value of 381,500,000 shares of Vinhomes Management JSC at VND10,773.3 per share. The difference between the fair value and par value of additional issued shares with amount of VND295 billion is recognized in share premium in the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.3 Other business combination (continued)

Acquisition of Phat Loc Commercial Investment Trading LLC ("Phat Loc LLC"), a new subsidiary

On 28 February 2018, the Company completed the acquisition of 77.96% equity interest in Phat Loc LLC from individuals for a total consideration of VND316.9 billion. Thereby, Phat Loc LLC became a subsidiary of the Company. At the date of acquisition, Phat Loc LLC is the owner of a potential real estate project.

On 28 December 2018, the Company completed the disposal of 37.78% equity interest in Phat Loc LLC to a corporate counterparty as presented in Note 4.4.

The fair value of identifiable assets and liabilities of Phat Loc at the acquisition date are presented below:

	<i>Currency: VND</i>
	<i>Fair value at acquisition date</i>
Assets	
Cash	9,597,036,150
Trade receivables	56,351,012,773
Other receivables	90,222,222,222
Investment properties	266,655,605,867
Construction in progress	12,639,714,775
Other assets	39,600,000
	435,505,191,787
Liabilities	
Deferred tax liabilities	25,069,090,656
Short-term loans	13,100,000,000
Other payables	1,524,600,049
Total Net Asset	395,811,501,082
Non-controlling interests	(87,236,854,839)
Goodwill (Note 19)	8,351,753,757
Fair value of consideration	316,926,400,000
Cash flow on acquisition	
Net cash acquired with the subsidiary	9,597,036,150
Cash paid up to 31 December 2018	(316,926,400,000)
Net cash flow used in acquisition	(307,329,363,850)

Total consideration of VND316.9 billion was fully paid in cash. Profit before tax of Phat Loc LLC for the period from the acquisition date to the disposal date is VND3 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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4. SIGNIFICANT ACQUISITIONS, MERGERS AND DISPOSALS DURING THE YEAR
(continued)

4.4 Disposals of subsidiaries

Disposal of VinDS Trading and Services LLC ("VinDS LLC")

On 3 January 2018, VinDS LLC was merged into Vincommerce JSC according to the Merger Contract signed between VinDS LLC and Vincommerce JSC, an affiliate. Subsequently, on 11 January 2018, the Company disposed all of its equity interest in Vincommerce JSC to Vingroup JSC, the ultimate parent company, for a cash consideration of VND693 billion. Accordingly, the Company recorded a gain of VND1,036 billion from this disposal in consolidated income statement (Note 28.2).

Disposal of An Phat Trading and Commercial Development LLC ("An Phat LLC")

On 20 August 2018, according to Decision No. 35/2018/QĐ-HĐQT-VH of the Company's Board of Directors, the Company contributed capital into An Phat LLC with amount of VND20 billion, equivalent to 100% charter capital of this company. According to Resolution No. 41/2018/NQ-HĐQT-VH dated 10 October 2018, the Company contributed additional capital to An Phat LLC in form of land and assets attached to land being the General Hospital in Vinhomes Central Park project with carrying value of VND874 billion. Subsequently, on 6 December 2018, the Company disposed of 100% equity interest in An Phat LLC to Vinmec International General Hospital JSC ("Vinmec JSC"), an affiliate, for a consideration of VND894 billion. The Company did not recognize any gain or loss from this transaction.

Disposal of Phat Loc LLC

On 20 December 2018, the Company completed an additional capital contribution of VND280 billion into Phat Loc LLC, thereby, increased equity interest of the Company in this company to 88.78%. Subsequently, on 28 December 2018, the Company disposed 37.78% equity interest in Phat Loc LLC to a corporate counterparty for a consideration of VND416 billion. Thereby, equity interest of the Company in Phat Loc LLC decreased to 51%. According to this capital transfer agreement, the Company also transferred control over Phat Loc LLC to this corporate counterparty from the time of the first payment. Therefore, the Company no longer has control over or significant influence on Phat Loc LLC. The remaining investment in Phat Loc LLC is presented as investment in other entities (Note 18.2). The Company recognised a gain of VND167 billion as a result of this transaction in the consolidated income statement (Note 28.2).

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5. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	2,029,217,761	159,912,175
Cash at banks	2,693,165,962,604	815,874,983,916
Cash in transit	-	2,306,504,160
Cash equivalents	820,177,272,707	743,236,370,567
TOTAL	<u>3,515,372,453,072</u>	<u>1,561,577,770,818</u>

Cash equivalents as at 31 December 2018 comprise bank deposits in VND with terms ranging from 1 month to 3 months, earning interests at rates ranging from 3.9 to 5.5% per annum (as at 31 December 2017: 4.2 - 5.5% per annum).

Details of each type of foreign currency in original currency:

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currency:		
- United States dollar (USD)	10,475	6,915

6. SHORT-TERM INVESTMENTS

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Carrying value</i>	<i>Cost</i>	<i>Carrying value</i>
Short-term bank deposit	1,009,404,569,232	1,009,404,569,232	-	-
TOTAL	<u>1,009,404,569,232</u>	<u>1,009,404,569,232</u>	<u>-</u>	<u>-</u>

Short-term bank deposits in VND as at 31 December 2018 have terms ranging from 12 months to 13 months and earning interests at rates ranging from 6.1% to 7.1% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended**7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS****7.1 Short-term trade receivables**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Sale of inventory properties	5,258,910,762,253	852,651,790,464
Disposal of investments	939,948,510,204	10,836,643,891,478
Rendering construction services and related services	772,169,347,808	-
Leasing activities and rendering related services	94,576,046,590	256,082,095,444
Rendering real estate management services	79,200,426,099	-
TOTAL	<u>7,144,805,092,954</u>	<u>11,945,377,777,386</u>
Provision for doubtful short-term trade receivables	-	-
<i>In which:</i>		
<i>Trade receivables from others</i>	<i>4,484,620,674,249</i>	<i>2,074,306,433,306</i>
<i>Trade receivables from related parties (Note 34)</i>	<i>2,660,184,418,705</i>	<i>9,871,071,344,080</i>
<i>In which, details of receivable balance more than 10% total balance</i>		
<i>Vingroup JSC</i>	<i>110,678,722,209</i>	<i>9,822,251,781,478</i>

7.2 Short-term advances to suppliers

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances to other suppliers	2,550,405,329,416	1,587,118,313,431
- Land Fund Development Center of Gia Lam District	1,379,106,795	792,312,969,328
- Others	2,549,026,222,621	794,805,344,103
Advances to related parties (Note 34)	2,148,423,526	108,076,582,716
TOTAL	<u>2,552,553,752,942</u>	<u>1,695,194,896,147</u>
Provision for doubtful advances to suppliers	(10,694,631,564)	(2,400,000,000)

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8. SHORT-TERM LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Loans to corporate counterparties and individuals (i)	4,504,600,000,000	6,771,028,571,429
Loans to related parties (Note 34)	-	2,684,000,000,000
Current portion of long-term loan receivables (ii)	23,257,439,663	21,999,942,002
TOTAL	4,527,857,439,663	9,477,028,513,431
Provisions for doubtful loan receivables	(70,969,108,833)	(67,643,669,305)

(i) Balance as at 31 December 2018 mainly comprises loans to corporate counterparties and individuals with terms of 12 months, earning an interest rate of 9% per annum. These included loans to three (03) corporate counterparties amounting to VND4,450 billion guaranteed by a number of shares and a portion of the capital contributed by the borrowers.

(ii) A lending is secured by assets at commercial outlets of the corporate counterparty.

9. OTHER RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Capital contribution for Business and Investment Co-operation Contract (i)	25,726,792,718,200	-
Declared profit receivables (ii)	1,294,826,718,000	-
Interest income on loans, deposits and bank deposits	1,170,922,494,287	445,998,056,165
Customers' advances collected by third party on behalf of the Company and its subsidiaries	366,854,238,105	1,033,361,277,516
Receivables from payment on behalf	156,102,087,765	137,857,940,830
Receivables from centralised cash flow management accounts	-	53,070,861,526
Short-term deposits, mortgage	86,745,650,000	56,767,160,790
Others	439,052,160,679	28,807,389,320
TOTAL	29,241,296,067,036	1,755,862,686,147
Provision for doubtful other short-term receivables	(28,705,000,000)	(28,705,000,000)
<i>In which:</i>		
Receivables from others	16,229,552,025,718	1,610,486,942,318
Receivables from related parties (Note 34)	13,011,744,041,318	145,375,743,829
Long-term		
Deposits for rental purpose	211,636,421,096	84,149,639,179
Others	2,152,702,779	331,185,557
TOTAL	213,789,123,875	84,480,824,736
<i>In which:</i>		
Receivables from others	93,211,758,708	84,480,824,736
Receivables from related parties (Note 34)	120,577,365,167	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

9. OTHER RECEIVABLES (continued)

(i) Mainly includes:

- ▶ A deposit of VND13,950 million to a corporate counterparty for the purpose of investing in a real estate project under Business Co-operation Contract. This deposit is guaranteed by a number of shares in this corporate counterparty owned by shareholders.
- ▶ Unsecured capital contribution of VND11,435 billion to Vingroup JSC and an affiliate for the purpose of investing in some real estate projects under Business and Investment Co-operation Contracts.

(ii) Balance as at 31 December 2018 represents receivables for profit declaration from Business and Investment Co-operation Contracts with Vingroup JSC for the purpose of investing in Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Star City Thanh Hoa and Vinhomes Dragon Bay Projects. The total profit sharing from these contracts is presented in Note 28.2. Declared profit receivables from these Business and Investment Co-operation Contracts have been fully collected in cash after balance sheet date.

10. BAD DEBTS

The Company and its subsidiaries' bad debts mainly include overdue loan principals and interest receivable from corporate counterparties:

Currency: VND

<i>Debtor</i>	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Corporate counterparties	110,368,740,397	-	106,704,942,000	7,956,272,695
TOTAL	110,368,740,397	-	106,704,942,000	7,956,272,695

Details of overdue receivables more than 10% of ending balance:

<i>Phu Son Cement JSC</i>	82,705,000,000	-	82,705,000,000	-
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11. INVENTORIES

		<i>Currency: VND</i>	
	<i>Ending balance</i>		<i>Beginning balance</i>
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i> <i>Provision</i>
Inventory properties under construction (i)	33,682,717,668,022	(201,364,698,774)	14,576,232,471,898 (78,720,193,331)
Completed inventory properties	1,287,355,691,140	-	154,504,452,970 -
Inventories acquired for sales (ii)	1,009,380,814,368	(5,434,867,009)	2,418,908,952,989 (131,131,232,245)
Inventories for retail outlets	-	-	115,615,927,880 (49,258,453,411)
Others (iii)	1,085,774,350,549	-	107,750,242 -
TOTAL	37,065,228,524,079	(206,799,565,783)	17,265,369,555,979 (259,109,878,987)

(i) Mainly includes construction and development costs for apartments, villas, offices, school, hotels, shophouses and shopping malls for sales of VinCity Ocean Park, VinCity Sportia, Vinhomes Central Park, Vinhomes Metropolis, Vinhomes Green Bay, Vinhomes Golden River, Vinhomes West Point and Vinhomes New Center Ha Tinh Projects.

(ii) Mainly includes villas acquired for sales of Vinhomes Thang Long and Vinhomes Riverside projects.

(iii) Mainly includes the value of trees and the costs incurred related to rendering of general constructor services to investors of Projects.

As at 31 December 2018, all properties, real estate rights which is land-based construction with the value of VND1,582 billion (whether it is already completed or will be completed in the future) of the Landmark 81 hotel which is qualified for mortgage in accordance with the law has been used as collateral for a bond of Vinpearl JSC, an affiliate.

Detail movements of provision for obsolete inventories:

		<i>Currency: VND</i>	
		<i>Current year</i>	<i>Previous year</i>
Beginning balance		259,109,878,987	8,386,879,738
Add: Provision made during the year		184,728,490,924	259,109,878,987
Less: Disposal of subsidiary		(49,258,453,411)	-
Less: Utilisation of provision during the year		(187,780,350,717)	(8,386,879,738)
Ending balance		<u>206,799,565,783</u>	<u>259,109,878,987</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

12. PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Selling expenses related to inventory properties not yet handed over	834,412,832,265	607,480,080,694
Provisional corporate income tax	154,122,283,012	173,135,075,150
Others	16,785,917,268	5,554,314,620
TOTAL	<u>1,005,320,832,545</u>	<u>786,169,470,464</u>
Long-term		
Prepaid land rental (i)	365,250,409,071	378,947,299,410
Repair and leasehold improvement	66,841,795,867	-
Prepaid villas rental	44,504,531,796	13,531,226,142
Tools and supplies	27,450,577,099	-
Others	4,535,839,310	36,338,029
TOTAL	<u>508,583,153,143</u>	<u>392,514,863,581</u>

(i) These are land rental rights for Ecology JSC's shopping malls operating under Business Co-operation Contract.

13. OTHER ASSETS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Deposits for investment purpose (i)	5,014,141,085,139	10,000,000,000
Electrical equipment systems (ii)	229,987,102,653	196,578,466,985
TOTAL	<u>5,244,128,187,792</u>	<u>206,578,466,985</u>
<i>In which:</i>		
Deposits to others	974,871,602,653	206,578,466,985
Deposits to related parties (Note 34)	4,269,256,585,139	-
Long-term		
Deposits for investment purpose (iii)	511,417,630,700	-
Deposits for commercial purpose (iv)	1,032,336,527,786	-
TOTAL	<u>1,543,754,158,486</u>	<u>-</u>
<i>In which:</i>		
Deposits to others	1,032,336,527,786	-
Deposits to related parties (Note 34)	511,417,630,700	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

13. OTHER ASSETS (continued)

(i) Mainly comprises:

- ▶ Deposits of VND2,102.5 billion to Vingroup JSC for acquiring additional shares/equity interest of its subsidiaries that own potential real estate projects. These deposits were secured by entire shares/equity interest and related rights, benefit of Vingroup JSC in these companies;
- ▶ Unsecured deposits of VND2,096.5 billion for Vingroup JSC for the purpose of investing and developing a number of real estate projects under project transfer agreements and project development agreements; and
- ▶ An unsecured deposit of VND694 billion to a corporate counterparty for the purpose of acquiring a real estate project.

(ii) These are electrical equipment systems which will be transferred to Hanoi City Power Corporation.

(iii) Comprises:

- ▶ An unsecured deposit of VND211.5 billion to Vingroup JSC for the purpose of acquiring a real estate project; and
- ▶ Deposits of VND300 billion to Vingroup JSC for acquiring additional shares of its subsidiaries that own real estate projects. These deposits were secured by certain shares and related rights, benefit of Vingroup JSC in these companies.

(iv) Unsecured deposits to a corporate counterparty earning interest rate which is determined by 12-month interest (paid in arrears) VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, adjusted every 3-month. The deposit and interest will be used as settlement for 10% of contract value under separate contracts between the Company and its subsidiaries and this corporate counterparty.

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14. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Currency: VND						
Cost:						
Beginning balance	1,180,896,945,732	194,648,470,255	3,019,235,970	72,665,527,548	-	1,451,230,179,505
Newly purchased	-	4,406,264,430	4,854,131,421	1,587,151,345	-	10,847,547,196
Newly constructed	9,768,053,972	5,458,338,744	-	-	-	15,227,392,716
Addition from merger and acquisition	-	8,482,865,342	73,698,333,176	1,188,537,282	8,554,097,906	91,923,833,706
Sold, disposed	(682,990,660,826)	(103,565,609,538)	(4,699,448,314)	-	-	(791,255,718,678)
Disposal of subsidiary	(88,409,333,386)	(141,410,999)	-	(71,544,587,432)	-	(160,095,331,817)
Transfer to investment properties	(409,496,951,520)	(88,797,998,123)	-	-	-	(498,294,949,643)
Ending balance	9,768,053,972	20,491,920,111	76,872,252,253	3,896,628,743	8,554,097,906	119,582,952,985
Fully depreciated	-	10,776,575,469	2,578,015,910	1,359,850,834	246,244,978	14,960,687,191
Accumulated depreciation:						
Beginning balance	82,403,234,947	42,234,501,855	3,019,235,970	26,638,587,124	-	154,295,559,896
Depreciation for the year	8,062,269,806	1,817,425,243	4,454,200,711	221,168,240	3,977,919,447	18,532,983,447
Addition from merger and acquisition	-	891,853,431	1,947,682,516	375,816,551	24,250,005	3,239,602,503
Sold, disposal	(45,277,900,562)	(24,070,048,213)	(1,143,405,455)	-	-	(70,491,354,230)
Disposal of subsidiary	(35,084,317,880)	(13,819,993)	-	(26,435,958,386)	-	(61,534,096,259)
Transfer to investment properties	(10,103,266,311)	(14,791,840,057)	-	-	-	(24,895,126,368)
Ending balance	-	6,068,072,266	8,277,713,742	799,613,529	4,002,169,452	19,147,568,989
Net carrying amount:						
Beginning balance	1,098,493,710,785	152,413,968,400	-	46,026,940,424	-	1,296,934,619,609
Ending balance	9,768,053,972	14,423,847,845	68,594,538,511	3,097,015,214	4,551,928,454	100,435,383,996

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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15. INVESTMENT PROPERTIES

	Land use rights	Buildings and structures	Machinery and equipment	Total
Currency: VND				
Cost:				
Beginning balance	-	149,492,371,863	46,727,731,933	196,220,103,796
Addition from merger and acquisition (Note 4)	2,742,801,201,562	2,745,842,741,885	250,575,077,608	5,739,219,021,055
Newly purchased	2,272,309,520	36,171,339,185	-	38,443,648,705
Construction completed	141,019,936,273	604,822,898,448	265,761,839,187	1,011,604,673,908
Transfer from owner-occupied property	45,664,206,200	363,832,745,320	88,797,998,123	498,294,949,643
Sold, disposed (i)	(870,142,244,857)	(275,249,180,537)	-	(1,145,391,425,394)
Disposal of subsidiary	(91,483,462,326)	(187,133,955,540)	-	(278,617,417,866)
Other decreases	-	(65,321,183,765)	-	(65,321,183,765)
Ending balance	1,970,131,946,372	3,372,457,776,859	651,862,646,851	5,994,452,370,082
Accumulated depreciation:				
Beginning balance	-	12,413,975,718	20,767,880,876	33,181,856,594
Addition from merger (Note 4)	6,530,380,709	2,483,968,136	1,301,354,834	10,315,703,679
Transfer from owner-occupied property	-	10,103,286,311	14,791,840,057	24,895,126,368
Sold, disposed (i)	-	(6,164,220,656)	-	(6,164,220,656)
Depreciation for the year	25,946,526,178	72,887,087,726	18,772,213,225	117,605,827,129
Disposal of subsidiary	-	(13,901,252,418)	-	(13,901,252,418)
Other decreases	-	(386,530,825)	-	(386,530,825)
Ending balance	32,476,906,887	77,436,313,992	55,633,288,992	165,546,509,871
Net carrying amount:				
Beginning balance	-	137,078,396,145	25,959,851,057	163,038,247,202
Ending balance (ii)	1,937,655,039,485	3,295,021,462,867	596,229,357,859	5,828,905,860,211

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

15. INVESTMENT PROPERTIES (continued)

- (i) Investment properties sold and disposed during the year mainly include villas for lease in Vinhomes Riverside Project.
- (ii) As at 31 December 2018, investment properties mainly represent: office-for-lease component in Vinhomes Times City Project; office for lease component of Vincom Center Dong Khoi at No. 72, Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City; parking component in Vinhomes Times City, Vinhomes Central Park, Vinhomes Golden River, Vinhomes Royal City, Vinhomes Metropolis Projects and villas for lease in Vinhomes Riverside Project.

The Company has not determined fair value of investment properties as at 31 December 2018 because of insufficient market information for fair value determination purpose. However, based on the plan to use these investment properties, the Management believes that the fair value of these investment properties is higher than their net carrying amount.

16. CAPITALISED BORROWING COSTS

During the year, the Company and its subsidiaries capitalised borrowing costs with an amount of approximately VND 459,981,776,474 (for the year ended 31 December 2017: VND 112,729,256,647). These borrowing costs are mainly related to specific borrowings taken to finance the construction of Vinhomes Central Park, VinCity Ocean Park, VinCity Sportia, and Vinhomes Metropolis Projects. The capitalised borrowing costs are determined by applying a capitalisation rate from 7.00% per annum to 10.03% per annum (for the year ended 31 December 2017: 7.00%).

17. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Vinhomes Long Beach Can Gio Project	12,403,703,983,341	-
Leman Golf & Villa Cu Chi Project	1,657,779,028,714	-
Vinhomes Ky Hoa Project	1,133,148,858,598	-
Vinhomes Golden River Project	642,157,514,293	-
Vinhomes Me Linh Project	641,287,783,339	636,534,654,499
Vinhomes Lang Van Project	539,420,902,932	-
VinCity Ocean Park Project	416,685,471,913	1,566,693,795,705
VinCity Sportia Project	356,058,000,034	-
Office component in Vinhomes Times City Project	184,924,343,007	-
Vinhomes West Point Project	130,332,169,426	-
Vinhomes Green Bay Project	106,899,188,556	192,252,033,947
Vinhomes Thang Long Project	-	51,292,959,544
Other Projects	150,636,793,650	15,282,099,346
TOTAL	18,363,034,037,803	2,462,055,543,041

The balance represents construction costs, land clearance costs, project development costs and consideration for acquisition of subsidiaries allocated as a part of project acquisition costs.

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18. LONG-TERM INVESTMENTS

	Currency: VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Investments in associates (Note 18.1)	-	-	9,443,697,124	-
Investments in other entities (Note 18.2)	378,632,164,507	-	1,695,528,410,000	-
Held-to-maturity investments (i)	99,680,000,000	-	50,000,000,000	-
TOTAL	478,312,164,507	-	1,754,972,107,124	-

(i) As at 31 December 2018, the balance represents two investments in bonds of Vietnam Joint Stock Commercial Bank for Foreign Trade of Vietnam with amount of VND 50,000,000,000 and Joint Stock Commercial Bank for Investment and Development of Vietnam with amount of VND 49,680,000,000. The term of the first bond is 120 months from 25 November 2016 with an interest rate of 7.57% per annum for the first year. The interest rate from the following years is equal to the interest rate of 12-month personal savings deposit plus 1% per annum. The term of the second bond is 120 months from 18 December 2018, with the interest rate equal to the reference interest rate plus 1% per annum, of which the reference interest rate is the average of 12-month individual saving interest rate.

18.1 Investments in associates

Movements of the investments in associates are presented below:

Currency: VND	
Tay Tang Long LLC	
Cost of investment:	
Beginning balance	9,000,000,000
Additional investments for the year	84,000,000,000
Step-up acquisition from associate to subsidiary	(93,000,000,000)
Ending balance	-
Accumulated share in post-acquisition profit of the associates:	
Beginning balance	443,697,124
Share in profit of the associates for the year	191,238,076
Step-up acquisition from associate to subsidiary	(634,935,200)
Ending balance	-
Net carrying amount:	
Beginning balance	9,443,697,124
Ending balance	-

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18. LONG-TERM INVESTMENTS (continued)

18.2 Investments in other entities

Currency: VND

	Ending balance			Beginning balance		
	Number of shares	Voting right (%)	Equity interest (%)	Amount (*) (VND)	Number of shares	Voting right (%)
Thanh Pho Ho Chi Minh Investment Service Trading JSC ("Vicentra JSC") (i)	-	-	-	-	2,770,980	1.00
Vincom: Retail Joint Stock Company ("Vincom Retail JSC") (Note 27.1)	-	-	-	-	156,888,450	8.25
Vincom: General Service Trading LLC (ii)	-	-	-	-	(**)	6.00
VinAcademy Education and Training LLC ("VinAcademy LLC") (ii)	-	-	-	-	(**)	6.00
Southern Star Urban Development and Trading Investment JSC ("Southern Star JSC") (ii)	-	-	-	-	590,000	0.98
Theng Long Real Estate Trading Investment JSC ("Thang Long JSC")	500,000	10.00	10.00	13,500,000,000	-	-
Phat Loc LLC	(**)	-	51.00	342,909,184,507	-	-
Xavinco Land JSC ("Xavinco JSC")	2,000,000	1.00	1.00	22,223,000,000	-	-
TOTAL				378,632,164,507		
				1,695,528,410,000		

(*) As at 31 December 2018, the Company did not determine fair value of these investment because shares of these companies are not listed on the stock market.

(**) These are limited liability companies. As at 31 December 2018, the Company transferred all ownership and voting rights in Phat Loc Company to a corporate counterparty (Note 4.4). Therefore, the Company presented this investment in Investment in other entities and did not consolidate it as a subsidiary.

(i) As at 1 June 2018, the Company completed the acquisition of 100% equity interest of Millenium LLC. On the same date, Vicentra JSC was merged into Millenium LLC (Note 4.2);

(ii) These investments were transferred to affiliates in January 2018, and there was no gain/loss incurred from these transactions.

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19. GOODWILL

Currency: VND

	Goodwill arising from acquisition of Ecology JSC	Goodwill arising from acquisition of Vietnam Investment JSC	Goodwill arising from acquisition of Gia Lam LLC	Goodwill arising from acquisition of Phu Gia LLC	Goodwill arising from acquisition of Phat Loc LLC	Goodwill arising from acquisition of Vinhomes Management JSC	Goodwill arising from acquisition of Tan Lien Phat JSC	Goodwill arising from acquisition of Millenium LLC	Total
Cost:									
Beginning balance	369,866,854,773	288,148,907,591	1,235,307,223	40,344,641,425	-	-	-	-	699,595,711,012
Addition resulting from acquisition of subsidiaries	-	-	-	-	-	-	-	-	-
(Note 4)	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	(40,344,641,425)	(8,351,753,757)	(8,351,753,757)	-	-	(48,696,395,182)
Ending balance	369,866,854,773	288,148,907,591	1,235,307,223	-	-	115,728,157,534	337,766,778,506	153,044,574,162	1,265,790,579,789
Accumulated amortisation:									
Beginning balance	38,456,456,826	29,999,064,352	128,607,327	4,200,264,040	-	-	-	-	72,784,392,545
Amortisation for the year	36,986,685,478	28,814,890,759	123,530,722	-	695,979,480	10,608,414,441	30,961,954,696	8,927,600,159	117,119,055,735
Disposal during the year	-	-	-	(4,200,264,040)	(695,979,480)	-	-	-	(4,896,243,520)
Ending balance	75,443,142,304	58,813,955,111	252,138,049	-	-	10,608,414,441	30,961,954,696	8,927,600,159	185,007,204,760
Net carrying amount:									
Beginning balance	331,410,397,947	258,149,843,239	1,106,699,896	36,144,377,385	-	-	-	-	626,811,316,467
Ending balance	294,423,712,469	229,334,952,480	983,169,174	-	-	105,119,743,093	306,804,823,810	144,116,974,003	1,080,783,375,029

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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20. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

20.1 Short-term trade payables

		Currency: VND	
		<i>Balance (Amount payable)</i>	
		<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables		2,192,065,032,024	629,985,256,556
- A corporate counterparty rendering construction service		440,897,206,640	66,222,458,251
- Lanmak Real Estate Construction Investment JSC		61,906,958,920	100,785,912,863
- Others		1,689,260,866,464	462,976,885,442
Trade payables to related parties (Note 34)		312,069,342,930	295,405,326,152
TOTAL		2,504,134,374,954	925,390,582,708

20.2 Short-term advances from customers

		Currency: VND	
		<i>Ending balance</i>	<i>Beginning balance</i>
Down payments from customers under sales and purchase agreements (i)		13,718,960,600,239	16,843,606,855,148
Advances from customers for construction services		487,662,874,199	-
Others		-	2,137,409,256
TOTAL		14,206,623,474,438	16,845,744,264,404

In which:

Advances from others	13,992,195,742,492	16,845,744,264,404
Advances from related parties (Note 34)	214,427,731,946	-

- (i) This mainly represents down payments to purchase inventory properties at VinCity Ocean Park, Vinhomes Green Bay, Vinhomes Central Park, Vinhomes Golden River, Vinhomes Riverside, Vinhomes Times City, Vinhomes New Center Ha Tinh, Vinhomes West Point, Vinhomes Thang Long and Vinhomes Metropolis Projects from customers who signed sales and purchase agreements with the Company and its subsidiaries.

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21. STATUTORY OBLIGATIONS

<i>Currency: VND</i>				
	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
Payables				
Corporate income tax	124,431,747,979	5,404,237,121,930	(3,407,626,140,888)	2,121,042,729,021
Value added tax	76,932,264,068	968,451,795,311	(632,752,870,462)	412,631,188,917
Other taxes	29,142,811,588	631,877,184,406	(650,831,297,748)	10,188,698,246
TOTAL	230,506,823,635	7,004,566,101,647	(4,691,210,309,098)	2,543,862,615,184
	<i>Beginning balance</i>	<i>Receivable for the year</i>	<i>Offset during the year</i>	<i>Ending balance</i>
Receivables				
Value added tax	83,535,446,363	1,008,581,618,038	(972,866,035,572)	119,251,028,829
Corporate income tax	2,212,389,776	92,048,792,826	-	94,261,182,602
Other taxes	1,741,876	230,979,205	-	232,721,081
TOTAL	85,749,578,015	1,100,861,390,069	(972,866,035,572)	213,744,932,512

22. ACCRUED EXPENSES

<i>Currency: VND</i>		
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Accrued costs for handed over inventory properties	2,294,540,578,510	506,239,161,968
Accrued commission fees and other expenses related to inventory properties	1,385,362,158,394	132,626,220,949
Accrued construction costs	1,413,050,605,353	304,621,884,440
Accrued bond and loan interest expenses	833,817,283,490	782,481,153,118
Others	156,964,026,367	12,467,963,128
TOTAL	6,083,734,652,114	1,738,436,383,603
<i>In which:</i>		
Short-term accrual to others	5,732,349,104,241	1,254,035,975,214
Short-term accrual to related parties (Note 34)	351,385,547,873	484,400,408,389
Long-term		
Accrued loan interest expenses	520,943,001,214	-
TOTAL	520,943,001,214	-
<i>In which:</i>		
Long-term accrual to others	102,099,452,056	-
Long-term accrual to related parties (Note 34)	418,843,549,158	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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23. UNEARNED REVENUE

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Deferred revenue from real estate management service	423,489,278,056	-
Deferred revenue from leasing service	34,626,185,330	16,617,259,917
	458,115,463,386	16,617,259,917
Long-term		
Deferred revenue from real estate management service	1,460,577,430,887	-
Deferred revenue from leasing service	257,808,258,735	268,018,281,667
TOTAL	1,718,385,689,622	268,018,281,667

24. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Deposits, loans and other agreements related to real estate projects	4,786,477,987,391	4,065,004,830,340
Deposits for share transfer purpose	-	961,124,640,000
Deposits under Business and Investment Co-operation Contracts (i)	2,562,807,000,000	188,000,000,000
Apartment maintenance funds held on behalf of customers (ii)	1,549,064,562,640	471,081,820,805
Receipt on behalf payables	567,393,265,242	-
Deposits from brokerage agents and tenants	322,152,833,021	6,800,000,000
Others	884,993,981,380	71,133,131,022
TOTAL	10,672,889,629,674	5,763,144,422,167
<i>In which:</i>		
Other short-term payables to others	8,121,646,969,890	5,523,266,893,090
Other short-term payables to related parties (Note 34)	2,551,242,659,784	239,877,529,077
Long-term		
Other long-term deposits	99,024,310,374	4,453,549,069
Others	15,003,715,817	-
TOTAL	114,028,026,191	4,453,549,069

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

24. OTHER PAYABLES (continued)

- (i) These pertain to deposits from a number of affiliates to the Company pursuant to Business and Investment Co-operation Contracts for purpose of operating and transfer co-operation of shopping mall, school and hotel components of Vinhomes Central Park Project and Vinhomes Long Beach Can Gio Project. The deposits related to the shopping mall components are bearing interest at 10% per annum. The deposit related to the hotel components is bearing interest at 9% per annum.
- (ii) This pertains to maintenance fund held on behalf of customers of Vinhomes Times City, Vinhomes Central Park, Vinhomes Golden River, Vinhomes Metropolis and Vinhomes Green Bay Projects, which will be transferred to Building Management Boards. The Company and its subsidiaries are maintaining these fund in cash equivalents and held-to-maturity investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

25. LOANS

	Beginning balance		Movement during the year		Ending balance		Currency: VND
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount	
Short-term							
Loans from banks (Note 25.1)	-	-	1,723,491,128,285	(1,701,057,477,762)	22,433,650,523	22,433,650,523	
Current portion of long-term loans from banks	-	-	2,269,366,019,851	(2,269,366,019,851)	-	-	
Loans from individuals	-	-	922,200,000,000	(922,200,000,000)	-	-	
Loans from corporate counterparties (Note 25.2)	2,000,000,000,000	2,000,000,000,000	11,062,000,000,000	(11,102,000,000,000)	1,960,000,000,000	1,960,000,000,000	
Loans from related parties (Note 34)	6,699,590,490,328	6,699,590,490,328	79,000,920,000,000	(84,317,904,563,375)	1,382,605,926,953	1,382,605,926,953	
Current portion of long-term corporate bonds (Note 25.3)	-	-	3,037,873,806,283	-	3,037,873,806,283	3,037,873,806,283	
	8,699,590,490,328	8,699,590,490,328	98,015,850,954,419	(100,312,528,060,988)	6,402,913,383,759	6,402,913,383,759	
Long-term							
Loans from banks (Note 25.1)	1,213,565,229,651	1,213,565,229,651	207,532,639,366	-	1,421,097,869,017	1,421,097,869,017	
Corporate bonds (Note 25.3)	5,414,121,466,418	5,414,121,466,418	12,872,503,259,316	(3,900,000,000,000)	14,386,624,725,734	14,386,624,725,734	
Loans from corporate counterparties (Note 25.2)	-	-	3,250,000,000,000	(50,000,000,000)	3,200,000,000,000	3,200,000,000,000	
Loans from related parties (Note 34)	-	-	13,968,000,000,000	(7,470,000,000,000)	6,498,000,000,000	6,498,000,000,000	
	6,627,686,696,069	6,627,686,696,069	30,298,035,898,682	(11,420,000,000,000)	25,505,722,594,751	25,505,722,594,751	
TOTAL	15,327,277,186,397	15,327,277,186,397	128,313,886,853,101	(111,732,528,060,988)	31,908,635,978,510	31,908,635,978,510	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

25. LOANS (continued)

25.1 Loans from banks

(i) Detail of short-term loans from bank is presented as below:

<i>Lender</i>	<i>Ending balance (VND)</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Collateral</i>
Vietnam Prosperity Joint-Stock Commercial Bank	22,433,650,523	From 3 June 2019 to 6 June 2019	From 7.8% to 8% per annum. Interest is paid with principal.	None
TOTAL	22,433,650,523			

(ii) Detail of long-term loans from bank is presented as below:

<i>Lender</i>	<i>Ending balance (VND)</i>	<i>Principal repayment term</i>	<i>Interest rate</i>	<i>Collateral</i>
Vietnam Technological and Commercial Joint Stock Bank	1,421,097,869,017	Principal amount is payable in full on 18 January 2021.	Interest rate for the first period is 10% per annum. Interest rate for the following periods is calculated as the average of 12-month interest paid-in-arrears VND saving rate for individual from 4 state- owned banks: Vietcombank, Vietinbank, BIDV and Agribank, plus 3.33% per annum. Interest is payable in each three-month period and on the 18 th .	Capital contribution amount of Ecology JSC in Gia Lam LLC and Vincom Retail JSC's shares (VRE) held by an affiliate.
TOTAL	1,421,097,869,017			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

25. LOANS (continued)

25.2 Loans from corporate counterparties

Loans from corporate counterparties comprises:

- ▶ Short-term loans from corporate counterparties with total principal of VND1,960 billion, bearing the interest rate 9% per annum with maturity date from September 2019 to October 2019. These loans are unsecured; and
- ▶ Long-term loans from two (02) corporate counterparties with total principal of VND3,200 billion, bearing the interest rate of 9% per annum with maturity date in May 2020. These loans are unsecured.

25.3 Corporate bonds

	Ending balance	Beginning balance	Currency: VND
Long-term corporate bonds	17,424,498,532,017	5,414,121,466,418	
<i>In which: current portion</i>	<i>(3,037,873,806,283)</i>	<i>-</i>	
TOTAL	14,386,624,725,734	5,414,121,466,418	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2018 and for the year then ended

25. LOANS (continued)

25.3 Corporate bonds (continued)

Underwriter	Ending balance	Maturity date	Currency: VND	
			Interest rate	Collateral
Techcom Securities Joint Stock Company	5,445,350,024,084	19 October 2020	Interest rate for first and second period is 9.2% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrears VND saving rate (+) 3.25% per annum. Interest is payable every 6 months.	(i)
	1,969,791,666,666	2 August 2021	Interest rate for first and second period is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrears VND saving rate (+) 4.25% per annum. Interest is payable every 6 months.	None
	4,931,625,000,004	13 September 2020	Interest rate for first and second period is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrears VND saving rate (+) 4% per annum. Interest is payable every 6 months.	None
	3,037,873,806,283	22 December 2019	Interest rate for first period is 8.12% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrears VND saving rate from Vietnam Technological and Commercial Joint Stock Bank in this period (+) 1.62% per annum, no less than 8.12% per annum. Interest is payable every 3 months.	(ii)
	1,850,200,257,202	25 December 2020	Interest rate for first period is 9.73% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrears VND saving rate (+) 2.9% per annum. Interest is payable every 3 months.	(ii)
<i>In which:</i> Current portion	(3,037,873,806,283)			
KB Securities Vietnam Joint Stock Company	189,657,777,778	5 November 2021	Interest rate for first and second period is 10.2% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrears VND saving rate from Vietnam Prosperity Joint-Stock Commercial Bank in this period (+) 3.3% per annum. Interest is payable every 3 months.	(iii)
TOTAL	14,386,624,725,734			
<i>In which:</i> Long-term bonds Current portion of long-term bonds	17,424,498,532,017 (3,037,873,806,283)			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

25. LOANS (continued)

25.3 Corporate bonds (continued)

- (i) Collateral of this bond includes assets, rights and benefits of Vinpearl JSC related to Vinpearl Eco-tourism and Cultural Park project (except for the area of Vietnamese Temple).
- (ii) Collateral of this bond includes all assets, rights and benefits of Gia Lam LLC related to VinCity Ocean Park Project.
- (iii) Collateral of this bond includes a number of shares of the Company ("VHM") held by the Parent company, Dan Phuong urban functional area - Green City Project and asset rights arising from BT contract for the purpose of elevated walkway construction related to this project.

26. LONG-TERM PROVISIONS

This represents provision for repairing costs for inventory properties at Vinhomes Times City, Vinhomes Royal City, Vinhomes Golden River, Vinhomes Central Park, Vinhomes Green Bay and Vinhomes Metropolis Projects in accordance with the warranty clause in sales and purchase agreements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. OWNERS' EQUITY

27.1 Increase and decrease in owners' equity

	Attributable to shareholders of the parent				Non-controlling interests	Total
	Issued share capital	Share premium	Other funds belonging to owners' equity (iii)	Undistributed earnings		
Previous year						
Beginning balance	2,000,000,000,000	-	(2,768,622,679,306)	2,970,805,560,320	7,346,759,266,096	9,548,942,147,110
- Capital contribution from non-controlling shareholders	-	-	-	-	28,111,000,000	28,111,000,000
- Investment in new subsidiaries	-	-	(50,184,876,756)	-	107,699,880,268	57,515,003,512
- Net profit for the year	-	-	-	1,409,642,043,514	155,847,016,240	1,565,489,059,754
- Changes of equity interest in subsidiaries without loss of control	-	-	-	603,537,326,742	(1,146,823,045,242)	(543,285,718,500)
- Share common control reserve from associate	-	-	-	19,313,202,608	-	19,313,202,608
- Disposal of subsidiaries	-	-	2,719,689,705,051	-	(3,271,988,903,092)	(552,299,198,041)
Ending balance	2,000,000,000,000	-	(99,117,851,011)	5,003,298,133,184	3,219,605,214,270	10,123,785,496,443
Current year						
Beginning balance	2,000,000,000,000	-	(99,117,851,011)	5,003,298,133,184	3,219,605,214,270	10,123,785,496,443
- Additional shares issued (i)	12,000,000,000,000	-	-	-	-	12,000,000,000,000
- Stock dividends (i) (iii)	10,698,023,680,000	-	-	(10,698,023,680,000)	-	-
- Shares issued under merger contracts (i)	10,365,000,000,000	295,000,000,000	2,116,151,438,143	-	174,867,536,302	12,951,018,974,445
- Acquisition of new subsidiaries	-	-	(249,697,193,753)	-	2,543,421,150,276	2,293,723,956,523
- Net profit for the year	-	-	-	14,284,453,166,652	491,866,078,784	14,776,319,245,436
- Step-up acquisition of equity interest in existing subsidiaries	-	-	-	474,639,311	(1,452,653,023,710)	(1,452,178,384,399)
- Partial disposal of equity interest in existing subsidiaries without loss of control	-	-	-	(62,242,993,181)	62,242,993,181	-
- Disposal of subsidiaries	-	-	48,932,974,255	-	(82,565,735,735)	(33,632,761,480)
- Cash dividends paid (i)	-	-	-	(900,000,000,000)	(45,277,040,000)	(945,277,040,000)
- Demerger (ii)	(1,568,884,500,000)	-	-	-	-	(1,568,884,500,000)
Ending balance	33,495,139,180,000	295,000,000,000	1,816,269,367,634	7,626,959,265,966	4,911,507,173,368	48,144,874,986,968

Currency: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

27. OWNERS' EQUITY (continued)

27.1 Increase and decrease in owners' equity (continued)

- (i) On 18 January 2018, the General Meeting of Shareholders of the Company approved the Resolution No. 01/2018/NQ/DHDCD-HANOI CITY JSC on increase of charter capital and declaration of dividends as follows:

- ▶ Declaration of stock dividends to the existing shareholders at the ratio of 1,000:2,000 (accordingly, each shareholder who owns 1,000 shares is entitled to 2,000 additional shares). Thereby, the Company issued additional 400,000,000 shares at par value of VND10,000 per share. As a result, share capital of the Company increased by VND4,000 billion;
- ▶ Declaration of cash dividends to the existing shareholders with aggregate amount of VND900 billion with ratio of 45%, which is equivalent to VND4,500 per share;
- ▶ Issuance of shares to merger with Tan Lien Phat JSC and Vinhomes Management JSC (Note 4), thereby, increased the Company's share capital by VND10,365 billion and share premium by VND295 billion; and
- ▶ Private share offering of 1,200,000,000 shares at par value of VND10,000 per share. As a result, share capital of the Company increased by VND12,000 billion.

On 27 January 2018, the General Meeting of Shareholders of the Company approved the Decision No. 03/2018/QD-DHDCD-HANOI CITY JSC on the increase in charter capital from VND2,000 billion to VND28,365 billion following the aforementioned private share offering, issuance of stock dividends and issuance of shares for exchange.

On 1 February 2018, the Company received the 18th Amended Enterprise Registration Certificate issued by the Hanoi Department of Planning and Investment which approved the increase in charter capital of the Company to VND28,365 billion.

- (ii) On 5 February 2018, the General Meeting of Shareholders of the Company approved the Resolution No. 02/2018/NQ/DHDCD-VINHOMES JSC on the demerger of Vinhomes JSC into two companies, which are: Vinhomes JSC ("the Demerged Company") and Hanoi Southern City Development and Trading LLC ("the New Company").

- ▶ The Demerged Company shall transfer a part of shares held by an existing shareholder, which is Vingroup JSC, the parent company, together with corresponding assets, rights and obligations to establish the New Company; and
- ▶ The New Company will be entitled to the investment in equity instruments of the Demerged Company which is 156,888,450 quoted shares of Vincom Retail JSC.

After the demerger procedures are completed, the Demerged Company continues to exist and charter capital of the Demerged Company decreased by VND1,568,884,500,000 which is equal to the charter capital of the New Company.

On 12 February 2018, the Company obtained the 20th Amended Enterprise Registration Certificate issued by the Hanoi Department of Planning and Investment which approved the decrease in charter capital of the Company to VND26,796,115,500,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

27. OWNERS' EQUITY (continued)

27.1 Increase and decrease in owners' equity (continued)

- (iii) On 16 August 2018, the General Meeting of Shareholders of the Company approved the Resolution No. 05/2018/NQ-DHDCD-VINHOMES on declaration of stock dividends to the existing shareholders at the ratio of 1,000:250 (accordingly, each shareholder who owns 1,000 shares is entitled to 250 additional shares). Thereby, the Company issued additional 669,902,368 shares at par value of VND10,000 per share. On 8 November 2018, the Company obtained the 25th Amended Enterprise Registration Certificate issued by the Hanoi Department of Planning and Investment which approved the increase in charter capital of the Company to VND33,495 billion.
- (iv) The difference between the value of considerations and net assets of acquirees arising from business combinations under common control. Detail are presented below:

	Currency: VND
	<i>Amount</i>
Beginning balance	(99,117,851,011)
Arising from business combination with Millenium LLC (Note 4.2)	299,960,801,226
Arising from business combination with Royal City JSC (Note 4.2)	(536,407,842,047)
Arising from business combination with Tan Lien Phat JSC (Note 4.2)	2,116,151,438,143
Arising from business combination with Vincom Construction LLC (Note 4.2)	(13,250,152,932)
Decrease from disposal of equity interest and loss of control in VinDS LLC	48,932,974,255
Ending balance	<u>1,816,269,367,634</u>

27.2 Capital transactions with owners' equity

		Currency: VND
	<i>Current year</i>	<i>Previous year</i>
Contributed share capital from owners		
Beginning balance	2,000,000,000,000	2,000,000,000,000
Additional shares issued	12,000,000,000,000	-
Stock dividends	10,699,023,680,000	-
Shares issued under merger contracts	10,365,000,000,000	-
Demerger	(1,568,884,500,000)	-
Ending balance	<u>33,495,139,180,000</u>	<u>2,000,000,000,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

27. OWNERS' EQUITY (continued)

27.3 Ordinary shares and preference shares

	Unit: Share	
	Ending balance	Beginning balance
Authorised shares	3,349,513,918	200,000,000
Issued shares	3,349,513,918	200,000,000
<i>Ordinary shares</i>	3,349,513,918	200,000,000
<i>Preference shares</i>	-	-
Shares in circulation	3,349,513,918	200,000,000
<i>Ordinary shares</i>	3,349,513,918	200,000,000
<i>Preference shares</i>	-	-

The par value of outstanding shares: VND10,000 per share (as at 31 December 2017: VND10,000 per share).

27.4 Dividends

	Currency: VND	
	Current year	Previous year
Dividends declared and paid during the year		
<i>Dividends on ordinary shares</i>		
Cash dividends for 2018: VND4,500 per share (2017: VND 0 per share)	900,000,000,000	-
Stock dividends for 2018: 2,000 shares per 1,000 existing shares (2017: VND 0 per share)	4,000,000,000,000	-
Stock dividends for 2018: 250 shares per 1,000 existing shares (2017: VND 0 per share)	6,699,023,680,000	-
Dividends declared after the date of reporting period and not yet recognised as liability as at 31 December	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

28. REVENUES

28.1 Revenue from sale of goods and rendering of services

	Currency: VND	
	Current year	Previous year
Gross revenue	38,664,328,193,703	15,297,312,397,141
<i>In which:</i>		
Revenue from sales of inventory properties	35,769,365,131,449	12,780,318,223,633
Revenue from rendering general contractor, construction consultancy and supervision services	985,691,363,415	-
Revenue from rendering real estate management and related services	960,729,445,575	-
Revenue from leasing activities and rendering related services	816,436,951,824	263,340,348,860
Revenue from retail outlets	8,155,016,467	875,032,962,332
Revenue from amusement park services	-	1,334,428,299,282
Others	123,950,284,973	44,192,563,034
Deductions	-	-
Net revenue	38,664,328,193,703	15,297,312,397,141
<i>In which:</i>		
Revenue from others	37,635,951,962,807	15,126,637,985,674
Revenue from related parties	1,028,376,230,896	170,674,411,467

28.2 Finance income

	Currency: VND	
	Current year	Previous year
Income from Business and Investment Co-operation Contracts (i)	9,513,096,288,942	-
Gains from investment activities (ii)	3,508,042,075,163	421,805,183,687
Interest income from deposits and loans	1,541,299,549,781	541,879,952,178
Foreign exchange gains	2,608,879,098	582,910,448
TOTAL	14,565,046,792,984	964,268,046,313

(i) Income from Business and Investment Co-operation Contracts with Vingroup JSC and Vicentra JSC for the development purpose of Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Dragon Bay, Vinhomes Star City Thanh Hoa and Vinhomes Golden River Projects. The income has been subsequently received in cash after 31 December 2018.

(ii) This mainly presents gain from transfer of rights to purchase equity interest in a target company to a corporate counterparty and gain from disposal (Note 4.4).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended**28. REVENUES (continued)****28.3 Revenue and expenses relating to investment properties**

	Currency: VND	
	Current year	Previous year
Rental income from investment properties	637,693,650,925	263,340,348,860
Direct operating expenses of investment properties that generated rental income during the year	(282,608,950,564)	(275,439,560,242)

29. COST OF GOODS SOLD AND SERVICES RENDERED

	Currency: VND	
	Current year	Previous year
Cost of inventory properties sold	26,242,671,059,487	8,499,524,190,215
Cost of rendering general contractor, construction consultancy and supervision services	751,119,545,681	-
Cost of rendering real estate management and related services	954,903,944,470	-
Cost of leasing activities and other related costs	572,446,823,267	275,439,560,242
Cost of goods sold at retail outlets	12,758,799,291	731,683,524,494
Cost of amusement park services	-	597,365,670,084
Others	69,357,690,004	26,609,586,172
TOTAL	28,603,257,862,200	10,130,622,531,207

30. FINANCE EXPENSES

	Currency: VND	
	Current year	Previous year
Loan interest and bond issuance costs	2,382,621,895,215	901,949,220,589
Loss from disposals of investments	68,281,254,722	733,888,966,909
Foreign exchange losses	1,195,666,269	16,182,724,249
Other finance expenses	4,855,276,817	396,243,621
TOTAL	2,456,954,093,023	1,652,417,155,368

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses		
Commission fees	1,060,365,340,570	285,273,803,137
Labour costs	93,672,712,748	-
Rental expenses of retail outlets	63,564,860,949	223,080,732,256
Advertising, marketing expenses	73,935,066,008	106,024,427,253
Consultancy fees for handed over inventory properties	-	439,351,202,198
Vinhomes brand name royalty fee	-	139,032,120,079
Others	89,566,539,001	393,047,268,198
	1,381,104,519,276	1,585,809,553,121
General and administrative expenses		
Expenses for external services	588,427,554,732	167,532,596,621
Depreciation and amortisation	124,920,066,309	86,413,850,614
Labour costs	130,098,626,597	102,413,761,345
Donation	157,890,000,000	52,702,865,528
Others	61,489,413,124	43,449,984,887
	1,062,825,660,762	452,513,058,995
TOTAL	2,443,930,180,038	2,038,322,612,116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

32. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of developing inventory properties	24,831,551,117,484	16,991,616,474,014
Expenses for external services	3,685,141,505,495	1,886,926,780,572
Raw material	-	889,244,379,883
Depreciation and amortisation	261,531,599,917	410,151,852,498
Labour costs	791,206,758,597	309,607,229,539
Others	199,793,286,475	173,490,710,616
TOTAL	29,769,224,267,968	20,661,037,427,122

33. CORPORATE INCOME TAX

The current corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 20% of taxable profits. (In 2017: 20%, except for Vinpearlland JSC – Nha Trang Branch which applied the incentive tax rate of 10% and Vinpearlland JSC – Phu Quoc Branch which applied the incentive tax rate of 10% for 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 made, and 50% reduction of CIT for the subsequent 9 years).

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.

33.1 CIT expense

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	4,630,060,569,450	574,855,234,140
Deferred tax expense/(income)	312,354,333,423	(31,562,245,294)
TOTAL	4,942,414,902,873	543,292,988,846

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

33. CORPORATE INCOME TAX (continued)

33.1 CIT expense (continued)

Reconciliation between CIT expenses and the accounting profit multiplied by applicable CIT rate is presented below:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	19,718,734,148,309	2,108,782,048,600
At CIT rate of 20% applicable to the Company	3,943,746,829,662	421,756,409,720
Losses of subsidiaries	88,009,734,449	117,323,994,254
Impact from difference in CIT rate applicable for subsidiaries	-	(98,247,010,299)
Impacts from acquisition and disposal transactions in the consolidated financial statements	(179,771,630,522)	70,704,162,764
Differences of cost of goods sold between the individual financial statements and the consolidated financial statements	415,691,835,835	42,236,809,853
Differences arising from revaluation of net asset of subsidiaries as at acquisition date	601,756,261,384	-
Difference from recording outright sale transaction	32,166,489,428	-
CIT adjustments of subsidiaries	26,366,557,687	(21,986,803,707)
Tax losses carried forward	(118,667,144,160)	(18,344,184,968)
Shared (profit)/loss from associates	(38,247,615)	17,630,588,346
Goodwill amortisation in the consolidated financial statements	23,423,811,147	13,991,914,220
Dividend income	(3,200,000)	(6,540,000,000)
Non-deductible expenses	100,373,721,783	2,281,304,482
Loan interest corresponding to the uncontributed chartered capital	-	20,565,934
Losses ineligible for offsetting against taxable income	14,138,305,553	-
Others	(4,778,421,758)	2,465,238,247
CIT expenses	4,942,414,902,873	543,292,988,846

33.2 Current CIT expense

The current CIT payable is based on taxable income for the current year. The taxable income of the Company and its subsidiaries 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 Company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

33. CORPORATE INCOME TAX (continued)

33.3 Deferred tax

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiaries, and the movement thereon, during the current and previous years:

	Consolidated balance sheet		Consolidated income statement		Currency: VND
	Ending balance	Beginning balance	Current year	Previous year	
Deferred tax assets					
Provision for obsolete inventories	83,607,582,022	-	83,607,582,022	-	
Accrued expense and deferred revenue	71,565,785,257	7,939,927,647	63,625,857,610	4,032,724,900	
Selling expenses for real estate projects	10,947,093,563	7,763,011,588	3,184,081,975	3,488,478,793	
Differences from recording outright sale transaction	-	24,041,041,601	(24,041,041,601)	24,041,041,601	
Differences arising from revaluation of net asset of subsidiaries at acquisition date (Note 4)	75,365,863,498	-	(24,837,117,367)	-	
Differences arising from revaluation of net asset of subsidiaries under legal merge transaction	99,377,720,389	-	99,377,720,389	-	
	340,864,044,729	39,743,980,836			
Deferred tax liabilities					
Differences arising from revaluation of net asset of subsidiaries at acquisition date	(623,140,392,739)	-	(513,271,416,451)	-	
	(623,140,392,739)	-			
Net deferred tax (liabilities)/assets	(282,276,348,010)	39,743,980,836			
Net deferred tax (charge)/credit to consolidated income statement			(312,354,333,423)	31,562,245,294	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

33. CORPORATE INCOME TAX (continued)

Tax losses carried forward

The Company and its subsidiaries are entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company and its subsidiaries have aggregated accumulated tax losses of VND1,337,840,903,943 (31 December 2017: VND1,598,986,216,864) available for offset against future taxable income. Details are as follows:

<i>Originating year</i>	<i>Can be utilised up to</i>	<i>Tax loss amount</i>	<i>Utilized up to 31 December 2018</i>	<i>Forfeited</i>	<i>Unutilised at 31 December 2018</i>
2013	2018	34,726,930,757	(34,726,930,757)	-	-
2014	2019	78,989,738,385	(78,989,738,385)	-	-
2015	2020	119,299,957,217	(30,284,548,906)	(89,015,408,311)	-
2016	2021	1,236,416,720,434	(540,359,239,427)	(543,348,286,539)	152,709,194,468
2017	2022	1,333,621,514,477	(405,505,491,484)	(646,359,466,573)	281,756,556,420
2018	2023	922,139,808,405	(14,160,872,526)	(4,603,782,824)	903,375,153,055
TOTAL		3,725,194,669,675	(1,104,026,821,485)	(1,283,326,944,247)	1,337,840,903,943

No deferred tax assets have been recognised in respect of these accumulated tax losses because future taxable income cannot be ascertained at this stage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

34. TRANSACTIONS WITH REPATED PARTIES

34.1 Significant transactions with related parties

Significant transactions with related parties during this year and previous year were as follows:

Currency: VND

Related parties	Relationship	Transactions	Current year	Previous year
Vingroup JSC	Parent company	Borrowings	(23,860,000,000,000)	(14,024,758,494,445)
		Repayment of borrowings	25,458,928,666,068	14,233,593,670,344
		Receivables from cash centralised account	65,940,871,310,331	4,712,763,476,758
		Receipt from cash centralised account	(66,017,769,751,498)	(4,675,025,484,962)
		Payables for share transfer	(4,814,154,145,638)	(4,386,006,520,000)
		Paid for share transfer	4,814,154,145,638	4,386,006,520,000
		Capital contribution for Business and Investment Co-operation Contract and deposit for investment purpose	15,760,946,324,551	-
		Lendings	1,238,891,070,118	679,000,000,000
		Collection of lendings	(1,238,891,070,118)	(2,939,000,000,000)
		Interest payables	(377,397,085,856)	(383,755,364,118)
		Receivables of shared profit from Business and Investment Co-operation Contracts	6,626,818,977,720	-
		Collection of shared profit from Business and Investment Co-operation Contracts	(5,331,992,259,720)	-
		Receipt from share issuance	(9,500,000,000,000)	-
		Decrease of share capital due to demerger	1,568,884,500,000	-
		Dividend payables	(11,545,123,680,000)	-
		Dividend paid in cash	890,100,000,000	-
		Dividend paid in shares	10,655,023,680,000	-
		Payment for management fees and brand name Royalty fee	502,875,327,397	-
		Payables for collection on behalf related to sale of properties	(623,738,008,305)	-
		Repayment for collection on behalf related to sale of properties	1,800,759,590,122	-
		Receivables from share transfer	693,000,000,000	9,828,660,610,678
		Receipt from share transfer	(10,515,251,781,478)	(6,408,829,200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 Significant transactions with related parties (continued)

Significant transactions with related parties during this year and previous year were as follows:
(continued)

			Currency: VND	
Related parties	Relationship	Transactions	Current year	Previous year
Vicentra JSC	Affiliate (until 31 May 2018)	Borrowings	(6,165,000,000,000)	(3,150,000,000,000)
		Repayment of borrowings	4,429,224,109,589	2,290,000,000,000
		Receivables of shared profit from Business and Investment Co-operation Contract	2,886,282,950,000	-
		Receipt of shared profit from Business and Investment Co-operation Contract	(1,317,928,594,000)	-
		Capital contribution for Business and Investment Co-operation Contract	1,300,000,000,000	-
		Lendings	2,000,000,000,000	-
		Collection of lendings	(2,000,000,000,000)	-
Phu Quoc Tourism Development and Investment JSC ("Phu Quoc Tourism JSC")	Parent's associate	Repayment of borrowings	-	2,110,000,000,000
		Refund of deposits for general contractor services	1,961,800,000,000	-
		Receipt of deposit for the general contractor services	(1,961,800,000,000)	-
Kind Heart Fund	Under common owner	Receipt of advance amount for charitable purpose	92,448,663,563	-
		Payables for charitable purpose	(100,000,000,000)	-
Tan Lien Phat JSC	Affiliate (until 31 January 2018)	Lendings	3,000,000,000,000	1,160,000,000,000
		Collection of lendings	(200,000,000,000)	(806,000,000,000)
		Repayment of borrowings	-	900,000,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 Significant transactions with related parties (continued)

Significant transactions with related parties during this year and previous year were as follows:
(continued)

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Xavinco JSC	Affiliate	Borrowings	(840,000,000,000)	(1,070,000,000,000)
		Repayment of borrowings	966,000,000,000	303,000,000,000
Vinpearl JSC	Affiliate	Borrowings	(9,620,000,000,000)	(680,000,000,000)
		Repayment of borrowings	7,875,000,000,000	1,040,000,000,000
		Deposits for Business Co-operation Contract	(2,199,807,000,000)	-
Vinschool One Member LLC ("Vinschool LLC")	Affiliate	Borrowings	-	(1,040,000,000,000)
		Repayment of borrowings	735,000,000,000	305,000,000,000
		Collection from disposal of assets	(914,441,049,922)	-
		Receivables from disposal of assets	914,441,049,922	-
Ms. Hoang Bach Duong	Chainwoman of member council of a subsidiary	Deposit for share transfer	1,104,000,000,000	-
		Collection of deposit for share transfer	(1,104,000,000,000)	-
Vincommerce JSC	Affiliate	Payable for goods provided	(2,102,622,253,527)	(923,277,752,028)
		Payment for goods provided	2,519,664,183,455	953,042,807,483
		Borrowings	(3,560,000,000,000)	-
		Repayment of borrowings	3,560,000,000,000	-
		Payables for share transfer	(3,000,000,000,000)	-
		Payment for share transfer	3,000,000,000,000	-
		Lendings	14,550,000,000,000	-
		Collection of lendings	(15,060,000,000,000)	-
Cam Ranh Investment LLC	Affiliate (until 30 November 2018)	Borrowings	(1,415,000,000,000)	-
Central Park Development LLC ("Central Park LLC")	Affiliate	Borrowings	(1,050,000,000,000)	(760,000,000,000)
		Repayment of borrowings	1,775,000,000,000	520,000,000,000
		Capital contribution for Business and Investment Co-operation Contract	490,000,000,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 Significant transactions with related parties (continued)

Significant transactions with related parties during this year and previous year were as follows:
(continued)

Currency: VND

Related parties	Relationship	Transactions	Current year	Previous year
Vinfast	Affiliate	Borrowings	(27,164,000,000,000)	(600,000,000,000)
Producing and Trading LLC ("Vinfast LLC")		Repayment of borrowings	26,005,000,000,000	600,000,000,000
		Interest payable	(401,789,095,888)	(12,835,277,778)
Vinmec JSC	Affiliate	Receivables from share transfer	894,000,000,000	-
Southern Star JSC	Affiliate	Repayment of borrowings	510,000,000,000	96,300,000,000
Vietnam Grand Prix LLC ("Grand Prix LLC")	Affiliate	Borrowings	(940,000,000,000)	-
Vincom Retail JSC	Affiliate	Deposit for Investment Co-operation Contract	(1,818,165,555,838)	-
		Receivables from transferring inventory properties	2,930,332,855,797	-
Vincom Construction LLC	Affiliate (until 9 August 2018)	Borrowings	(1,800,000,000,000)	-
		Repayment of borrowings	380,000,000,000	-
Sai Dong JSC	Affiliate	Borrowings	-	(450,000,000,000)
		Repayment of borrowings	-	855,844,385,803

Terms and conditions of transactions with related parties during the years are as follows

During the year ended 31 December 2018 and 31 December 2017, the Company also sold/purchased goods and rendering/purchased services to/from related parties based on negotiated market prices.

Related to the Business and Investment Co-operation Contract with Vingroup JSC and Vicentra JSC, an affiliate, for the purpose of developing real estate projects, the Company will receive a portion of profit before tax from these projects.

Payables and receivables (except for lendings and borrowings) as at 31 December 2018 are unsecured, free of interest and will be settled by cash. During the year ended 31 December 2018, the Group has not made provision for doubtful debts relating to amounts due from related parties (31 December 2017: nil). This assessment is undertaken each financial period through the examination of the financial position of the related parties and the market in which the related parties operate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties

Amounts due to and due from related parties as at consolidated balance sheet dates were as follows:

			Currency: VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables (Note 7.1)				
Vinmec JSC	Affiliate	Receivables from share transfer	694,000,000,000	-
		Other receivables	2,643,568,168	-
Vingroup JSC	Parent company	Receivables from share transfer	-	9,822,251,781,478
		Receivables from general contractor services and consulting construction services	100,722,267,148	-
		Other receivables	9,956,455,061	-
Vincom Retail JSC	Affiliate	Receivables from leasing	-	1,590,576,173
		Receivables from general contractor services and consulting construction services	199,956,041,606	-
		Other receivables	9,257,163,159	-
		Receivables from transferring inventory properties	1,356,167,299,959	-
Southern Star JSC	Affiliate	Receivables from share transfer	-	32,665,960,000
Vincommerce JSC	Affiliate	Receivables from general contractor services and consulting construction services	113,424,419,052	-
		Receivables from leasing	6,127,019,883	-
Vinschool LLC	Affiliate	Receivables from revenue sharing from education activity and related service	9,361,797,217	6,025,154,038
Other affiliates		Other receivables	158,568,387,452	8,537,872,391
			2,660,184,418,705	9,871,071,344,080
Short-term advances to suppliers (Note 7.2)				
Kind Heart Fund	Under common owner	Advance for charitable purpose	-	92,448,663,563
Other affiliates		Other advances to suppliers	2,148,423,526	15,827,919,153
			2,148,423,526	108,076,582,716

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at consolidated balance sheet dates were as follows: (continued)

			Currency: VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Other short-term receivables (Note 9)				
Vingroup JSC	Parent Company	Capital contribution for Business and Investment Co-operation Contract	10,945,229,708,712	-
		Receivables from shared profit of Business and Investment Co-operation Contract	1,294,826,718,000	-
		Receivables from centralised cash flow account	-	53,070,861,526
		Other receivables	11,743,124,442	-
Central Park LLC	Affiliate	Capital contribution for Business and Investment Co-operation Contract	490,000,000,000	-
		Other receivables	250,168,224	-
Other affiliates		Other receivables	269,694,321,940	92,304,882,303
			13,011,744,041,318	145,375,743,829
Other long-term receivables (Note 9)				
Vincom Retail JSC	Affiliate	Receivable from leasing	120,577,365,167	-
			120,577,365,167	-
Other current assets (Note 13)				
Vingroup JSC	Parent company	Deposits for share transfer and investment purpose	4,198,998,985,139	-
Sai Dong JSC	Affiliate	Deposit for share transfer	70,257,600,000	-
			4,269,256,585,139	-
Other non-current assets (Note 13)				
Vingroup JSC	Parent company	Deposit for share transfer and investment purpose	511,417,630,700	-
			511,417,630,700	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at consolidated balance sheet dates were as follows: (continued)

			Currency: VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables (Note 20.1)				
Vingroup JSC	Parent company	Management fee payables	34,733,745,098	47,008,017,582
		Other trade payables	217,492,807,308	-
Vincommerce JSC	Affiliate	Payables for purchased goods	5,552,106,827	92,832,889,672
		Other trade payables	-	1,241,743,487
Can Gio JSC	Affiliate (before becoming subsidiary)	Payables for share transfer	-	81,743,910,000
Other affiliates		Other trade payables	54,290,683,699	72,578,765,411
			312,069,342,930	295,405,326,152
Short-term advances from customers (Note 20.2)				
Vincommerce JSC	Affiliate	Advance for purchased goods	93,109,237,354	-
Vincom Retail JSC	Affiliate	Advance for purchased goods	48,920,707,830	-
Kind Heart Fund	Under common owner	Advance for construction activities	14,392,320,586	-
Vingroup JSC	Parent company	Advance for purchased goods	41,267,745,122	-
Other affiliates		Other advances from customers	16,737,721,054	-
			214,427,731,946	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at consolidated balance sheet dates were as follows: (continued)

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term accrued expenses (Note 22)				
Vingroup JSC	Parent company	Interest payables	186,517,447,918	64,190,805,600
Central Park LLC	Affiliate	Interest payables	116,757,625,577	-
Xavinco JSC	Affiliate	Interest payables	-	47,825,361,113
Phu Quoc Tourism JSC	Parent's associate	Interest payables	-	148,701,749,999
Southern Star JSC	Affiliate	Interest payables	-	79,742,172,223
Vicentra JSC	Affiliate (before merging date)	Interest payables	-	50,854,999,999
Grand Prix LLC	Affiliate	Interest payables	24,632,630,137	-
Other affiliates		Other accrued expenses	23,477,844,241	93,085,319,455
			351,385,547,873	484,400,408,389
Long-term accrued expenses (Note 22)				
Vinfast LLC	Affiliate	Interest payables	169,570,684,931	-
Xavinco JSC	Affiliate	Interest payables	106,197,525,496	-
Vinpearl JSC	Affiliate	Interest payables	103,154,149,233	-
Other affiliates		Other accrued expenses	39,921,189,498	-
			418,843,549,158	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at consolidated balance sheet dates were as follows: (continued)

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Other short-term payables (Note 24)				
Vinschool LLC	Affiliate	Deposit for Business Co-operation Contract	200,000,000,000	-
Vincom Retail JSC	Affiliate	Deposit for Investment Co-operation Contract	-	188,000,000,000
		Other payables	23,376,931,979	-
Vinpearl JSC	Affiliate	Deposit for Business Co-operation Contract	2,199,807,000,000	-
		Other payables	1,718,212,266	-
Kind Heart Fund	Under common owner	Payables for charitable purpose	100,000,000,000	-
Other affiliates		Other payables	26,340,515,539	51,877,529,077
			<u>2,551,242,659,784</u>	<u>239,877,529,077</u>

34.3 Details of lendings to related parties (Note 8)

The balance of lending with related parties as at 31 December 2018 is nil.

Details of lendings as at 31 December 2017:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Times Trading LLC	Affiliate	840,000,000,000	7%	October 2018	None
		790,000,000,000	7%	May 2018	None
Tan Lien Phat JSC	Affiliate (until 31 January 2018)	555,000,000,000	7%	July 2018	None
		329,000,000,000	7%	December 2018	None
Vinmec JSC	Affiliate	170,000,000,000	7%	December 2018	None
		<u>2,684,000,000,000</u>			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.4 Details of borrowings from related parties (Note 25)

Details of short-term borrowings as at 31 December 2018:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Grand Prix LLC	Affiliate	808,000,000,000	9%	September 2019	None
Central Park LLC	Affiliate	520,000,000,000	9%	From January 2019 to September 2019	(*)
Vingroup JSC	Parent company	54,605,926,953	9%	December 2019	(*)
		<u>1,382,605,926,953</u>			

Details of long-term borrowings as at 31 December 2018:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount VND</i>	<i>Interest rate % per annum</i>	<i>Maturity</i>	<i>Collateral</i>
Vinfast LLC	Affiliate	3,240,000,000,000	9%	February 2020	(*)
Vinpearl JSC	Affiliate	1,745,000,000,000	9%	February 2020	(*)
Xavinco JSC	Affiliate	641,000,000,000	9%	February 2020	(*)
Central Park LLC	Affiliate	625,000,000,000	9%	From January 2020 to February 2020	(*)
Xalivico LLC	Affiliate	247,000,000,000	9%	February 2020	(*)
		<u>6,498,000,000,000</u>			

(*) These loans are secured by shares of the company and ordinary shares of some subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.4 Details of borrowings from related parties (Note 25) (continued)

Details of short-term borrowings as at 31 December 2017:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vingroup JSC	Parent company	1,500,000,000,000	7%	December 2018	None
		660,000,000,000	7%	December 2018	None
Vicentra JSC	Affiliate	860,000,000,000	7%	July 2018	None
Xavinco JSC	Affiliate	767,000,000,000	7%	April 2018	None
Vinschool LLC	Affiliate	735,000,000,000	7%	August 2018	None
Metropolis Hanoi LLC	Affiliate (before becoming subsidiary)	620,000,000,000	7%	April 2018	None
Southern Star JSC	Affiliate	510,000,000,000	7%	February 2018	None
Royal City JSC	Affiliate (before becoming subsidiary)	420,000,000,000	7%	October 2018	None
Xalivico LLC	Affiliate	254,000,000,000	7%	April 2018	None
Central Park LLC	Affiliate	240,000,000,000	7%	May 2018	None
VinAcademy Education and Training LLC	Affiliate	121,500,000,000	7%	January 2018	None
Tay Tang Long LLC	Affiliate (before becoming subsidiary)	12,090,490,328	7%	June 2018	None
		6,699,590,490,328			

33.5 Other related party transactions

Remuneration to members of management and Board of Directors:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries	23,797,002,359	-
TOTAL	23,797,002,359	-

For the year ended 31 December 2017, members of management and Board of Directors did not receive remuneration at the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

35. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year (Restated)</i>
Net profit after tax attributable to ordinary shareholders	14,284,453,166,652	1,409,642,043,514
Adjust for the effect of dilution	-	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	14,284,453,166,652	1,409,642,043,514
	<i>Current year</i>	<i>Previous year</i>
Weighted average number of ordinary shares for basic earnings per share	2,102,017,587	200,000,000
Adjust for stock dividend issued in February 2018 and November 2018 (*)	1,069,902,368	550,000,000
Adjust for the effect of dilution	-	-
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,171,919,955	750,000,000

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Basic earnings per share	4,503	1,880

(*) On 18 January 2018, the General Meeting of Shareholders of Hanoi Southern JSC approved the Resolution No. 01/2018/NQ/DHDCD-HANOI CITY JSC on the declaration of stock dividend to existing shareholders at the ratio of 1,000:2,000 (accordingly, each shareholder owning 1,000 shares will be entitled to 2,000 additional shares).

On 16 August 2018, the General Meeting of Shareholders of the Company approved the Resolution No. 05/2018/NQ-DHDCD-VINHOMES on declaration of stock dividends to the existing shareholders at the ratio of 1,000:250 (accordingly, each shareholder who owns 1,000 shares is entitled to 250 additional shares). Thereby, the Company issued additional 669,902,368 shares at par value of VND10,000 per share. On 8 November 2018, the Company obtained the 25th Amended Enterprise Registration Certificate issued by the Hanoi Department of Planning and Investment which approved the increase in charter capital of the Company to VND33,495 billion.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

36. SEGMENT INFORMATION

The Company and its subsidiaries do not present segmental information for the year ended 31 December 2018 because real estate trading and related services are principal sources accounts for a substantial portion in the Company and its subsidiaries' total revenue, profit and assets. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries's geographical segments to be based on the location of the assets which is in Vietnam.

Two other business segments in 2017: Entertainment and related services and Retail trading services have been disposed as the result of decreasing equity interest in Vinpearland JSC in 2017 and disposal of VinDS LLC in the year (Note 4.4).

37. COMMITMENTS AND CONTINGENCIES

Commitments under operating leases where the Company and its subsidiaries are lessees

The Company and its subsidiaries, as lessees, have signed land rental contract and operating lease arrangements for apartments, shophouses and villas and other operating lease arrangements. The minimum lease commitments as at the balance sheet dates under these operating lease agreements are as follows:

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	563,105,540,579	48,063,593,847
From 1 to 5 years	377,806,677,526	225,526,669,666
More than 5 years	1,300,271,470,015	1,816,537,846,789
TOTAL	<u>2,241,183,688,120</u>	<u>2,090,128,110,302</u>

Commitments under operating leases where the Company and its subsidiaries are lessors

The Company and its subsidiaries, as lessors, lease office, apartments, shophouses and villas under operating lease agreements. The future minimum rental receivables as at the balance sheet dates under these operating lease agreements are as follows:

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	165,716,091,451	39,430,125,966
From 1 to 5 years	64,755,407,193	77,521,104,378
More than 5 years	402,646,759,490	422,257,194,540
TOTAL	<u>633,118,258,134</u>	<u>539,208,424,884</u>

Under the Business Co-operation Contract signed in February 2012 between Royal City JSC, a subsidiary, and Thien Huong Investment JSC ("Thien Huong JSC") regarding the school operations in Vinhomes Royal City project, Royal City JSC 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 agreement. The duration of the Business Co-operation Contract is from February 2012 to the end of August 2043.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

37. COMMITMENTS AND CONTINGENCIES (continued)

Lease commitment

Ecology JSC, a subsidiary, entered into lease contracts with an affiliate for leasing retail areas at two (02) real estate projects. At 31 December 2018, the present values of the minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND17 billion, VND46 billion, VND56 billion. At 31 December 2018, the total minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND19 billion, VND85 billion, VND545 billion.

Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects

The Company and its subsidiaries have entered into a number of contracts relating to the development of certain real estate projects. The outstanding commitment on these contracts as at 31 December 2018 amounts to approximately VND7,266 billion (as at 31 December 2017: VND3,936 billion).

As disclosed in Note 13, on 22 February 2018, the Company has entered into a Project Transfer Agreement ("PTA") with Vingroup JSC, the parent company to acquire a real estate project for a total consideration of VND820 billion. As at 31 December 2018, the remaining commitment under this agreement is VND440 billion.

As disclosed in Note 13, on 22 February 2018 and on 31 August 2018, the Company has entered into Project Development Agreement ("PDA") and signed amended agreement with Vingroup JSC, the parent company, to acquire several real estate projects. The maximum deposit commitment under PDA amounts to VND1,764.5 billion. As at 31 December 2018, the remaining commitments under PDA is VND947 billion.

As disclosed in Note 13, on 22 February 2018 and on 31 August 2018, the Company has entered into a Project Transfer Agreement ("PTA") and signed amended agreement with Vingroup JSC, the parent company to acquire a real estate project. The total consideration payable will be determined as the total of land use rights, assets value and other general expenses directly attributable to the real estate project incurred by Vingroup JSC up to the acquire date. As at 31 December 2018, consideration paid to Vingroup JSC under this agreement is VND553 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

37. COMMITMENTS AND CONTINGENCIES (continued)

Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects (continued)

As disclosed in Note 13, on 20 March 2018, the Company has entered into Share Transfer Agreements ("STAs") with Vingroup JSC, the parent company, to acquire shares in two affiliates with total consideration of VND1,870 billion. As at 31 December 2018, the remaining consideration payable to Vingroup JSC is VND1,570 billion. The STAs will be exercised upon completion of the condition precedents as defined in the agreements.

Under a Business Co-operation Contract dated 23 November 2017 between Royal City JSC and a corporate counterparty, Royal City JSC commits to contribute 100% investment capital for a potential real estate project in Hanoi. The total estimated capital is VND790 billion, the remaining commitment of this agreement as at 31 December 2018 is VND782 billion. The project will be implemented within 2 years when Royal City JSC receives land parcel for construction. According to this contract, after the project is completed, Royal City JSC will be entitled to operate and manage a part of the project.

As disclosed in Note 13, on 25 May 2018, the Company and Can Gio JSC, a subsidiary, has entered into a Capital Transfer Agreement with a corporate counterparty to acquire 32.5% of Berjaya VFC LLC's equity interest. As at 31 December 2018, the remaining consideration payable under this agreement as at is VND503.7 billion.

Commitment under interest support agreements to buyers of apartments, villas at real estate projects of the Company and its subsidiaries

According to three-party (3) interest support agreements among the Company and its subsidiaries as Investors, buyers of the inventory properties of the Company's projects (including Vinhomes Metropolis, Vinhomes Central Park, Vinhomes Golden River, Vinhomes West Point, Vincity Ocean Park, Vinhomes Green Bay, Vinhomes Thang Long, Vinhomes Times City, Vinhomes Royal City and Vinhomes Riverside projects) and certain banks, the Company and its subsidiaries commit to support the buyers in getting loans to finance for a part of the selling price and to settle the interest in committed year.

Guarantee for loan payment obligation of Vingroup JSC

The Company has guaranteed for payment obligations of Vingroup JSC under a syndicated loan from foreign financial institutions to Vingroup JSC with total credit limit of USD300 million and terms of 60 months. The ending balance of this syndicated loan as at 31 December 2018 is USD255 million.

Commitments related to the transfer of a part of Vincity Ocean Park project

On 6 September 2018 the Company has entered into a Principle Agreement with and a corporate counterparty, the Company commit to arrange the corporate counterparty to obtain information and transfer apartments at Vincity Ocean Park project of a subsidiary. Under this agreement, total estimated consideration is VND1,674.5 billion.

Vinhomes Joint Stock Company B09-DN/HN
[previously known as Hanoi Southern City Development Joint Stock Company]

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

38. NOTES TO CASH FLOW MOVEMENT

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<i>Code 02 - Depreciation of fixed assets and investment properties and amortisation of intangible assets (including amortisation of goodwill)</i>		
Depreciation and amortisation	144,412,544,182	340,192,281,397
Goodwill amortisation (Note 19)	117,119,055,735	69,959,571,101
TOTAL	261,531,599,917	410,151,852,498
<i>Code 05 - (Profits)/losses from investing activities</i>		
Shared profit under Business and Investment Cooperation Contract	(9,513,096,288,942)	-
(Gain)/loss on disposal of investments in other entities (Note 28.2 and Note 30)	(3,439,760,820,441)	312,083,783,222
Interest income (Note 28.2)	(1,541,299,549,781)	(541,879,952,178)
Loss on disposal of fixed assets	15,949,461,869	318,611,275,558
Share of (profit)/loss from associates (Note 18.1)	(191,238,076)	88,152,941,732
TOTAL	(14,478,398,435,371)	176,968,048,334
<i>Code 23 - Loans to other entities and payments for purchase of debt instruments of other entities</i>		
Disbursement of loans	(13,352,891,070,118)	(10,670,000,000,000)
Term deposits with maturity greater than three months	(586,750,661,236)	-
TOTAL	(13,939,641,731,353)	(10,670,000,000,000)
<i>Code 25 - Payments for investments in other entities</i>		
Payment for acquisition of new subsidiaries, additional shares in existing subsidiaries and investment in other entities	(21,661,139,455,678)	(3,469,299,732,640)
Contribution to Business Co-operation Contracts	(18,640,000,000,000)	-
Deposit to acquire investments in other entities	(4,819,261,600,000)	-
Deposit to acquire projects	(5,229,705,334,039)	-
Payment of dividend declared to previous shareholders of subsidiaries prior to merger date	(1,109,675,000,000)	-
Deposit under project development agreement	(817,500,000,000)	-
TOTAL	(52,277,281,389,717)	(3,469,299,732,640)
<i>Code 26 - Proceeds from sales of investments in other entities</i>		
Proceeds from disposal of investments, after deducting cash balance of these entities at the acquisition date	17,107,779,889,480	878,962,090,055
Deposit collected to acquire shares	5,110,000,000,000	961,124,640,000
Proceeds from transfer rights and obligations related to deposit of share transfer agreement	4,180,000,000,000	-
Deposit received for purpose of transferring other long-term assets	-	188,000,000,000
TOTAL	26,397,779,889,480	2,028,086,730,055

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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39. EVENTS AFTER THE BALANCE SHEET DATE

Except for the events after the consolidated balance sheet date as presented in other notes of the consolidated financial statements, the Company and its subsidiaries also have the following events after the consolidated balance sheet date:

On 2 January 2019, the Company signed an agreement to transfer 51% equity interest of Phat Loc LLC to a corporate counterparty with total consideration of VND561 billion.

In January and February 2019, the Company and its subsidiaries signed a contract to transfer 97.9% equity interest of Berjaya VIUT LLC and another contract to conditionally repurchase this equity interest. Accordingly, the transaction price is equivalent to the par value of the transferred equity interest.

There is no other matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Company.



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Bui Thi Ha
Chief Accountant



Lo Thi Hai Yen
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Hanoi, Vietnam

26 March 2019

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