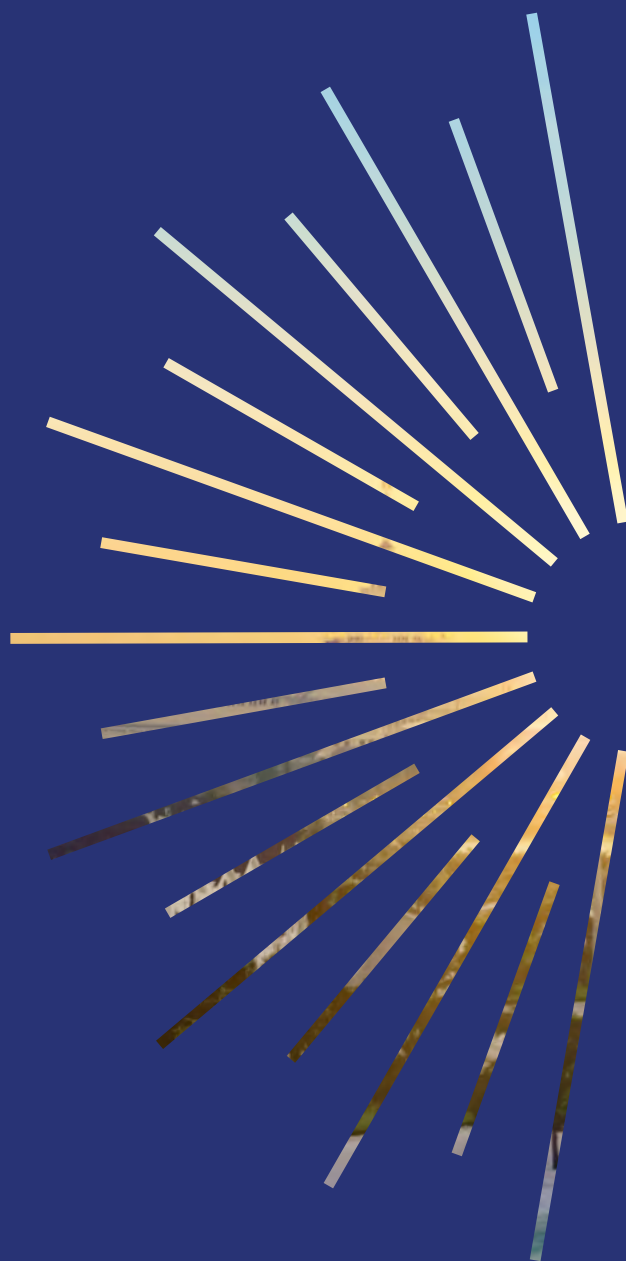


ANNUAL  
REPORT  
2020

# EMBRACE CHALLENGES

# EMBRACE SUCCESS



VINHOMES

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CHAPTER

01

# 2020 Achievements and Message from the Chairwoman

CONTENTS

- ① Vision, Mission, and Core Values
- ② Vinhomes 2020 Highlights
- ③ 2017 – 2020 Financial and Operational Highlights
- ④ 2020 Highlights
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- ⑥ Message from the Chairwoman

# Vision, Mission, and Core Values

As a member company of Vingroup, Vinhomes inherits and promotes the Group's vision, mission and core values.



## Vision

Vinhomes is the No.1 real estate development and management company in Vietnam, recognized for its superior scale, execution speed and

service quality, leading the market to sustainable growth, with the vision of becoming a world-class enterprise.



## Mission

To pioneer an ideal living experience in Vietnam's urban locations, featuring professionally planned residential complexes in harmony with nature, integrated facilities and a green environment, together forming a new lifestyle for the Vietnamese people. Vinhomes also nurtures its communities and develops a modern, lively and gracious

environment, so that its residents will enjoy an excellent quality of life.

Vinhomes develops market-leading industrial real estate projects that support Vingroup's industrial ecosystem and the industrial development of Vietnam.



## Core Values

### CREDIBILITY

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

### SPEED

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

### INTEGRITY

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

### QUALITY

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

### CREATIVITY

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

### COMPASSION

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

## The Vinhomes Corporate Culture

Speed, efficiency and discipline form the core of the working culture at Vinhomes, enabling the Company to achieve superior standing in the real estate industry.

# 2020 Highlights

Sales contracts signed and deposits received for over

**27,700**

apartments, villas, and shophouses<sup>(1) (2)</sup>

Presales value totaled

VND **64.4**

TRILLION<sup>(1) (2)</sup>

Delivered

**53,700**

apartments, villas, and shophouses<sup>(1) (2)</sup>

Initiated management at three mega projects covering

**972** HA

with

**72,376**

units completed within two years of start date

**Most respected**

property developer in Vietnam in 2020 (Vietnam Report)

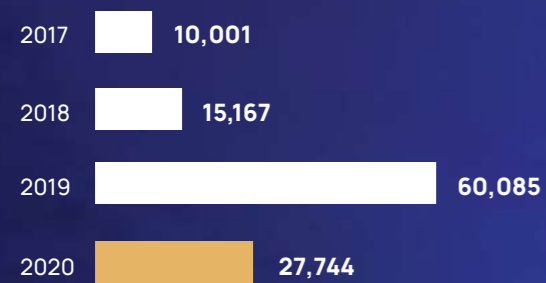
**TOP 5**

most valuable brands in Vietnam in 2020 (Forbes Vietnam)

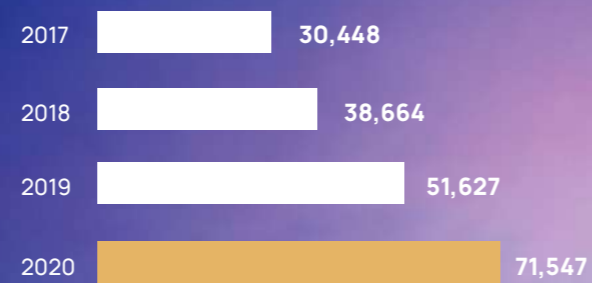
<sup>(1)</sup> Including apartments, villas and shophouses sold in projects developed by Vinhomes and those in which Vinhomes has business cooperation contracts with Vingroup and its subsidiaries in which expenses and profits are credited to Vinhomes.  
<sup>(2)</sup> Sales means newly contracted sales in the period, as opposed to revenue, which is value of products handed over in the period. Sales includes retail and retail-equivalent of bulk sales

# 2017 – 2020 Financial and Operating Highlights

Number of Units Sold (Units) (\*) (\*\*)



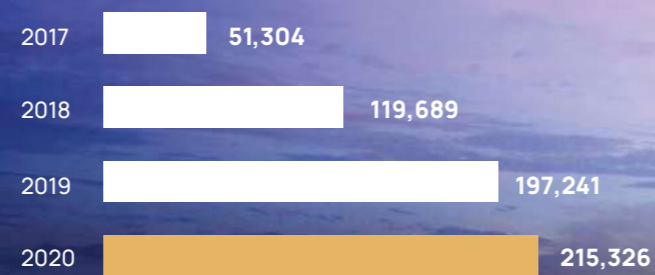
Net Revenue (Billion VND) (\*\*)



Owner's Equity (Billion VND)



Total Assets (Billion VND)



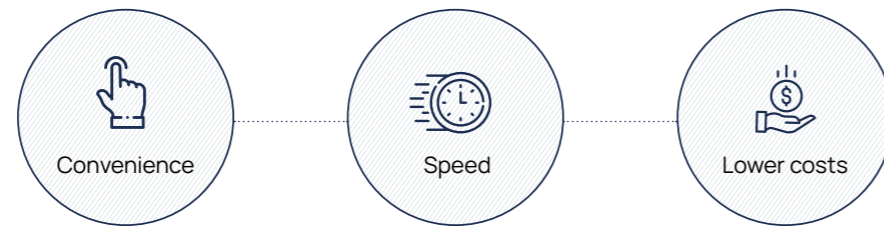
(\*) Including apartments, villas and shophouses sold in projects developed by Vinhomes and those in which Vinhomes has business cooperation contracts with Vingroup and its subsidiaries in which expenses and profits are credited to Vinhomes.  
 (\*\*) Pro forma figures assume that Vinhomes had completed its restructuring at the beginning of 2017

# 2020 Highlights

01

## Vinhomes launched an online sale platform

In April of 2020 Vinhomes launched Vinhomes Online at <https://online.vinhomes.vn>. This online sale platform enables clients to connect with Vinhomes through smart devices. For the first time, our clients are able to complete remote home-buying transactions on an integrated multimedia platform, gaining the benefits of speed, convenience, and lower costs. During 2020, Vinhomes Online transactions totalled VND 3.5 trillion, or 9.6% of Vinhomes' retail sales.

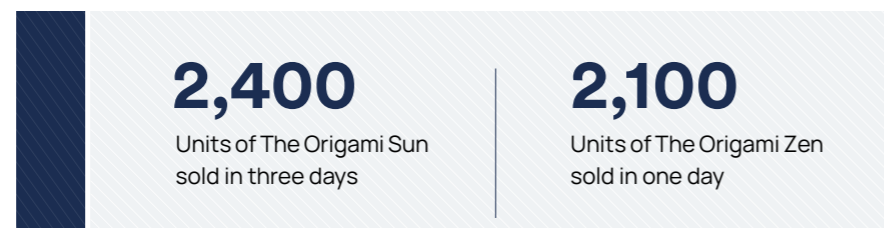


02

## “Three-in-one” sales launch events resulted in record demand for Vinhomes Grand Park and Vinhomes Ocean Park

With the market in turmoil during 2020 as a result of the global pandemic, Vinhomes mega projects still gained traction with record demand. In May of 2020, Vinhomes Ocean Park launched the S1.08 apartment building through three sales channels: direct sales, livestream, and the Vinhomes Online platform. This integrated approach achieved a record-setting take-up rate of 50% after just 60 minutes.

The Origami Zone in Vinhomes Grand Park, a new living environment with a distinctive Japanese style and landscapes, achieved outstanding sales during the second half of 2020. Vinhomes sold 2,400 units of The Origami Sun in three days, and 2,100 units of The Origami Zen in one day.



03

## Vinhomes delivered 31,000 units at new projects

In 2020, many new Vinhomes projects were completed and 31,000 units of apartments, villas, and shophouses were handed over to homebuyers. Vinhomes Ocean Park made the biggest hit with over 12,600 units delivered. At Vinhomes Grand Park, The Rainbow zone was also completed and started handover of approximately 10,000 units. Commencing since July 2020, Vinhomes Smart City mega project quickly hit the milestone of 5,000 units delivered. At the high-end Vinhomes Symphony apartment complex, 1,300 units were delivered to customers.



After the hand-over period, community activities were held to on-board and connect new residents, creating a tight-knit neighborhood, including the creativity contest, “My home by the sea,” Health and fun day, children’s painting contest, smart classes for young residents, and more.

04

## The biggest spring flower festival across Vietnam in three Vinhomes mega projects to welcome the 2020 Lunar New Year

During January 2020, Vinhomes held a 14-day-long Spring Flower Festivals in Vinhomes Ocean Park, Vinhomes Smart City, and Vinhomes Grand Park. These events attracted more than 150,000 residents and visitors with three distinct themes: Plum Blossom of Happiness and Wealth, Bonsai of Longevity, and Apricot Blossom of Wealth and Honor. The Plum Blossom of Happiness and Wealth theme in Vinhomes Ocean Park presented over one thousand plum blossom trees and made the record as the biggest plum blossom festival in Vietnam. These festivals demonstrate Vinhomes' commitment to building a sense of community for residents.

05

## “Happy home” campaign connected homeowners and tenants of Vinhomes Ocean Park

Vinhomes first introduced the “Happy Home” program in October 2020 to connect homeowners and tenants at Vinhomes Ocean Park. In the post-pandemic context, the initiative is aimed at helping homeowners find ideal tenants, while offering tenants a high-class, affordable lifestyle. During these events, one thousand units were registered, contributing to the development of a connected community.

# 2020 Awards and Accolades



## 2020 TOP 5 BRANDS IN VIETNAM

Vinhomes was the only real estate brand honored among the "2020 Top 5 Brands in Vietnam" by Forbes Vietnam



## 2020 TOP 10 REPUTABLE PROPERTY DEVELOPERS

Vinhomes ranked first among "2020 Top 10 Reputable Property Developers" by Vietnam Report



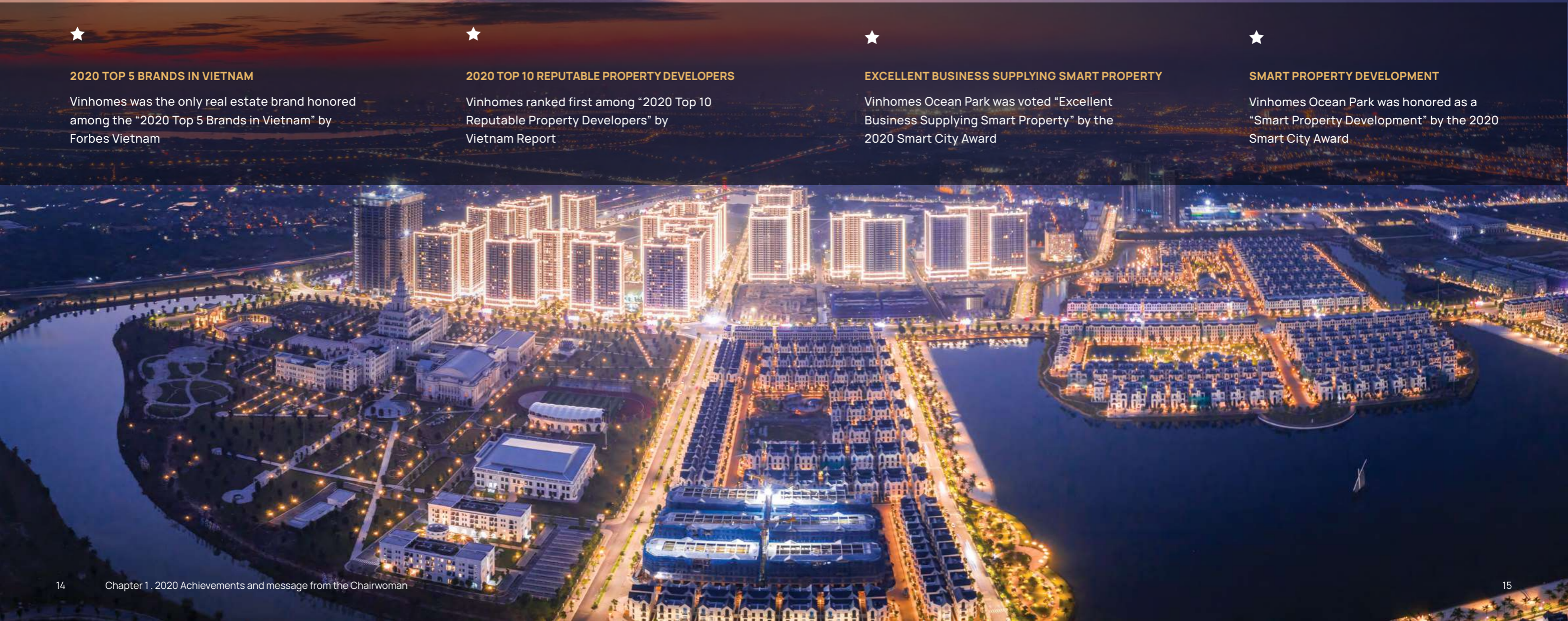
## EXCELLENT BUSINESS SUPPLYING SMART PROPERTY

Vinhomes Ocean Park was voted "Excellent Business Supplying Smart Property" by the 2020 Smart City Award



## SMART PROPERTY DEVELOPMENT

Vinhomes Ocean Park was honored as a "Smart Property Development" by the 2020 Smart City Award



# Message from the Chairwoman



## 2020 – Move Swiftly to Tackle Challenges

Vinhomes recorded VND 72 trillion in net revenue and VND 37 trillion in profit before tax, growing revenue and profit before tax by 39% and 23% respectively over 2019. These results were achieved by completing and handing over units in Hanoi and Ho Chi Minh City in three mega projects – Vinhomes Ocean Park, Vinhomes Smart City, and Vinhomes Grand Park. Also in 2020, Vinhomes sold over 27,700 apartments, villas, and shophouses at VND 64.4 trillion, including both retail and bulk sales.

In the face of complex pandemic challenges, Vinhomes adhered to all government instructions in order to safeguard the welfare of clients and employees. We adapted to the new environment by launching an online sales platform, diversifying distribution channels, and promoting bulk sales. By adapting quickly, Vinhomes managed to hand over nearly 53,700 apartments, villas, and shophouses. This achievement demonstrates the Company's development speed and commitment to clients.

Vinhomes' bulk sales strategy proved its value in 2020 with successful negotiations and execution of transactions with established local and international investors. Partnerships with reputable developers promise to offer a new standard of living at Vinhomes projects and throughout Vietnam. The bulk sales strategy will also provide Vinhomes with diversification to accommodate the increasing demands of the marketplace.

Another innovation in 2020 was Vinhomes' entry into the fast-growing field of industrial parks to provide a new source of future growth. Vietnam's transport infrastructure has been developing in recent years to connect city centers with the surrounding areas. Economists predict that trade agreements between Vietnam and other nations will tend to shift industry from China to Vietnam.

Vinhomes is also participating in the digital transformation process that is underway throughout the Vingroup ecosystem. Challenges presented by the pandemic have provided an opportunity for alternative channels like e-commerce. In April of 2020, Vinhomes launched its online sales platform – Vinhomes Online – to sustain the continuity of the real estate business. In March of 2021, Vinhomes launched an online portal for residential leasing. These actions helped to achieve increasingly professional, transparent, and efficient servicing of the real estate market. They enhance the customer experience and strengthen Vinhomes' leadership in the real estate market.

During 2020, Vinhomes emphasized technology adoption in Vinhomes Ocean Park, Vinhomes Smart City, and Vinhomes Grand Park. Technology enhancements followed four themes: Smart Security and Safety, Smart Operations, Smart Community, and Smart Apartments. Together with Vingroup's VinSmart program, Vinhomes is leading the way in establishing a new standard of urban living.

Vinhomes has once again won first place in the category of "Top Ten Reputable Property Developers in 2020," as ranked by the Vietnam Report and was the only property brand honored by Forbes Vietnam in "Top Five Brands in Vietnam 2020."

## 2021 – Accelerate to Succeed

With a forecast of stronger economic growth in 2021, Vinhomes will continue to promote its core businesses while expanding into new sectors and improving product and service quality with a special focus on digital transformation – the ability of digital technology to collect data, establish trends, and support better business decisions.

The growth of the middle class in Vietnam is creating stronger demand for housing and an upward trend in urban infrastructure development. Vinhomes will take advantage of these developments to channel resources into developing new projects in 2021 across satellite cities. In these cities, land is available and transport infrastructure is improving.

Vinhomes will continue to develop the three existing mega projects – Vinhomes Ocean Park, Vinhomes Smart City, and Vinhomes Grand Park. In these projects, Vinhomes will launch new products, deliver completed units to new customers, and operate these projects as smart mega cities. The Company will also continue to promote the adoption of advanced technologies to enhance living standards and improve operational efficiency.

Vinhomes will also roll out its Online-to-Offline (O2O) digital transformation strategy and continue its commitment to quality improvement. O2O engages customers in an

omni-channel approach and allows customers to access Vinhomes offers in a fast and convenient manner. This system includes Vinhomes' secondary property business, which was launched in January of 2021. The system will be a disruptive digital transformation of an end-to-end ecosystem that includes property sales, leasing, and transfers.

At the same time, it strengthens the bonds between Vinhomes and customers, boosts asset values, and guarantees optimal liquidity. The combination of an online sale and an online leasing portal will enable customers in both primary and secondary markets to benefit from safe transactions, assured finance, and diversified products.

Vinhomes will accelerate its growth in 2021 with its entry into the industrial real estate market. The first step in this entry will be industrial parks in Hai Phong. This move will capture FDI flow and support Vingroup's engagement of automotive suppliers. Countering the impact of the pandemic, industrial property offers a high-growth business opportunity. As a result, it is expected to develop into one of the Company's key business sectors and to provide long-term recurring revenues.

Following a year of unprecedented challenges, 2021 will be a strategic year for Vinhomes as it adapts to the new normal, innovates, expands business activities, improves product and service quality, and solidifies our market position. We hope to receive your continued support on this journey.

On behalf of the Board of Directors, I would like to express my sincere gratitude and wish you the best of health, happiness, and success!

With sincere thanks,

**NGUYEN DIEU LINH**

Chairwoman of the Board of Directors

CHAPTER

02

# About Vinhomes

CONTENT

- ① Vinhomes Profile
- ② Development Milestones
- ③ Key Business Areas
- ④ Board of Directors
- ⑤ The Management
- ⑥ Supervisory Board
- ⑦ Business strategy

# Vinhomes Profile

Vinhomes targets the mid- to high-end market segments and offers international standards of design and management. Vinhomes projects are located at prime locations in Vietnam's top tier cities and provinces with high rates of urbanization and potential for tourism development. The Vinhomes brand includes three product lines – Vinhomes Sapphire, Vinhomes Ruby and Vinhomes Diamond.

Vinhomes projects are large-scale mixed-use urban areas with comprehensively planned infrastructure and a wide variety

of utilities and amenities, leveraging on Vingroup's ecosystem. Accordingly, in addition to offering high quality residential products, Vinhomes has been regarded as a community creator, providing its residents with a clean, green, modern and high quality living environment, contributing to the transformation of urban cities in Vietnam.

The Company was listed on the Ho Chi Minh City Stock Exchange on May 17, 2018 under the ticker VHM.



## COMPANY NAME

VINHOMES JOINT STOCK COMPANY



## HEADQUARTERS

Symphony Office Building, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam



## TICKER SYMBOL

VHM



## CHARTER CAPITAL

VND **33,496** BILLION

(As of 31 December 2020)



## WEBSITE

<https://vinhomes.vn>



## BUSINESS REGISTRATION NUMBER AND TAX CODE

0102671977

Vinhomes Joint Stock Company is **Vietnam's largest** investor, developer and operator of mixed-use residential projects.



Vinhomes Ocean Park (Hanoi)

# Development Milestones

## 2002

Vincom Joint Stock Company was founded. It has since been renamed Vingroup Joint Stock Company and is the parent company of Vinhomes.

## 2008

The predecessor of Vinhomes is BIDV-PP Urban Joint Stock Company, established with an initial charter capital of VND 300 billion.

## 2009

Renamed as South Hanoi Urban Development Joint Stock Company.

## 2010

Charter capital increased to VND 2 trillion.

## 2011

- Became a public company and received approval to list on the Unlisted Public Company market (UPCOM) with ticker symbol of NHN.
- Construction of Vinhomes Times City mixed-use urban complex in Hanoi, with more than 12,000 apartments, started.

## 2013

- Vinhomes Royal City, Hanoi, a high-end mixed-use urban complex with nearly 5,000 apartments was put into operation.

## 2014

The 183.5-hectare Vinhomes Riverside luxury urban area in Hanoi was put into operation.

## 2015

Vinhomes Times City with Singapore's eco-friendly architectural design, commenced its operation.



## 2016

Vinhomes Central Park in Ho Chi Minh City, one of the most high-end modern urban complexes in Vietnam, with more than 10,000 residential units, was opened.

## 2017

Vinhomes Golden River in Ho Chi Minh City – the most luxurious urban complex by the Saigon River and in the heart of District 1 was opened.



## 2018

- Renamed as Vinhomes Joint Stock Company. Charter capital was increased to VND 28.3 trillion and was listed on Ho Chi Minh City Stock Exchange (HOSE). It is the third largest company in Vietnam in terms of market capital.
- Vinhomes launched two international-standard mega projects – Vinhomes Ocean Park and Vinhomes Smart City.
- The Landmark 81 of the Vinhomes Central Park project, the tallest building in Vietnam with 81 floors and 461 metres in height, commenced its operation.

## 2019

- Strategically restructured product branding into three main segments – Vinhomes Diamond, Vinhomes Ruby, Vinhomes Sapphire – and upgraded VinCity projects into Vinhomes branded mega projects.
- The third mega project – Vinhomes Grand Park in District 9, Ho Chi Minh City – was officially launched with a high absorption rate.
- Vinhomes Symphony, a high-end urban complex adjacent to the luxury Vinhomes Riverside urban complex in east Hanoi, was launched.
- The bulk sales strategy was promoted, especially in three mega projects, to quickly develop the residential and commercial ecosystem. This provided residents with products and services of high quality and variety.

## 2020



- Vinhomes Online, an online Vinhomes property sale platform, was launched at <https://online.vinhomes.vn>.
- Vinhomes continued to employ its bulk sales strategy, which helps to diversify the product mix for customers. This strategy also provides liquidity for the development of upcoming large projects in the Vinhomes portfolio.
- Vinhomes established Vinhomes Industrial Zone Investment JSC ("VHIZ") to expand its industrial real estate development business in large cities, including Hai Phong and Quang Ninh, with well-developed marine and road infrastructure.



Mong Cai Industrial Park (Quang Ninh)

# Key Business Areas

## Residential property development and sales

Vinhomes is Vietnam's largest residential property developer.

The Company develops mid- to high-end real estate projects under the Vinhomes brand. In particular, Vinhomes branded mega projects include three product lines: Vinhomes Sapphire, Vinhomes Ruby and Vinhomes Diamond.

Vinhomes projects are mixed-use urban areas in prime locations with concerted infrastructure and a complete suite of amenities and services to create a modern, high quality living environment where every home is truly "where happiness lives" and every project strongly appeals to domestic and foreign developers to co-develop.



Vinhomes develops mixed-use or mega projects in compliance with international standards, elevating the Vietnamese quality of life.

Vinhomes mega projects feature three distinct product lines to meet the needs of our diverse customers from the mid- to high-end segments, namely Vinhomes Sapphire, Vinhomes Ruby and Vinhomes Diamond.



Modern apartment units catered for young and tech savvy homebuyers



High-end apartments for young affluent families looking for a modern, well-equipped and quality living environment



Luxury apartment units that offer the most privileged living standard

# Key Business Areas (continued)

## Residential property management

Vinhomes is the largest, professional and reputable brand in property management. The Company provides comprehensive high-quality management services in all Vinhomes-branded projects, including 24/7 customer-service centers, reception and security services, housekeeping, technical and landscaping services, with the aim to providing a clean, green, safe and convenient living environment with full service of support for the residents. Vinhomes' property management service ensures the maintenance of five-star quality standards, preserving and enhancing the value of our customers' assets.

In addition to developing high-quality products in a timely manner, the Company also strives to create a comfortable and safe living environment for residents of all Vinhomes projects. As of 31 December 2020, Vinhomes put into operation 27 mixed-use residential projects in seven cities and provinces across Vietnam. The projects contain more than 84,600 apartments, villas, and townhouses, increasing by 67.5% yoy and serving over 262,000 residents.

Vinhomes projects provide outstanding quality of life for residents, with modern infrastructure, diverse facilities including playgrounds, sports zones, temperature-controlled swimming pools and visitors' lounges, as well as security systems and reception services. On top of that, there are also Vinschool K-12 educational facilities, Vinmec international hospitals and clinics, Vincom shopping, entertainment and culinary complexes, supermarkets and convenience stores, forming a comprehensive lifestyle offering. In particular, Vinhomes mega projects

offer unique features that place them among the most attractive destinations in the region. These features include the world's largest man-made saltwater lake with white sand at Vinhomes Ocean Park, the Japanese-style Zen Park at Vinhomes Smart City and the 36-ha riverside park at Vinhomes Grand Park which is among the largest in South East Asia. In such township, Vinhomes residents not only own the highest quality housing units, but can also enjoy a luxurious lifestyle, modern amenities, and a healthy living environment. Vinhomes always aims to create a high-

quality living environment where every home is truly "where happiness lives".

The Company's Operations Division is responsible for the property management, including reception, security, amenities management, technical, housekeeping, and landscaping services. With these functions, Vinhomes has full-serviced management capability and is able to deliver five-star quality standards. Not only does this improve living standards for residents but it also enhances the value of every Vinhomes unit.

**27** mixed-use residential projects in 7 cities and provinces across Vietnam



**>84,600** apartments, villas, and townhouses



Serving over **262,000** residents



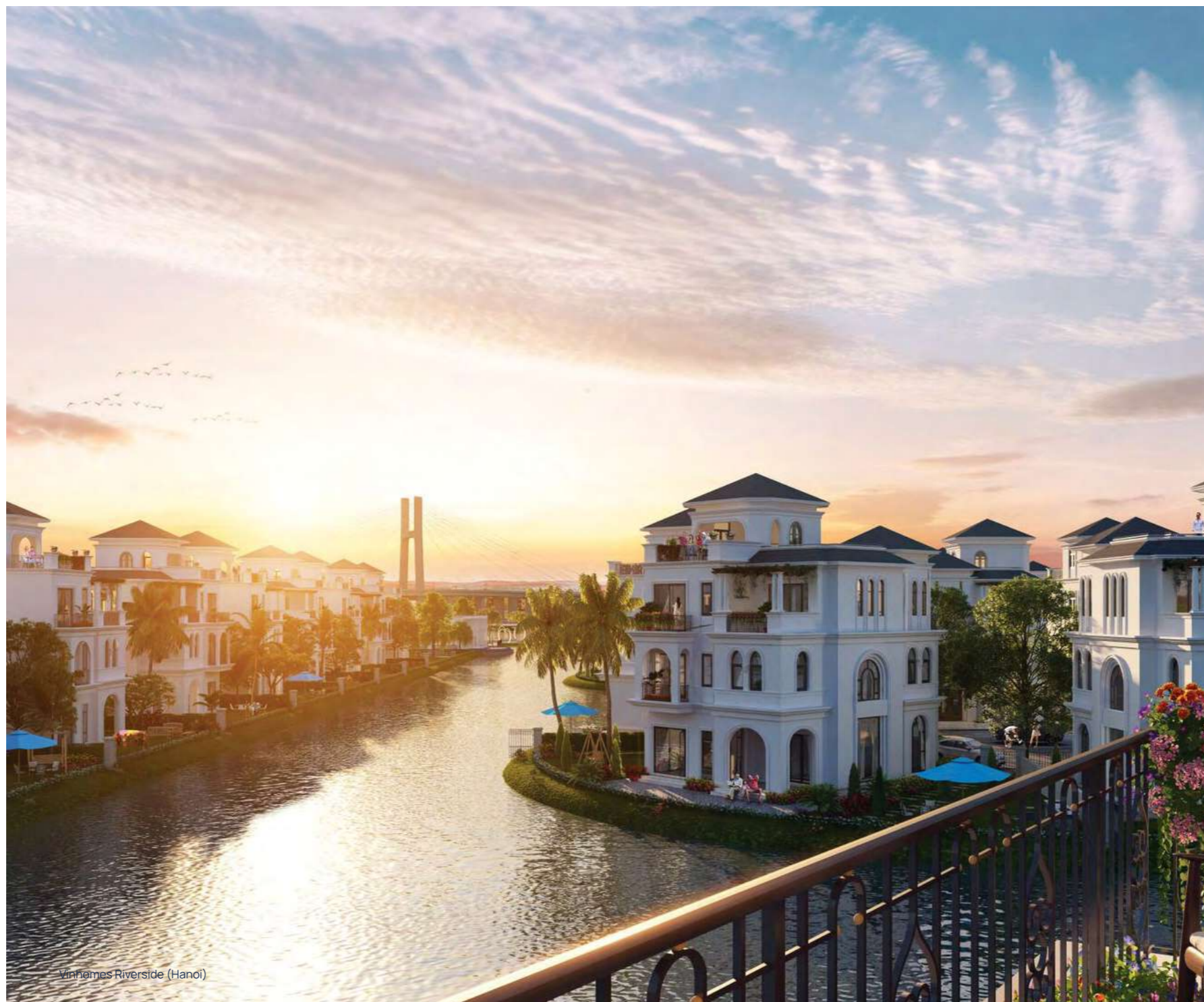
Vinhomes Ocean Park (Hanoi)

# Key Business Areas (continued)

## Residential property leasing

In addition to property development and management, Vinhomes also manages five star serviced apartments and villas under the Vinhomes Serviced Residences brand, as well as the office space for lease within the premises of a number of Vinhomes projects. Vinhomes' property leasing enables our customers to fully maximize the return on their investment by participating in our programs with enhanced profitability.

The Vinhomes Serviced Residences' apartments and villas are located in some of the most luxurious Vinhomes complexes. With the convenience and five-star standards they provide, Vinhomes Serviced Residences are the preferred choice of many corporates, institutions and international customers. Besides standard services, tenants at Vinhomes Serviced Residences may also enjoy an integrated live-work-play environment with all necessary daily amenities and green spaces for relaxation, a key advantage over other high-end hotels and serviced residences.



Vinhomes Riverside (Hanoi)

Vinhomes Serviced Residences develops its client base through a network of experienced agents and Vinhomes' partners. This model has enabled Vinhomes to quickly expand its customer base.

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



As of 31 December 2020, there were seven residential projects under Vinhomes Serviced Residences brand and five office buildings under VinOffice brand in Hanoi and Ho Chi Minh City:

Vinhomes Times City & Park Hill	
Vinhomes Riverside	
Vinhomes Metropolis	Hanoi
Vinhomes Ocean Park	
Vinhomes Smart City	
Vinhomes Central Park	Ho Chi Minh City
Vinhomes Golden River	
Vinhomes Dong Khoi	
Crystal Tower	Da Nang

Vinhomes projects are situated at prime locations in Vietnam's most populous cities and provinces.



### The network

Vinhomes has the largest land bank among all property developers in Vietnam with a total area of nearly 16,800 ha as of 31 December 2020, capable of supporting Vinhomes' development for many years to come.



#### NUMBER OF PROJECTS

16 01  
Hanoi

01 02  
Bac Ninh

01 03  
Quang Ninh

02 04  
Hai Phong

01 05  
Thanh Hoa

02 06  
Ha Tinh

04 07  
Ho Chi Minh

## Project list

Vinhomes projects are situated at prime locations in Vietnam's most populous cities and provinces, with high rates of urbanization and potential for tourism development. Vinhomes constantly looks for opportunities to expand its land bank in order to sustain high growth.

Projects	Location	Product type	Area	Year of handover
Vinhomes Dragon Bay	Quang Ninh	Low-rise	260,000	2016
Vinhomes Bac Ninh	Bac Ninh	High-rise	24,000	2018
Vincom Center Ba Trieu	Hanoi	High-rise	27,000	2009
Vinhomes Royal City		High-rise	121,000	2012
Vinhomes Times City		High-rise	364,000	2013
Vinhomes Riverside		Low-rise	1,830,000	2015
Vinhomes Nguyen Chi Thanh		High-rise	13,000	2015
Vinhomes Gardenia		Mixed-use	176,000	2016
Vinhomes Thang Long		Low-rise	242,000	2017
Vinhomes Riverside – The Harmony		Low-rise	976,000	2017
Vinhomes Green Bay		High-rise	266,000	2017
Vinhomes Metropolis		High-rise	35,000	2018
Vinhomes D'Capitale		High-rise	48,000	2019
Vinhomes Skylake		High-rise	23,000	2019
Vinhomes West Point		High-rise	24,000	2020
Vinhomes Ocean Park		Mixed-use	4,200,000	2020
Vinhomes Smart City		Mixed-use	2,800,000	2020
Vinhomes Symphony		High-rise	43,500	2020
Vinhomes Imperia	Hai Phong	Low-rise	785,000	2017
Vinhomes Marina		Low-rise	149,000	2019
Vinhomes Star City	Thanh Hoa	Low-rise	1,475,000	2018
Vinhomes Ha Tinh	Ha Tinh	Low-rise	57,000	2016
Vinhomes New Center		High-rise	1,493,000	2019
Vincom Center Dong Khoi	Ho Chi Minh City	High-rise	16,000	2010
Vinhomes Central Park		Mixed-use	416,000	2015
Vinhomes Golden River		Mixed-use	196,000	2017
Vinhomes Grand Park		Mixed-use	2,719,000	2020

## Industrial real estate

In 2020, Vinhomes established a subsidiary, Vinhomes IZ (“VHIZ”), to operate its industrial real estate business. The objective of this business is to develop industrial parks throughout Vietnam. Vinhomes industrial parks will attract domestic and foreign investors on the basis of Vinhomes’ reputation, proven master planning capabilities, speed of delivery, quality of infrastructure construction and a large landbank.

The first priority for the industrial real estate business is to serve companies in the automotive supply chain, build an ecosystem around VinFast that includes both production capability and geographic proximity. With this foundation, VHIZ expects to bring large domestic and FDI enterprises into its ecosystem to leverage the advantages of Vingroup as the leading Industry and Technology Conglomerate in Vietnam. After that, VHIZ will expand its base of potential customers to other industries to meet the growing demand for investment, production, and services in Vietnam.

Future VHIZ projects will be developed at prime locations in cities such as Hai Phong and Quang Ninh that are located in the Northern economic development corridor, where priorities are given to the development of seaports, tourism, services and high-tech industrial parks to attract FDI inflows.



## List of subsidiaries

As of 31 December 2020

No.	Subsidiary name	Location	Effective ownership (%)
1	Gia Lam Urban Development and Investment Limited Liability Company	No. 7, Bang Lang 1, Vinhomes Riverside Ecological Area, Viet Hung Ward, Long Bien District, Hanoi	99.39%
2	Ecology Development and Investment JSC	Symphony Office Building, Chu Huy Man Street, Vinhomes Riverside, Ecological Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam	100%
3	Ecology Development and Investment Joint Stock Company	No. 191 Ba Trieu, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	100%
4	Vietnam Investment and Consulting Investment Joint Stock Company	No. 191 Ba Trieu, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	70.0%
5	Can Gio Tourist City Corporation	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	99.89%
6	Tay Tang Long Real Estate Company LLC	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	90.0%
7	Berjaya Vietnam International University Township	Floor 20A, Vincom Center Building Dong Khoi, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	97.90%
8	Royal City Real Estate Development and Investment JSC	72A Nguyen Trai, Thuong Dinh Ward, Thanh Xuan District, Hanoi	97.85%
9	Lang Van Development and Investment JSC	No.7, Truong Sa Street, Hoa Hai Ward, Ngu Hanh Son District, Da Nang	99.0%
10	Metropolis Hanoi LLC	HH Lot, Pham Hung Street, Me Tri Ward, Nam Tu Lien District, Hanoi	100%
11	Berjaya Vietnam Financial Center LLC	Floor 20A, Vincom Center Building Dong Khoi, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	67.50%
12	Thai Son Investment and Construction JSC	290 Nam Ky Khoi Nghia, Ward 8, District 3, Ho Chi Minh	100%
13	Millennium Trading Investment and Development LLC	Floor 20A, Vincom Center Building Dong Khoi, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	100%
14	GS Cu Chi Development JSC	Floor 20A, Vincom Center Building Dong Khoi, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	100%
15	Phu Gia Property Trading Limited Liability Company <sup>(*)</sup>	No. 63 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	98.0%
16	An Thinh Trading and Commercial Development JSC <sup>(*)</sup>	Floor 20A, Vincom Center Building Dong Khoi, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	85.0%

No.	Subsidiary name	Location	Effective ownership (%)
17	Green City Development JSC	No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	100%
18	Delta JSC	No. 110 Dang Cong Binh, 6th Hamlet, Xuan Thoi Thuong Ward, Hoc Mon District, Ho Chi Minh City	100%
19	Vinhomes Industrial Zone Investment JSC	No.7 Bang Lang 1, Vinhomes Riverside Ecological Urban Area, Viet Hung Ward, Long Bien District, Hanoi	100%
20	VINITIS Information Technology Solution and Transmission Infrastructure JSC	No.7 Bang Lang 1, Vinhomes Riverside Ecological Urban Area, Viet Hung Ward, Long Bien District, Hanoi	61.0%
21	Dai An Investment and Construction JSC	National Highway 5A, Dinh Du Hamlet, Dinh Du Commune, Van Lam District, Hung Yen Province	100%
22	Sai Dong Urban Development and Investment JSC	No.7 Bang Lang 1, Vinhomes Riverside Ecological Urban Area, Viet Hung Ward, Long Bien District, Hanoi	100%
23	Central Park Development LLC	Suite 900 - 9 <sup>th</sup> Floor - IPH Building, 241 Xuan Thuy, Dich Vong Hau Ward, Cau Giay District, Hanoi	100%
24	Newco Development and Investment JSC	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	100%
25	Hon Mot Tourism JSC	Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province	100%
26	Bao Lai Investment JSC	166 Pham Van Dong, Xuan Dinh Ward, Bac Tu Liem District, Hanoi City, Vietnam	96.48%
27	Bao Lai Marble Company Limited	Hop Nhat Village, Thinh Hung Commune, Yen Binh District, Yen Bai Province, Vietnam	100%
28	An Phu Marble Company Limited	Khau Ca Village, An Phu Commune, Luc Yen District, Yen Bai Province, Vietnam	100%
29	Doc Thang Marble JSC	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province, Vietnam	57.58%
30	Phan Thanh Mineral JSC	Ban Ro Village, Phan Thanh Commune, Luc Yen District, Yen Bai Province, Vietnam	91.36%
31	Bao Lai Luc Yen Mining Company Limited	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province, Vietnam	100%
32	Van Khoa Investment JSC	166 Pham Van Dong Street, Xuan Dinh Ward, Bac Tu Liem District, Hanoi City, Vietnam	64.29%
33	Van Khoa Luc Yen Company Limited	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province, Vietnam	100%

<sup>(\*)</sup> These companies are in the process of completing dissolution procedures.

# Board of Directors

The Company's Board of Directors ("BOD") consists of nine members. The maximum term of each member is five years. The BOD elects the Chairperson.

Vinhomes' BOD structure is in line with the international corporate governance standards of the Organization for Economic Co-operation and Development (the "OECD"). Its structure is balanced and diversified in terms of experience, age, gender and nationality. Vinhomes' Board has three independent board members who have many years of experience in the international financial markets

## Members of the Board of Directors



**MS.**  
**NGUYEN DIEU LINH**  
Chairwoman

Ms. Nguyen Dieu Linh was elected to the Board in February 2018 and was Vice Chairwoman from July 2018 to 28 February 2019. Since 28 February 2019, Ms. Nguyen Dieu Linh has been appointed Chairwoman. Ms. Nguyen Dieu Linh has worked at Vingroup Joint Stock Company for more than 17 years and is currently the Group's Vice Chairwoman. Prior to joining Vingroup, Ms. Nguyen Dieu Linh was a legal expert at Ngo Miguere & Partners in Hanoi. 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 before completing a Master of Law in France in 2000 - 2001.



**MR.**  
**MUEEN UDDEEN**  
Independent Board Member

Mr. Mueen Uddeen was elected as an independent member in February 2018. He has extensive experience in banking and finance in Asia. He is currently holding a senior executive position at Arcpoint Associates Advisory Pte. Ltd., providing consulting services to clients in emerging markets. Before that, he was Managing Director at Bank of America and Managing Director and Head of JP Morgan Chase Bank in Vietnam. Mr. Mueen Uddeen graduated with honors from the University of Manchester, U.K., with a Bachelor of Science degree. He also holds an MBA in Finance from the Richard Ivey School of Business at the University of Western Ontario, Canada.



**MR.**  
**PHAM NHAT VUONG**  
Board Member

Mr. Pham Nhat Vuong was elected as a member on 21 February 2018 and was Chairman from 21 February 2018 to 28 February 2019 before stepping down for Ms. Nguyen Dieu Linh to be the Chairperson. Mr. Pham Nhat Vuong has a long record as an entrepreneur inside and outside of Vietnam. He was a founding shareholder of Vingroup, which he currently serves as Chairman. In 2012, Forbes honored Mr. Pham Nhat Vuong as the first ever billionaire in Vietnam and has been the person with the highest net-worth in Vietnam ever since.



**MR.**  
**HOANG D. QUAN**  
Independent Board Member

Mr. Hoang D. Quan was elected as an independent member on 8 July 2020. He is a seasoned expert in financial investment and banking. He is currently the Chairman of ANTO Safety Financial Application JSC, Chairman of A.I Capital Management Company, Board Member of Amber Fund Management Company. He used to serve as the CEO of HD Bank and before that a Director at Standard Chartered Bank.



**MR.**  
**VARUN KAPUR**  
Independent Board Member

Mr. Varun Kapur was elected as an independent member in February 2018. He has extensive experience in investments in real estate in Asia. He is currently Chief Executive Officer of Indgrowth Singapore and previously Partner and Managing Director at TPG Capital in Hong Kong and Singapore between 2007 and 2012. Mr. Varun Kapur graduated with a B.A in Electrical Engineering from Indian Institute of Technology, Kanpur, and holds an MBA degree from the Indian Institute of Management in Ahmedabad, India.



**MR.**  
**ASHISH JAIPRAKASH SHASTRI**  
Board Member

Mr. Ashish Jaiprakash Shastri was elected to the Board of Directors on 8 July 2020. He has 25 years of experience in finance and investment. He is currently Partner, Co-Head of Private Equity Asia Pacific & Head of Southeast Asia at KKR. He was formerly the Co-Managing Director at Northstar Advisor Pte Ltd and also worked at TPG Capital and Lehman Brothers in his early career.

# Board of Directors (continued)

## Members of the Board of Directors (continued)



**MR. PHAM THIEU HOA**  
Board Member

Mr. Pham Thieu Hoa was elected to the Board on 8 July 2020. He also served as the CEO since May 2019. Prior to joining the Company, Mr. Pham Thieu Hoa was Deputy Director of Commerce at Technocom – Ukraine (Vingroup's predecessor) from 2003 to 2005, and then Project Development Director at Vingroup starting in 2005, where he played an important role in project development activities of both Vingroup and Vinhomes. Mr. Pham Thieu Hoa graduated with an MBA degree from the University of Southern California.



**MR. TRAN KIEN CUONG**  
Board Member

Mr. Tran Kien Cuong was elected to the Board on 8 July 2020. Before joining the company, Mr. Tran Kien Cuong used to be Director of Fansipan – Kharkov – Ukraine Company under Technocom Group in Kharkov, Ukraine (Vingroup's predecessor). Currently, Mr. Tran Kien Cuong is serving as a Project Development Director of Vinhomes JSC.



**MS. CAO THI HA AN**  
Board Member

Ms. Cao Thi Ha An was elected to the Board in February 2018. Ms. Cao Thi Ha An has been Project Development Director of Vingroup since 2016. Prior to joining Vingroup, Ms. An was Deputy Chief Executive Officer of Military Insurance JSC and Director of the company's branch in Ho Chi Minh City. She holds a postgraduate degree in Insurance Finance from the Australian and New Zealand Institute of Insurance and Finance and an MBA from Bulacan State University, Philippines. Ms. Cao Thi Ha An is currently a Project Development Director at Vinhomes.



# Management

The Management of the Company consists of a Chief Executive Officer ("CEO"), one Standing Deputy Chief Executive Officer, and five Deputy Chief Executive Officers ("DCEO").

The Board appoints the CEO, who reports to the General Meeting of Shareholders ("GMS") and the BOD. The BOD also appoints the Deputy CEOs at the CEO's recommendation.

The Management is balanced and diversified in experience, age, gender and nationality. Despite having been recently appointed to senior positions at Vinhomes after its restructuring, most of the members of the Management have had more than five years of working experience in real estate development within Vingroup before the business was moved to Vinhomes in 2018.

## Members of the Management



**MR.**  
**PHAM THIEU HOA**  
CEO

Mr. Pham Thieu Hoa was appointed as CEO in May 2019. Prior to joining the Company, Mr. Pham Thieu Hoa was Deputy Director of Commerce at Technocom – Ukraine (Vingroup's predecessor) from 2003 to 2005. He was Project Development Director at Vingroup, starting in 2005, where he played an important role in project development activities of both Vingroup and Vinhomes. Mr. Pham Thieu Hoa graduated with an MBA degree from the University of Southern California.



**MS.**  
**NGUYEN THU HANG**  
Standing DCEO of Operations

Ms. Nguyen Thu Hang was appointed DCEO in charge of operations in October 2020. Ms. Hang has more than 12 years of experience in auditing, risk management and banking. She used to serve as the Head of Operational Risk Management, Head of Corporate Banking and Head of Capital Markets at Vietinbank. Ms. Nguyen Thu Hang graduated with a BA in Finance & Accounting from the University of New South Wales, Australia and holds a Master of Economics in Banking and Finance from ESCP Europe.



**MR.**  
**DOUGLAS JOHN FARRELL**  
DCEO of Finance and Investments

Mr. Douglas Farrell was appointed DCEO of Finance and Investments in February 2018. Before joining the Company, Mr. Douglas Farrell was Managing Director, Head of M&A and Real Estate, Australia & New Zealand at Citigroup from 2010 to 2016 and a Founding Director at Quintet Partners, an investment management firm starting in 2016. Mr. Douglas Farrell graduated with a Bachelor of Finance degree from Macquarie University, Australia, and a Bachelor of Commercial Accounting degree from the Australian Institute of Chartered Accountants.



**MR.**  
**NGUYEN DUC QUANG**  
DCEO of Sales and Marketing

Mr. Nguyen Duc Quang was appointed DCEO of Sales and Marketing in February 2018. Mr. Nguyen Duc Quang has worked for the Company since 2014 and played an important role in developing the real estate business in the Southern Vietnam market. Prior to joining the Company, he held several executive management positions at LG Electronics Vietnam, FPT Trading, and Mercedes-Benz An Du Autohaus. Mr. Nguyen Duc Quang graduated with a B.A in Business Administration from Hanoi Open University.



**MR.**  
**PHAM VAN KHUONG**  
DCEO of Construction

Mr. Pham Van Khuong was appointed DCEO of the Company's Construction division in October 2018. Before that, he was the Chairman and DCEO in charge of Construction at Vincom Construction and Consultant Limited Company. He has nearly 30 years of experience in construction and industrial technology. Mr. Khuong holds a degree in Civil Engineering from Hanoi Architecture University. Mr. Khuong holds a degree in Civil Engineering from Hanoi Architecture University.



**MR.**  
**NGUYEN VU HUNG**  
DCEO of Safety, Security & Fire Protection

Mr. Nguyen Vu Hung was appointed DCEO in charge of Safety, Security and Fire Prevention in April 2020. He has 15 years of experience working at Vingroup and has been the General Director of Vincom Security Services Co., Ltd. since 2018. Mr. Nguyen Vu Hung graduated from National Economics University with a B.A in Business Administration.



**MS.**  
**MAI THU THUY**  
DCEO of Support Division

Ms. Mai Thu Thuy was appointed DCEO in charge of Support Division in October 2020. Before that, she had over 15 years of experience working at Vingroup and held senior managerial positions such as DCEO of Vinpearl JSC, Deputy Head of Human Resources of Vingroup and DCEO of VinCommerce. Ms. Mai Thu Thuy graduated from National Economics University with a B.A in Banking & Finance.

# The Supervisory Board

The Supervisory Board is an independent body from the BOD and the Management. The GMS elects the Supervisory Board to act on behalf of the GMS in overseeing the validity and legality of the Company's activities and financial reports. The Supervisory Board reports directly to the GMS.

The Supervisory Board has three members and serves for a five-year term. The current term is 2018 – 2023.

## Members of the Supervisory Board

**MR.**  
**PHAM KHOI NGUYEN**  
Head of the  
Supervisory Board

Mr. Pham Khoi Nguyen was elected Head of the Supervisory Board in February 2018. Previously, he was a senior auditor at Ernst & Young Co., Ltd. from 2012 to 2015. Mr. Pham Khoi Nguyen graduated with a bachelor's degree in Foreign Trade Economics from Hanoi Foreign Trade University.

**MS.**  
**DOAN THI THU MAI**  
Member of the  
Supervisory Board

Ms. Doan Thi Thu Mai was elected to the Supervisory Board in February 2018. Ms. Doan Thi Thu Mai has been a senior manager in the Vingroup Finance Department and a senior auditor at Ernst & Young Co., Ltd. from 2011 to 2015. Ms. Doan Thi Thu Mai has a Bachelor of Accounting and Finance degree from Hanoi University.

**MS.**  
**LE THI DUYEN**  
Member of the  
Supervisory Board

Ms. Le Thi Duyen was elected to the Supervisory Board in February 2018. Prior to that, Ms. Le Thi Duyen had many years of experience as a chief accountant at VinDS, M.Y.M Fashion Company and SYM Vietnam. Ms. Le Thi Duyen holds a Master's Degree in Finance and Supervisory Management from Jean Moulin Lyon 3 University in France.

# Business Strategy

01

## LAND BANK EXPANSION

Vinhomes continues to expand its land bank throughout Vietnam. The company's land bank and comprehensive ecosystem will be leveraged to develop large-scale projects in areas with a high level of urbanization and potential for development. The company will continue to seek opportunities to expand its supply of developable land in strategic locations along the major transportation corridors connecting Hanoi and Ho Chi Minh City with cities and provinces throughout Vietnam.

02

## FOCUS ON STRONG AND COMPREHENSIVE DIGITAL TRANSFORMATION

Following the initial success of launching an online sales platform with smart equipment and applications in management of urban housing projects, Vinhomes will promote digital transformation in both front and back office functions including construction, mixed use project operations, customer care, human resource management, training and accounting for improved productivity and cost savings.

03

## RESEARCH AND DEVELOPMENT OF NEW AND PROMINENT URBAN COMPLEXES AS WORLD-CLASS DESTINATIONS

Socio-economic development leads to increasingly high housing demand in terms of product quality, living environment as well as other added values. With our market leading position and a commitment to continuous improvement to meet the needs of customers and investors, Vinhomes will pursue the development of prominent large-scale urban complexes that are well-planned, professionally operated, and equipped with state-of-the-art technology. We expect these future urban complexes to be popular destinations at the national, regional, and global levels.

04

## HIGHER REVENUE GENERATION THROUGH BUSINESS DIVERSIFICATION

In addition to the residential real estate development business at our core, Vinhomes will further develop such products and services as serviced apartments and villas, and office leasing. These new products will generate stable recurring revenues and will also help build Vinhomes' brand equity. The company will also promote industrial park development, a business with good growth potential that is expected to be an important operating segments of Vinhomes.

05

## DEVELOPING HUMAN CAPITAL

Human capital development has long been a Vinhomes priority. Developing human capital supports the company's aggressive growth strategy by adding to staff knowledge and skills so that employees can respond more effectively to customer needs. In parallel with staff training, the company is also building its pool of management talent to prepare for new projects.

CHAPTER

03

# Management Report on 2020 Business Performance and 2021 Action Plan

CONTENT

- ① Macroeconomic Overview of 2020 and Outlook for 2021
- ② 2020 Business Performance
- ③ Key Financial Indicators for the Period of 2017 – 2020
- ④ Blueprint for 2021



# Macroeconomic Overview of 2020 and Outlook for 2021

## Macroeconomic Overview of 2020

Following impressive economic gains in 2019, Vietnam in 2020 posted one of the best global growth rates.

GDP

▲ **2.91%**

FDI

USD **28.5** BILLION

Vietnam's per  
capita income

USD **2,750**

The pandemic made 2020 a historic year for the global economy. The world witnessed rapid, complex, multidimensional and unpredictable fluctuations. Gross domestic product (GDP) growth hit record lows in many economies. Global growth fell 4.4%, much lower than the trough in 2019. This is considered the most serious world crisis since the Great Depression of the 1930s and is expected to last for a while. Countries around the world have imposed lockdowns and border closings to curb the spread of the virus. This has caused global supply chain disruptions, stagnation in world trade, rising unemployment and wage cuts, and a wave of bankruptcy filings.

Despite these challenges, the crisis has presented an opportunity for e-commerce to thrive. Online shopping is growing at the expense of in-store shopping in many regions. E-commerce sales worldwide reached nearly USD 3.5 trillion in 2020. China's online sales alone reached nearly USD 1.6 trillion, the highest of any country.

The combination of the US-China trade war that began in 2019, and the outbreak of the pandemic last year, prompted at least 50 American companies to relocate all or part of their production facilities out of China to avoid material supply chain disruption which may negatively impact their manufacturing activities in China. This has benefited neighboring countries, including Vietnam.

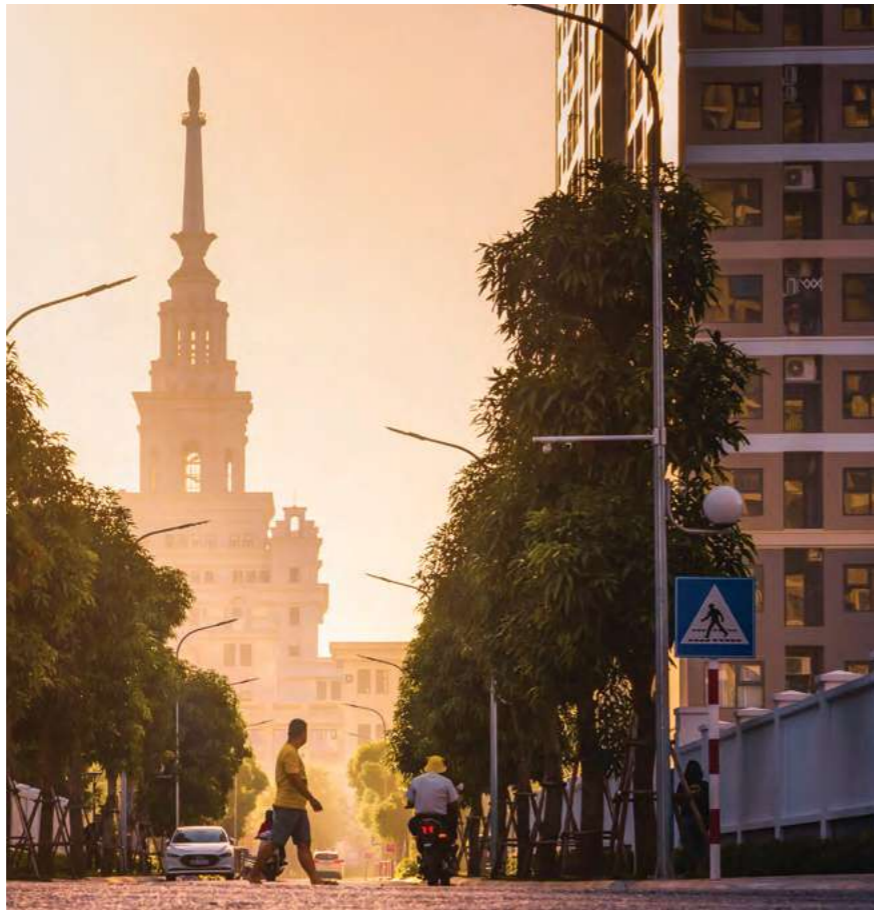
Following impressive economic gains in 2019, Vietnam in 2020 posted one of the best global growth rates, with GDP up 2.91%. Although this is the lowest rate since 2011, it is a great success given the

socioeconomic effects of the pandemic. Vietnam's economy is rising in the global rankings. The UK-based Centre for Economics and Business Research (CEBR) released its annual league table on the growth prospects of 193 economies, and Vietnam is expected to be ranked 19th in the world by 2035. The Economist ranked Vietnam one of the top 16 emerging economies in the world. And World Bank put Vietnam in its top 10 fastest-growing economies, thanks to an annual economic growth of 6.8% from 2016 to 2019. Vietnam's per capita income is now around USD 2,750.

Despite pandemic impacts, Vietnam's FDI inflows in 2020 (including newly registered capital, adjusted capital, and value of capital contribution and share purchased by foreign investors) reached USD 28.5 billion. Nearly 300 international large enterprises planned to expand their business, start a new business or are exploring investment opportunities in Vietnam. This means Vietnam is attractive to investors. The country recorded positive export growth in 2020, even as global trade volume and exports plummeted. Vietnam's total import-export turnover in 2020 was estimated to reach nearly USD 544 billion, up 5.1% over 2019. Vietnam also recorded its highest trade surplus of USD 19.1 billion.

## Economic Outlook for 2021

Vaccines have raised hopes of an economic turnaround in 2021. But renewed waves and new variants of the virus pose concerns that the pandemic will continue to impact the global economy, now expected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The 2021 forecast is actually up 0.3 percentage points, relative to the previous forecast. This reflects expectations of vaccines fueling more growth later in the year along with additional policy support in a few large economies.



## Foreign investors want to invest in emerging markets, and Vietnam is seen as one of the most attractive destinations

Many organizations reiterate their optimism about Vietnam's GDP growth in 2021. The Ministry of Planning and Investment's recently released outlook shows projected growth ranging from 6.17 percent in a base case scenario to 6.72 percent in a best case scenario in 2021. Two free-trade agreements – The European Union-Vietnam Free Trade Agreement (EVFTA) and The Regional Comprehensive Economic Partnership (RCEP) – are considered the main growth drivers. Another factor is the shift in supply chains, post-pandemic, and the US-China trade war. Foreign investors want to invest in emerging markets, and Vietnam is seen as one of the most attractive destinations. The government's successful containment of the pandemic also helps attract foreign investors while reviving domestic production activities after the pandemic, especially in the service and processing sectors.

## The residential property market continued to experience increased demand while supply remained constrained

Urbanization in Vietnam's major cities has accelerated in the past decade, strengthening housing demand. Urban residents accounted for 40% of Vietnam's population at the end of 2020 and is expected to hit 45% by 2030, according to the Ministry of Construction, thus requiring an annual increase of about 70 million square meters of urban housing. New housing demand will remain strong in a few major cities and industrial parks. In the South, Ho Chi Minh City and Southeastern cities including Binh Duong, Dong Nai and Vung Tau will see continued demand surge. In the North, housing demand will continue to skew in Hanoi and satellite cities including Bac Ninh, Hai Duong and Hai Phong.

The most populous cities Hanoi and Ho Chi Minh City require a rapid increase in urban housing area, and account for over 50% of the country's urban land and 75% of urban space growth. That accounts for about two-thirds of Vietnam's annual housing needs. The Ministry of Construction also projects housing demand to grow from 2021 to 2030, due to urbanization. As economic growth increases incomes, people tend to upgrade their quality of life including housing quality in particular. This will also include renovating and rebuilding older houses.

Despite a 52% decrease in apartment units launched (17,974) in Hanoi in 2020, there were 18,514 units sold, according to CBRE. That represents a positive absorption rate (>100%), implying minimal pandemic impact on housing demand. The majority of new apartments were in the East of Hanoi (44%), followed by the Western area of Hanoi (40%). Primary pricing in the East, such as Gia Lam district, increased by 20%, while Nam Tu Liem district saw an increase of 10% compared to 2019.

In Ho Chi Minh City, housing supply remained limited. The number of launched apartments was comparable to Hanoi with 17,272 units, a decrease of 42% compared to 2019. The number of sold units was 15,086, which lowered the absorption rate to 87%. The Eastern and Southern areas of the City were further targeted. Following the sales of 10,000 mid-range apartment in 2019, the real estate mega project of Vinhomes Grand Park launched high-end apartments with a positive market response. Apartment pricing in Ho Chi Minh City set new records in all districts. The biggest increases came in Nha Be, Thu Duc and District 9. New projects in District 9 in particular offered apartments for sale at a price 47% higher than the average for the City.

In the low-rise segment, new supply dropped significantly in Hanoi, with less than 1,000 units. That spurred a spike in selling prices of 6 to 9% for each category. Low-rise supply also dropped in Ho Chi Minh City by 33% compared to 2019, with just over 2,100 units.

The real estate supply will remain limited, according to CBRE forecasts for 2021. In Hanoi, new housing supply is expected to reach 25,000 units. In Ho Chi Minh City, the total is forecast at 17,300 units, similar to 2020. Meanwhile, domestic purchasing power will remain high to meet housing demand. The primary pricing is forecast to increase 2 to 5% in both cities. Vinhomes will leverage the strength of our large landbank – the largest among property developers in Vietnam – as well as the advantage of having large mega projects having been approved, striving to accelerate its construction and sales activities to service the high demand for housing while the limited supply situation may prolong.

## Industrial market shows remarkable potentials

Vietnam's industrial real estate is emerging as a potential investment segment amid the pandemic. Vietnam has 369 established industrial parks on more than 113,000 hectares, including nearly 74,000 hectares of leasable land. Of that, there are 280 operational industrial parks on 83,000 hectares, including nearly 57,000 hectares of leasable land. Occupancy rate is around 70%.

In the past few years, thanks to transport infrastructure development and better connectivity, commuting between urban and peri-urban areas became more convenient. As a result, investors have been more willing to relocate their businesses to neighboring provinces around big cities. Production relocation out of China, to avoid impacts of its trade war with the US, has also created new opportunities for Vietnam's industrial real estate market.

Experts believe that strong infrastructure development, new trade agreements and a wave of production facilities leaving China will boost the industrial real estate market in Vietnam's provincial areas in 2021.

## Vietnam's industrial real estate is emerging as a potential investment segment amid the pandemic.



# 2020 Business Performance

Sold  
**27,700**  
apartments, villas, and shophouses

Handed over  
**53,743**  
apartments, villas, and shophouses

**Vinhomes achieved superior business results in 2020, in spite of the impact of the pandemic, due to its timely, flexible response to market conditions.**

During 2020, the Company's bulk sales strategy achieve excellent results through successful transactions with leading domestic and foreign developers. Vinhomes sold approximately 27.7 thousand apartments, villas, and shophouses with a pre-sales value of VND 64.4 trillion, including both bulk and retail sales.

The Company continued to lead the market by maintaining both construction quality and delivery speed. During 2020, Vinhomes handed over to customers 53,743 units of apartments, villas and shophouses. These deliveries included units in the following projects: Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Grand Park, Vinhomes West Point, Vinhomes Marina, Vinhomes Symphony.

## Key Financial Indicators

### Discussion and Analysis of the Income Statement

Item	2020 (billion VND)	2019 (billion VND)	Increase/ decrease
Revenue from sale of the inventory properties	67,310	48,162	40%
Revenue from leasing of properties and rendering related services	898	1,114	-19%
Revenue from the provision of other services	3,339	2,351	42%
<b>Total Revenue</b>	<b>71,547</b>	<b>51,627</b>	<b>39%</b>
Profit before tax	36,517	29,746	23%
<i>Where:</i>			
Profit before tax from sale of inventory properties <sup>(1)</sup>	36,755	29,376	25%
<b>Profit after tax</b>	<b>28,207</b>	<b>24,319</b>	<b>16%</b>

<sup>(1)</sup> Figures include profits from BCC projects and bulk sales transactions.

Net revenue totaled

VND **71,547** BILLION

Profit after tax

VND **28,207** BILLION

▲ 16%

compared to 2019

### Discussion and Analysis of the Balance Sheet

Total assets

VND **215,326** BILLION

▲ 9%

Owners' equity

VND **89,130** BILLION

▲ 38%

Current assets decreased from VND 139,555 billion as of 31 December 2019 to VND 102,312 billion as of 31 December 2020, largely due to changes in short-term loan receivables, inventory and short-term deposits for investment purposes. In particular, short-term loan receivables decreased by VND 8,235 trillion, inventory decreased by VND 17,313 trillion largely due to successful hand-over of apartments to home buyers in 2020, and short-term deposits investment purposes decreased by VND 8,460 trillion compared to 2019.

Vinhomes' consolidated net revenue totaled VND 71,547 trillion. Revenue from sale of inventory properties reached VND 67,310 trillion and revenue from leasing of properties was VND 898 trillion, up 49% and down 19% respectively compared to 2019. Revenue from sale of inventory properties in 2020 mostly came from the completion and handover of units in Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Grand Park, Vinhomes West Point, Vinhomes Marina and Vinhomes Symphony projects. Revenue from leasing of properties stemmed from serviced apartments and office space in Hanoi and Ho Chi Minh City. In addition,

Vinhomes also received its share of profit, recognized as financial income, from business cooperation contracts with Vingroup and its subsidiaries ("BCC projects") such as Vinhomes Riverside The Harmony, Vinhomes Imperia, Vinhomes Dragon Bay and Vinhomes Star City.

The Company's profit before tax reached VND 36,517 trillion in 2020. Total profit before tax from the sale of inventory properties, including Vinhomes-owned and BCC projects, was VND 36,755 trillion. Profit after tax reached VND 28,207 trillion, up 16% compared to 2019.

Targets	2020 (billion VND)	2019 (billion VND)	Increase/ decrease
Current assets	102,312	139,555	-27%
Non-current assets	113,014	57,686	96%
Total assets	215,326	197,241	9%
Total liabilities	126,196	132,526	-5%
<i>Of which:</i>			
Total borrowing (short and long term)	24,955	26,505	-6%
Owners' equity	89,130	64,715	38%

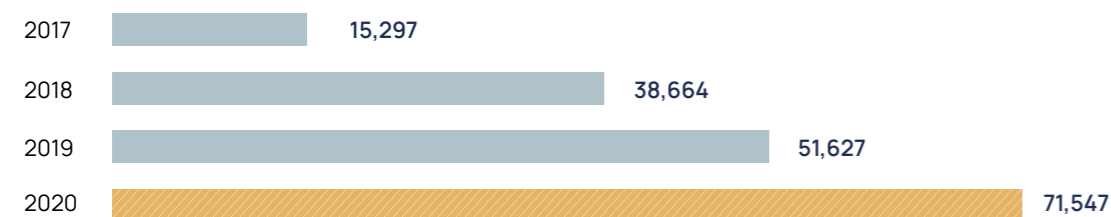
Non-current assets increased from VND 57,686 trillion to VND 113,014 trillion in 2020. In particular, deposits for real estate project investment and transfers in 2020 also increased by VND 30,041 trillion, including deposits for Vingroup and its subsidiaries to receive the transfer of real estate projects, receive shares transferred from companies owning real estate projects to Vinhomes. In addition, investments in associates and joint ventures increased by VND 9,249 trillion. Construction in progress balance increased by VND 4,149 trillion, largely due to Vinhomes construction of mega projects.

Total liabilities as of 31 December 2020 decreased by VND 6,330 trillion, compared to 31 December 2019, to VND 126,196 trillion, primarily from a decrease in homebuyers' installment payments for apartments, villas and shophouses at real estate projects as the Company handed over properties to homebuyers.

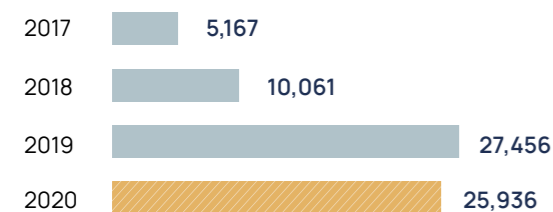
Owners' equity as of 31 December 2020 increased by VND 24,415 trillion compared to 31 December 2019, reaching VND 89,130 trillion. The increase in owners' equity was mainly from the Company's profit after tax in 2020.

# Key Financial Indicators for the Period of 2017 – 2020

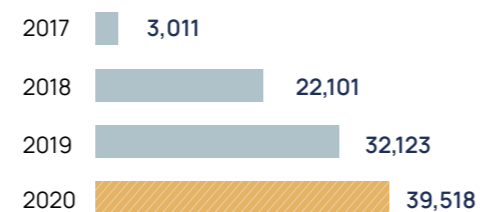
## Net revenue (billion VND) ▲ 39%



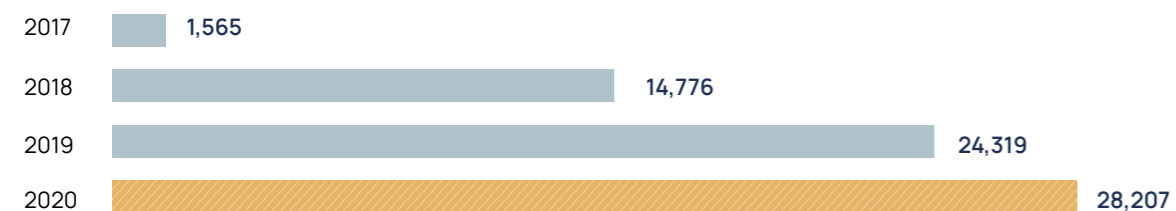
## Gross profit (billion VND) ▼ 6%



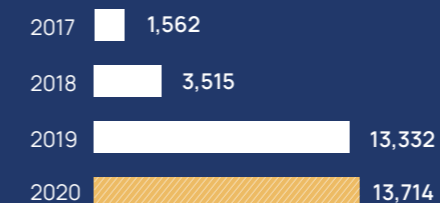
## Earnings before interest and tax (billion VND) ▲ 23%



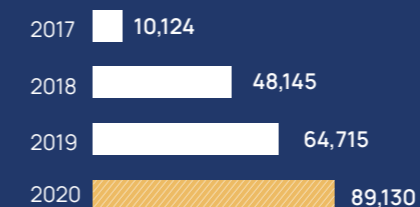
## Profit after tax (billion VND) ▲ 16%



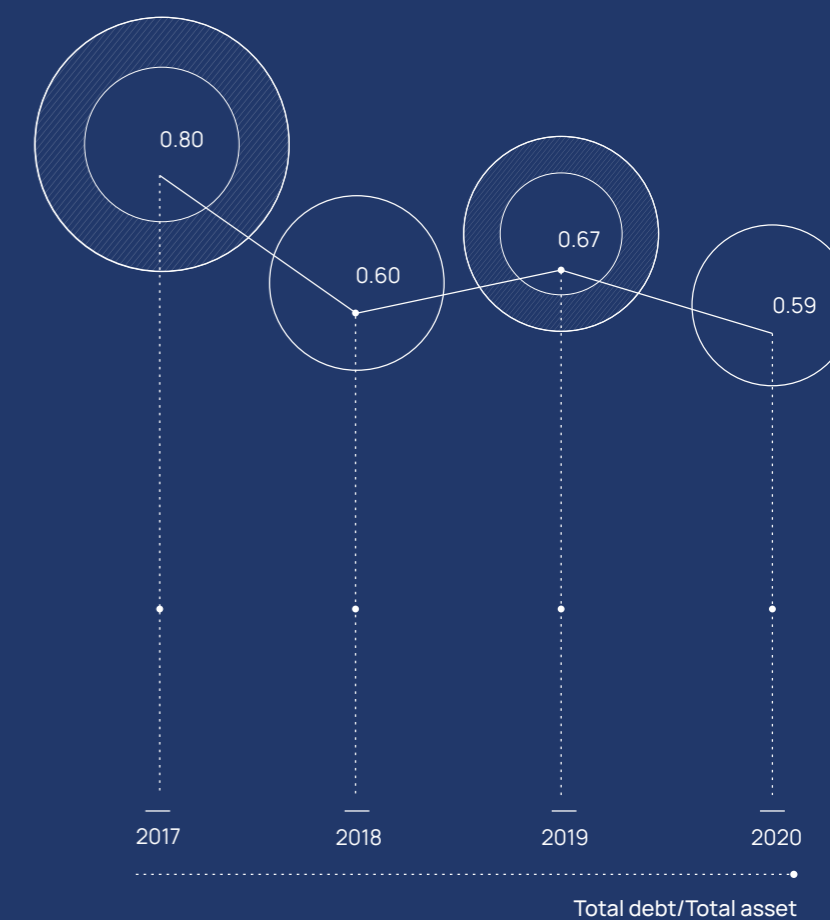
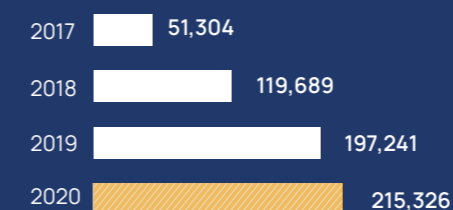
## Cash and cash equivalents (billion VND)



## Total assets (billion VND)



## Owners' equity (billion VND)



## Performance Indicators<sup>(\*) (\*\*)</sup>

Type	Number of units launched	Accumulated to 2018		2019		2020	
		Sold units	Contracted sales value (VND billion)	Sold units	Contracted sales value (VND billion)	Sold units	Contracted sales value (VND billion)
High-rise	136,452	47,525	168,924	57,742	69,876	25,859	36,195
Low-rise	12,021	7,036	82,253	2,343	21,184	1,885	28,251
<b>Total</b>	<b>148,473</b>	<b>54,561</b>	<b>251,177</b>	<b>60,085</b>	<b>91,060</b>	<b>27,744</b>	<b>64,446</b>

In 2020, Vinhomes and its subsidiaries entered into sale and purchase agreements and received non-cancellable deposits for 27,589 apartments, villas and shophouses, equivalent to a total contracted value of VND 62.882 trillion. In addition, its BCC projects with Vingroup and its subsidiaries recorded sales and non-cancellable deposit contracts for 155 apartments, villas and shophouses, with a total contracted value of VND 1.564 trillion.

<sup>(\*)</sup> The data refers to projects directly owned by Vinhomes and its subsidiaries, and those under BCC projects with Vingroup and its subsidiaries; the number of units sold, and the contracted sales value are based on the sales and purchase agreements and non-cancellable deposit contracts.  
<sup>(\*\*)</sup> Includes retail sales and retail equivalents for bulk sales transactions

# Blueprint for 2021



01

## Continue development and delivery of mega projects

Despite the pandemic-related challenges facing the real estate industry, the positive sales results in three mega projects (Vinhomes Ocean Park, Vinhomes Smart City, and Vinhomes Grand Park) in 2019 and 2020 have confirmed that Vinhomes is pursuing a sound strategy to develop projects that fit market needs. During 2021, Vinhomes will complete additional launches at Vinhomes Ocean Park, Vinhomes Smart City, and Vinhomes Grand Park, as well as other new projects. The Company will continue to hand over completed units to customers. These mega projects will continue to contribute to the Company's sales, revenue, and profits. These projects will also ensure that new mega projects will be well received by the market.

02

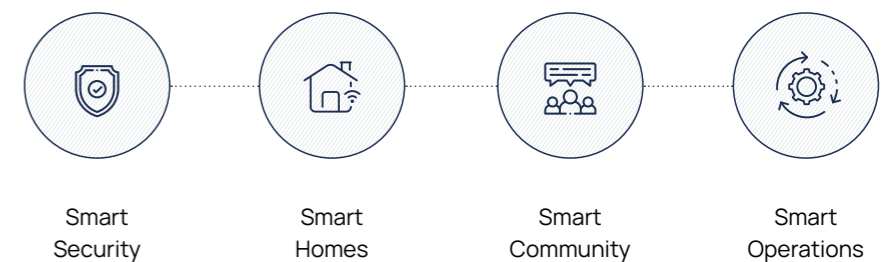
## Promote the O2O model and launch secondary sales

The O2O (Online-to-Offline) business model now being developed by Vinhomes will enable the Company to reach more customers through a variety of interactive channels. Customers will gain access to product information and consultation through both online and offline platforms as a result of the digitization of distribution channels. Vinhomes will use its centralized customer care platform and dedicated sales team to receive and respond to inquiries from customers. In 2021, Vinhomes will complete the development and launch of this new platform. Customers and investors will be able to explore and experience the Company's products and communicate directly with Vinhomes. Secondary sales, a new business now being launched by Vinhomes, will be widely deployed during 2021 to provide investors and homebuyers with a safe and convenient trading platform. The availability of an omnichannel ecosystem provides customers with the peace of mind that accompanies direct, transparent transactions with the developer.

03

## Constantly improve the quality of life for residents through the application of technology

Vinhomes is guided by a vision of building smart cities by using powerful technologies to upgrade utilities and other equipment to improve the quality of life for residents, and also to increase operational efficiency. Residents at the three Vinhomes mega cities projects (Vinhomes Ocean Park, Vinhomes Smart City, and Vinhomes Grand Park) will have access to a smart ecosystem with four pillars: Smart Security, Smart Homes, Smart Community, and Smart Operations. These features have been implemented in the new mega cities projects and will undergo further improvements.



04

## Focus on development of industrial real estate to increase recurring revenue

In 2020, Vinhomes entered the industrial real estate market by establishing a specialized team of seasoned experts to run the new business. Throughout 2021, the Company will accelerate the development of Vinhomes first industrial park in Hai Phong where the industrial infrastructure is well developed and the market potential for industrial real estate is high. Strategic industrial park development will allow Vinhomes to take advantage of favorable macroeconomic conditions and FDI growth in the industrial sector. The Company believes that industrial real estate will become a business that generates large, recurring revenues for Vinhomes.



# Corporate Governance

- ① Vinhomes' Corporate Governance Structure
- ② Report of the Board of Directors
- ③ Report of the Supervisory Board
- ④ Governance Report
- ⑤ Internal Audit Report
- ⑥ Risk Management
- ⑦ Share Price Information and Investor Relations

# Vinhomes' Corporate Governance Structure

**Transparency and efficiency are the most important objectives in Vinhomes' corporate governance.**

Transparency and efficiency are the most important objectives in Vinhomes' corporate governance. Vinhomes' BOD fully acknowledges that sustained values and long-term growth can only be achieved by building and operating a transparent and efficient corporate governance model.

To realize these goals, the Company has been building and operating its corporate governance following OECD's governance principles while fully complying with Vietnamese governance regulations for listed companies. As a key member of Vingroup, Vinhomes follows the governance principles of its parent company. Vinhomes is organized based on international best practices.

This includes the separation of ownership, governance and management while the Company's business operations are organized into divisions based on their functions within the value chain. Project Development Division: The Project Development Division is responsible for sourcing potential land bank properties. It works closely with local government and authorities to obtain development approval as fast as possible, to expand the land bank of the Company.



## Organization Structure



### Project Development Division

The Project Development Division is responsible for sourcing potential land bank properties. It works closely with local government and authorities to obtain development approval as fast as possible, to expand the land bank of the Company.



### Construction Division

The Construction Division plans, designs and manages construction contractors, to ensure Vinhomes' commitment to high quality and timely delivery for each project.



### Sales and Marketing Division

The Sales and Marketing Division is responsible for residential property sales, residential leasing, office leasing and marketing. The Sales Department manages the Company's agent network. All sales and marketing personnel have extensive experience in the real estate industry.



### Industrial Real Estate Division

The Industrial Real Estate Division was established in 2020. It includes the Sales Department and the R&D Department. The staff of both departments includes veterans with tens of years of experience in industrial park development, construction, and management, as well as salespeople and consultants. The Division is critical to the Company's success in establishing itself as a leader in industrial real estate.



### Customer Service Division

The Customer Service Division is responsible for collecting customer feedback and working with other departments to respond to customers' comments and concerns. The customer service team is well-trained in both professional skills and ethics, putting the customers first. The Division is also a focal point for helping the Company better understand customers' needs in order to further improve Vinhomes products and services.



### Operations Division

The Operations Division manages Vinhomes-branded projects, including customer care, reception, security, housekeeping, technical and landscape services. Operations Division employees are professionally trained with competent skills and knowledge to serve Vinhomes residents with a five-star service quality.



### Inspection, Safety, Security and Fire Prevention Division

The Inspection, Safety, Security and Fire Prevention Division is responsible for supervising the Company's internal operations, maintaining order, security and fire safety at all projects as well as working locations of Vinhomes, providing residents and employees with a safe home and workplace.



### Administrative and Support Division

The Administrative and Support Division includes investor relations, finance, accounting, human resources, legal and administrative support. Employees in these units play an essential role in providing support for the Project Development, Construction, Operations, and Sales and Marketing divisions

# Key Principles in Corporate Governance of Vinhomes

## Maintaining Proper Governance

Diversity: Vinhomes' BOD structure clearly shows diversity in expertise and gender. The members of the BOD have diverse profiles of work experience, age, gender and nationality.

Among nine members of Vinhomes' BOD, Chairwoman Nguyen Dieu Linh has over 25 years of experience in the field of Law and Real Estate Business Management and Ms. Cao Thi Ha An has many years of experience in strategic and financial management. Among the remaining seven male members of the BOD, there are three foreign independent members with extensive managerial experience in finance, real estate, investment and risk management. At Vinhomes, the roles of Chairperson of the BOD and CEO are separate and are filled by two different people.

## Maintaining effective performance of the BOD and the Supervisory Board

- Operational regulations of the BOD are constructed and transparently and publicly disclosed on the Company's website.
- The Supervisory Board and its regulations are established by the BOD.
- BOD members are transparently appointed, reviewed and remunerated.
- BOD members are insured for their liabilities.
- The BOD engaged a leading international independent audit firm.

## Protecting the rights of the shareholders and the Company

- The right to freely transfer their fully paid-up shares recorded in the Shareholder Register of the Company, except for certain transfer restrictions in accordance with the law, the Company's Charter and resolutions of the General Meeting of Shareholders ("GMS").
- The right to equal treatment: Each share of the same class entitles shareholders to the same rights, responsibilities and interests. The rights and responsibilities of preference shares must be fully disclosed to the shareholders and approved by the GMS.
- The right and responsibility to participate in the GMS and exercise voting rights directly or through their Authorized Representative or electronic voting (if applicable).
- The right to subscription priority in new share offerings by the Company in proportion with their respective ownership.

## Ensuring equal treatment among the Shareholders

- Shareholders, including minority shareholders, have the right to receive timely, adequate and correct information. Vinhomes fully complies with the State Securities Commission's regulations on information disclosure obligations, ensuring the principles of transparency and equality among shareholders in accessing information.
- Shareholders, including minority shareholders, have the right to equal treatment. In addition to strictly complying with information disclosure requirements for a listed company, Vinhomes actively organizes quarterly conferences with shareholders, investors and analysts to answer questions and provide information. Information is disclosed in both Vietnamese and English. The Company's web site includes public disclosures of conferences which Vinhomes hosts as well as conferences in which the Company participates in.
- Transactions with related parties are conducted fairly and transparently, where conflicts of interests are mitigated. At Vinhomes, every related company is considered an independent legal entity. Therefore, every transaction with related companies is treated as between Vinhomes and another independent entity and monitored to ensure full compliance with control procedures in accordance with Related Party Transaction Policy to manage conflicts of interest. On a monthly basis, the Company reports all transactions with related companies for independent and non-executive directors to review and approve.

## Maintaining transparency in Company operations

- Full disclosure of all material information in accordance with the regulations of the State Securities Commission and the Ho Chi Minh City Stock Exchange (HOSE).
- Information disclosure is conducted in an accurate and timely manner. Besides strictly complying with information disclosure requirements for a listed company, Vinhomes actively organizes quarterly conferences with shareholders, investors and analysts to answer questions and provide information.
- Information is disclosed in both Vietnamese and English.

# Report of the Board of Directors

## About the Board of Directors

The Board of Directors ("BOD") consists of nine members, including a Chairperson and three independent Directors. Further details can be found in Chapter 2 – About Vinhomes, Board of Directors.

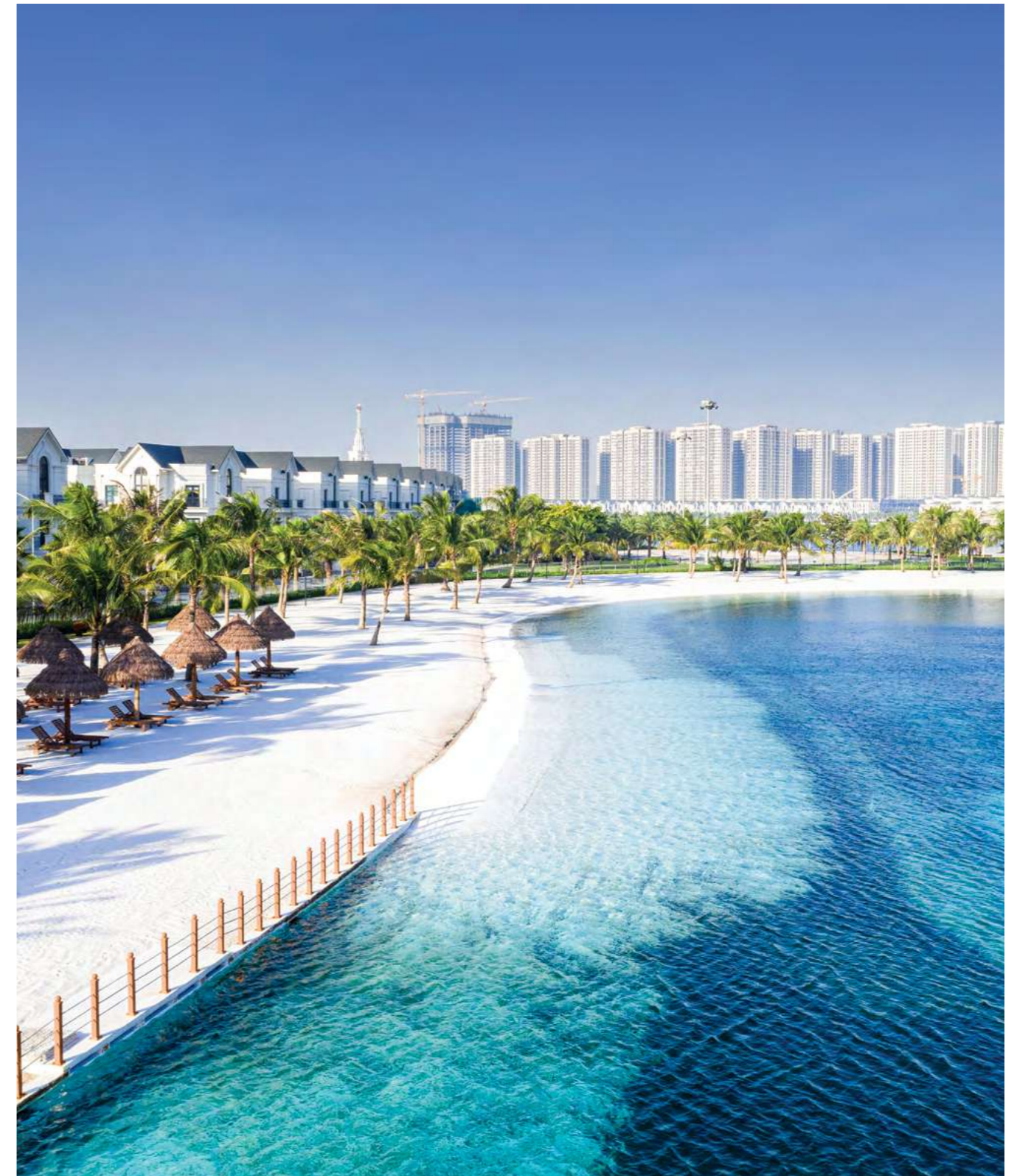
## Important Meetings and Resolutions of Vinhomes' BOD in 2020

In 2020, the BOD conducted its duties in compliance with the Company's Charter and Governance Regulations, and the current law and regulations, as follows:

- Successfully directed the organization of the Annual General Meeting of Shareholders ("AGM") on May 29, 2020.
- Supervised the publication of the 2019 quarterly, semi-annual and annual financial statements
- Supervised the implementation of the GMS and BOD Resolutions, oversaw and reviewed management operations;
- Supervised and directed information disclosures to ensure transparency and timeliness in compliance with legal requirements applicable to public companies
- Maintained oversight on activities in order to improve operational performance and meet business targets.

The Board of Directors does not establish subordinate committees. In 2020, the BoD issued 36 Resolutions and Decisions as follows:

Content	Number
Strengthening corporate structure, including restructuring the organization chart, and establishing subsidiaries and branches of the Company	19 Resolutions
Appointing directors and managers of the Company, disclosing transactions with related parties, appointing authorized representatives to manage contributed capital in subsidiaries	17 Resolutions
<b>Total</b>	<b>36 Resolutions</b>



## Participation of Board Members in Corporate Governance Programs

Members of the Board (except for the three independent members who reside overseas) attended all seminars and training sessions on corporate management and governance.

# Report of the Supervisory Board

## Assessment of the Company's financial situation

In 2020, the Supervisory Board worked closely with the Board of Directors and the Management to follow through the issuance and implementation of Resolutions by the General Meeting of Shareholders and the Board of Directors. The Supervisory Board monitors internal controls and audits, sharing the results with other functional departments to ensure compliance with applicable laws and with the Company's Governance Standards.

The Supervisory Board carried out these functions during 2020:

- Supervised the implementation of the AGM resolutions in 2020 relating to organizational and management restructuring
- Supervised and evaluated the execution of business plans and progress of achieving revenue targets
- Ensured the accuracy of quarterly and annual financial statements in accordance with Vietnamese Accounting Standards and other accounting policies
- Ensured compliance with laws and regulations on information disclosure

In its review, the Supervisory Board concludes that the Company has carried out its business and investment activities in a transparent manner and in full compliance with the laws and regulations, and with the Company's Governance Regulation.

## Assessment of compliance with the law and resolutions of the General Meeting of Shareholders and the Board of Directors

The Supervisory Board has determined that the Company's activities in 2020 were carried out in a safe, sustainable, and legal manner. Resolutions of the AGM and BOD are carefully monitored to ensure compliance. The Supervisory Board has determined that the BOD, Management, and relevant departments have performed their duties properly and without shortcomings or major violations affecting the operations of the Company.

## Supervision and inspection of the implementation of the Company's Internal Governance Regulations

The BOD has fully implemented the Corporate Governance Regulations, supervised and implemented the Company's business strategy and operational decisions. In 2020, the Supervisory Board has promoted compliance inspection and monitoring to improve the quality and independence of supervisory functions, especially in material transactions and those with related parties.

# Governance Report

## Activities of the Supervisory Board in 2020

In 2020, the Company remained in full compliance with regulations on corporate governance for public companies and information disclosure on the stock market. Underpinned by positive achievements in 2019, the Company further streamlined its administrative processes and optimized resource allocation in order to maximize the contribution and enhance the supervisory functions of the BOD, as well as to ensure a system-wide implementation of its principles and to fortify the relationships between the Company and related parties.

The Company's Investor Relations department maintained transparent and timely communication with shareholders and investors.

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

In 2020, there were nine members of the Board and three members of the Supervisory Board.

- Total compensation amount of the BOD members in 2020 was VND 10.9 billion, equivalent to 0.04% of profit after tax.
- Total compensation amount of the Supervisory Board members in 2020 was VND 200 million, equivalent to 0.001% of profit after tax.
- Members of the Management received salaries and incentives based on their employment contracts and did not receive any other form of remuneration.

## Other Benefits for Members of the BOD, the Supervisory Board and Management

- **Regular health check-up:** Full reimbursement is provided for annual health examinations at any Vinmec
- **Health insurance:** In addition to the social and medical insurance required by law, members of the BOD, the Supervisory Board and Management and their immediate family members are provided with private health insurance paid by the Company.
- **Discounts when using Group services:** Members of the BOD, the Supervisory Board, and Management receive discounts for certain products and services in accordance with Vingroup's regulations. Such discounts are applicable for services at Vinmec International Hospitals, Vinpearl Hotels, VinWonders, Vinpearl Safari, and Vinpearl Golf.

# Changes in BOD, Supervisory Board and Management

## Changes in the Board of Directors

On July 8, 2020, the AGM approved the step-down of Mr. Nguyen Viet Quang and voted to approve four new directors including Mr. Hoang D. Quan, Mr. Ashish Jaip-rakash Shastri, Mr. Pham Thieu Hoa, and Mr. Tran Kien Cuong. Mr. Hoang D. Quan is an Independent Board Member.

## Changes in the Supervisory Board

On February 21, 2018, the AGM elected the Supervisory Board members for the 2018 – 2023 term. The Supervisory Board comprises of the following members: Mr. Pham Khoi Nguyen, Ms. Doan Thi Thu Mai, and Ms. Le Thi Duyen.

## Changes in the Management

Effective April 15, 2020, the BOD accepted the resignations of Deputy CEOs Mr. Nguyen Van Trai, Ms. Phi Thi Thuc Nga, and Ms. Nguyen Ngoc Thuy Linh. Ms. Nguyen Vu Hung was appointed Deputy CEO, Ms. Nguyen Thu Hang was appointed Standing Deputy CEO in Charge of Operations and Ms. Mai Thu Thuy was appointed Deputy CEO in charge of the Support Division, effective October 21, 2020.



# Internal Audit Report

Further details can be found in Vingroup Annual Report 2020 – Corporate Governance Chapter – Internal Audit Report.

# Risk Management

Vinhomes' Boards of Directors and Management work closely with various departments in risk management, which is crucial to the Company's business activities. The Company adopts Vingroup's framework to create its own risk management mechanism, optimally balancing between the incident costs and the risk management expenses. These policies are also regularly revised by the BOD and Management to maintain the appropriate risk balance.

Vinhomes' BOD and Management recognize the arising opportunities among risks. Accordingly, risk management only includes risk mitigation but also optimizing the balance between risks and opportunities within a pre-defined risk appetite. Vinhomes is prepared to take on risks in a prudent and controlled manner on the basis of justifiable business rationales.

# Share Price Information and Investor Relations

Vinhomes is the largest listed real estate developer in Vietnam by market capitalization. The Company's stock is in the VN30 Index of Vietnam's leading stocks by market capitalization and liquidity.

Ticker Symbol

**VHM**

Market capitalization as of December 31, 2020

VND **294.412** TRILLION

Repurchased shares as of December 31, 2020

**60.0** MILLION SHARES

Non-restricted shares

**3,289,513,918**

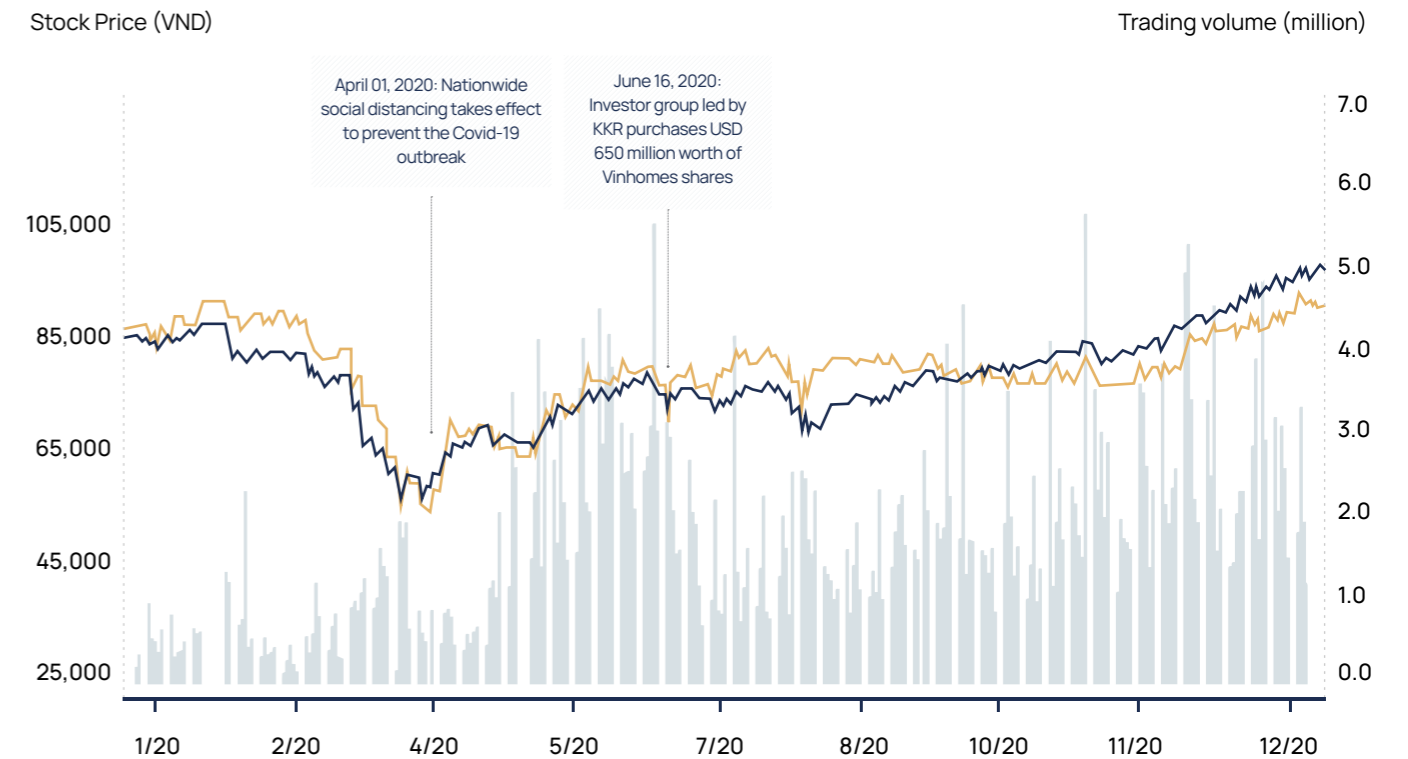
Restricted shares

**0**

Outstanding shares as of December 31, 2020

**3.290** BILLION SHARES

## 2020 share price performance



- █ VHM's trading volume
- █ Price
- █ Adjusted VNIndex

Vinhomes is the largest listed real estate developer in Vietnam by market capitalization. The Company's stock is in the VN30 Index of Vietnam's leading stocks by market capitalization and liquidity.

Impacted by the pandemic, the VN-30 Index declined during the first quarter of 2020. Following steps taken by the Vietnamese Government, Vietnam has brought the pandemic under control and had one of the world's lowest number of case per capita and death rates. Vietnam was also one of the few countries with positive economic growth. As a result, the Vietnamese stock market and the stock price of Vinhomes recovered, beginning in the second quarter of 2020.

By December 31, 2020, the price of VHM stock reached VND 89,500 per share, equal to gains of 63% and 6% versus end of March 2020 and end of December 2019, respectively.

## Shareholder structure (As of 31 December 2020)

No.	Shareholder	Number of shares held	Ownership percentage (%)	Number of shareholders
1	<b>Founding shareholders</b>			
	Domestic	2,333,164,250	69.66	1
	Foreign	0	0	0
2	<b>Major shareholders (holding above 5%)</b>	<b>2,526,853,093</b>	<b>75.44</b>	<b>2</b>
	Domestic	2,333,164,250	69.66	1
	Foreign <sup>2</sup>	391,030,473	11.67	3
3	<b>Other shareholders</b>	<b>625,319,195</b>	<b>18.67</b>	<b>10,700</b>
	Domestic	277,799,968	8.29	9,829
	Foreign	347,519,227	10.38	870
4	<b>Total</b>	<b>3,349,513,918</b>	<b>100.00</b>	<b>10,703</b>
	Domestic	2,610,964,218	77.95	9,830
	Foreign	738,549,700	22.05	873

## Insider holdings (As of 31 December 2020)

Shareholder	Name - Position	Number of shares held	Ownership percentage (%)
Board of Directors	Nguyen Dieu Linh – Chairwoman	0	0
	Pham Nhat Vuong – Member	0	0
	Pham Thieu Hoa – BOD member cum CEO		
	Cao Thi Ha An – Member	0	0
	Tran Kien Cuong – Member	0	0
	Varun Kapur – Independent Member	0	0
	Mueen Uddeen – Independent Member	0	0
	Hoang D. Quan – Independent Member	0	0
	Ashish Jaiprakash Shastry	0	0

<sup>2</sup> Major foreign shareholders include Viking Asia Holdings II Pte. Ltd., Government of Singapore and Monetary Authority of Singapore

Shareholder	Name - Position	Number of shares held	Ownership percentage (%)
Management Board	Pham Thieu Hoa – CEO	0	0
	Nguyen Thu Hang – Standing Deputy CEO	0	0
	Douglas John Farrell – Deputy CEO	0	0
	Nguyen Duc Quang – Deputy CEO	0	0
	Pham Van Khuong – Deputy CEO	0	0
	Nguyen Vu Hung – Deputy CEO	0	0
	Mai Thu Thuy – Deputy CEO	0	0
Supervisory Board	Pham Khoi Nguyen – Head	0	0
	Doan Thi Thu Mai – Member	0	0
	Le Thi Duyen – Member	0	0

## Major shareholders (holding above 5%) (As of 31 December, 2020)

Name	Number of shares held	Ownership percentage (%)
Vingroup Joint Stock Company	2,333,164,250	69.66
Government of Singapore and Monetary Authority of Singapore	205,190,473	6.13
Viking Asia Holding II PTE. LTD.	185,840,000	5.55

## Transactions of treasury stocks

No transactions

## History of charter capital changes

No transactions



## Event Calendar 2020 – Investor Relations

Quarter I	Conference call updating business results in Quarter IV of 2019
Quarter II	Conference call updating business results in Quarter I of 2020
	Citigroup – APAC Investors Conference 2020
Quarter III	Conference call updating business results in Quarter II of 2020
	HOSE-Daiwa – Vietnam Corporate Day 2020
	HSBC – Frontier Market Investor Webinar 2020
	UBS – OneASEAN Webinar 2020
Quarter IV	Conference call updating business results in Quarter III of 2020
	HSBC – Global Emerging Market Forum 2020
	Credit Suisse – ASEAN and Asian Frontier Market 2020
	HSC – Vietnam Market Conference 2020
	Daiwa – Investment Conference 2020

\* All the conferences above are in virtual conference format

## Investor Relations Activities in 2020

Vinhomes responds to inquiries from shareholders, investors, analysts and other stakeholders in a transparent and consistent manner. The Company is committed to fair treatment of all shareholders, domestic and foreign, institutional or individual. Through its official website, the Company aims to provide timely and accurate information. Vinhomes' quarterly investor presentations, regular financial updates and press releases, available in both Vietnamese and English, can be found on the Company's website at [www.vinhomes.vn](http://www.vinhomes.vn), under the Shareholder Relations section.

In addition to the AGMs, quarterly conference calls and investor meetings following the release of financial data are just part of the Company's commitment to transparency. Vinhomes' Investor Relations Department also hosts regular briefings, meetings and site visits to keep shareholders and investors updated on the Company's projects with financial and operational highlights. Many investor events provide access to members of the Company's senior management, providing insight on Company strategy.

During 2020, the Investor Relations Department replaced direct meetings with webinars as the means of updating shareholders. Vinhomes held over 110 meetings and conference calls for investors, and attended eight investor conferences hosted by reputable investment banks and securities companies. Vinhomes' Investor Relations department is looking to further interact with the investment community as we continue to strive to respond promptly to all investors and analysts' inquiries. The Investor Relations department can be contacted at: [ir@vinhomes.vn](mailto:ir@vinhomes.vn).

## Financial Calendar

### For the financial year ended on 31 December 2020

27 April 2020	Release of Quarter I, 2020 Financial Statements
26 July 2020	Release of Quarter II, 2020 Financial Statements
28 October 2020	Release of Quarter III, 2020 Financial Statements
28 January 2021	Release of Quarter IV, 2020 Financial Statements

### Financial year ending 31 December, 2021 (tentative)

April 2021	Tentative release of Quarter I, 2021 Financial Statements
July 2021	Tentative release of Quarter II, 2021 Financial Statements
October 2021	Tentative release of Quarter III, 2021 Financial Statements
January 2022	Tentative release of Quarter IV, 2021 Financial Statements

CHAPTER

05

# Sustainable development

CONTENT

- ① Vision for Sustainability
- ② Sustainability Implementation in 2020



# Vision for Sustainability

Vinhomes inherits a vision of sustainability from its parent company, Vingroup, based on the belief that a viable business is one that delivers sustainable, long-term value for its shareholders, customers, employees, partners, and society. We aim to be the market leader in our business segments and a positive entity in the community. We follow Vingroup's golden principles to guide the actions of each member of the Vinhomes team.

## Responsibilities to Society

- Strive to deliver outstanding results, in order to build the national economy and uplift the image of the country in the international arena
- Participate in social and charitable activities that help disadvantaged members of society
- Maintain an educated and active mind, in order to participate in the development of a civilized society, and
- Preserve natural resources and protect the natural environment

## Responsibilities to Employees

- Treat employees as our most valuable asset
- Establish a work environment that is professional, dynamic, creative, and compassionate, and
- Adopt superior welfare policies, competitive remuneration and growth opportunities for employees at all levels

## Responsibilities to Customers

- Understand that the Company needs the support of its customers and that customer satisfaction is a measure of the Company's success
- Value INTEGRITY as the foundation of our business and put customers first. Maintain a friendly, respectful, and supportive attitude toward customers
- Demonstrate CREDIBILITY in all our interactions with our customers. Make every effort to deliver on commitments to customers
- Listen to customers in order to clearly understand their needs and balance customers' needs with those of the Company
- Anticipate market trends to enhance quality of service and to offer superior products and service with outstanding value

## Responsibilities to Shareholders and Partners

- Embrace the spirit of cooperation for mutual benefit, and
- Uphold CREDIBILITY and commitment for sustainable partnerships



Vinhomes Smart City (Hanoi)

# Sustainability Implementation in 2020



## Energy savings, environmental protection, building a nature-friendly lifestyle

### Project designs are in harmony with the environment, building a nature-friendly lifestyle.

In all of the Company's real estate projects, protecting the environment is achieved by applying low construction density. Landscape and other components are designed to achieve a smart urban lifestyle in harmony with nature.

Each Vinhomes urban area includes greenery, parks, squares and water features harmoniously arranged. Not only is the construction density low, but the project also includes landscape features to add a natural look and feel, such as the 24.5ha central lake at Vinhomes Ocean Park project in Hanoi, the Japanese gardens and fish pools at Vinhomes Smart City project,

Hanoi, a riverside grand park of 36ha at Vinhomes Grand Park project in Ho Chi Minh City. These landscapes have brought a "green" natural environment to residents, improved climate, and established an ideal community. The new mega projects are enhanced with useful facilities such as fitness centers, outdoor sports courts and BBQ parks to promote outdoor activities, improve community health and strengthen the bond among the residents.

### Materials and technologies are chosen to facilitate convenience and energy savings

High-rise buildings in Vinhomes projects offer home-buyers superb views and maximum use of natural light. To emphasize environmental protection, projects include central air-conditioning, Low-E glass with enhanced protection from UV radiation, and superior energy efficiency. Vinhomes mega projects have low construction densities of 15% to 19%, with large areas reserved for plantings, water features, and public facilities. During 2020, Vinhomes developed TechnoPark Tower, a smart office tower at Vinhomes Ocean Park in Hanoi, with advanced features: smart building management and operation, smart security, smart parking, smart offices, and smart applications. These features are inclusive, scalable, and

prioritize convenience in a US-standard work environment. The facade is lined with Low-E glass 26mm thick, combined with fireproof plaster wall to offer panoramic views in every corner of the office. Green space is arranged to offer special highlights. A luxury "zen place" is adorned with gardens on the 41st, 42nd, and 43rd floors.



## Corporate Social Responsibility

One of Vinhomes' most important objectives in our sustainable development strategy is to create and maintain happy and caring communities. Vinhomes accomplishes this goal by organizing meaningful community activities across all Vinhomes projects throughout Vietnam to reinforce Vinhomes-branded developments' reputation as "The most desirable residences in Vietnam"

- In newly established mixed use developments, Vinhomes offers community activities to promote physical health and social interaction.
- In fully operational urban areas, Vinhomes works closely with the Management Boards and residents to maintain an atmosphere of harmony. Residents have many opportunities

to participate in folk games, Tet fairs, culinary festivals, traditional craft activities, quizzes and contests, life skills training, free swimming programs for children, and creative drawing and design contests. Vinhomes Youth Chess Championships and Christmas Festivals are also held at year-end.

- Vinhomes Riverside: Quintessence of Vietnam Tet festival and Summer is Here festival
- Vinhomes Times City: Spring Festival
- "Countryside market" at Vinhomes Royal City, Vinhomes Imperia
- Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park: Colorful Spring festival, Children's festival

The Kind Heart Foundation and other charities have collaborated with employees to support charitable activities across Vietnam. More than 600 Vinhomes employees participated in the 2020 blood donation programs.

Further details about social responsibility can be found in Vingroup Annual Report 2020, Chapter 5: Sustainable Development - Responsibilities to Society - Ongoing Development of Human Capital.

## Transparency

To strengthen transparency in our operating activities and to avoid business disruptions, Vinhomes has established and implemented Transparency Guidelines. This document applies to all Vingroup and subsidiaries staff (including trainees and

employees on probation). It regulates transparency, anti-money laundering, anti-bribery and anti-corruption activities; internal transaction control; and sanctions by foreign laws to avoid business disruption.

Detailed Transparency Guidelines are presented in Vingroup's 2020 Annual Report, Sustainable Development Chapter - Transparency Section.

## 2020 Sustainable Human Resources Development

Human capital is the critical resource for business development. To attract and retain talent and to build staff loyalty, the Company has developed an attractive compensation and remuneration policy tailored to employees' positions, skills and experience, and reflective of their contribution and performance. Additionally, Vinhomes has developed and provided regular large-scale onsite and online training to its employees to widen their knowledge, enhance their professional skills and develop the next generation of leaders.

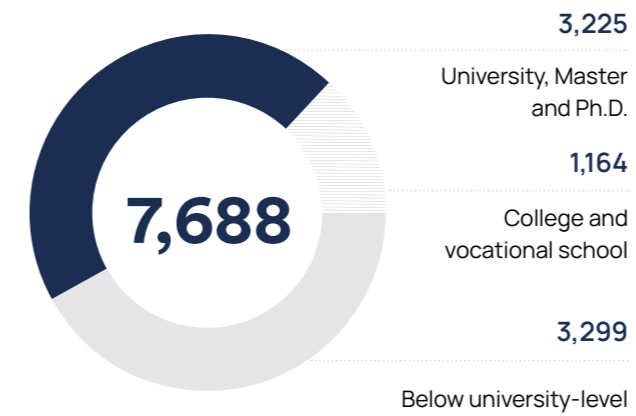
Vinhomes has been honored for the past four years as the Best Employer in the real estate sector. These honors recognize Vinhomes' efforts and investment in human capital development and reflect our belief that human capital is the most valuable asset. The Company continuously reviews and updates its human capital development policies, ensuring that all staff members have equal opportunity to develop and advance, regardless of gender, age, and educational background.

We strive to improve the living standards for both our customers and employees. The average monthly income of Vinhomes employees in 2020, was VND 15 million, an increase of 13% from last year.

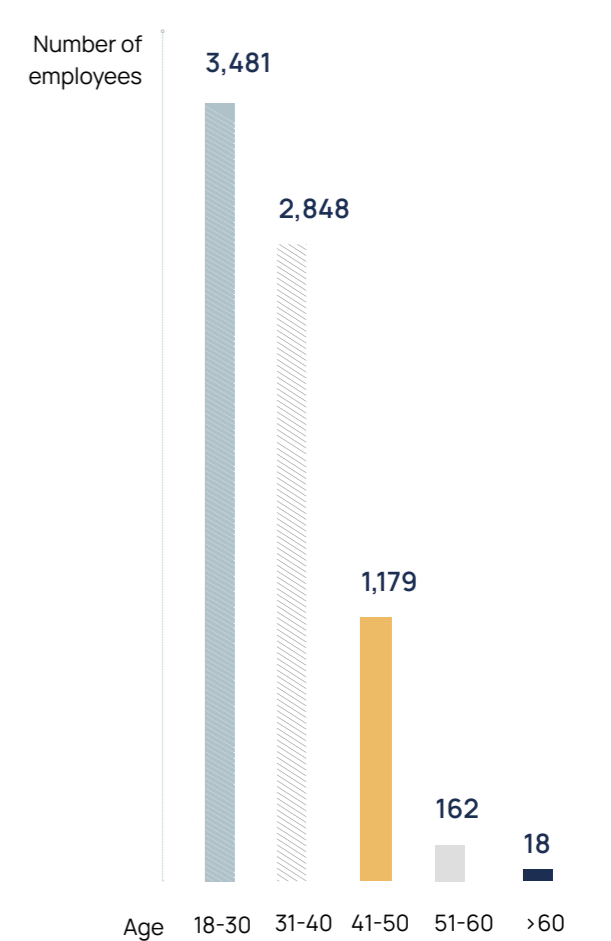


## Human Resource Structure

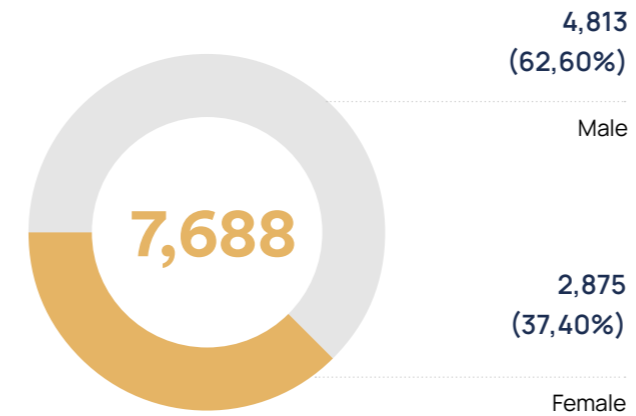
Employee distribution by education (\*)



Employee distribution by age (\*)



Employee distribution by gender (\*)



(\*) as of 31 December 2020

CHAPTER

06

# Consolidated financial statements

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- ① General information
- ② Report of management
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- ④ Consolidated balance sheet
- ⑤ Consolidated income statement
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- ⑦ Notes to the consolidated financial statements

VINHOMES JOINT STOCK COMPANY

# Consolidated financial statements

For the year ended 31 December 2020

# 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

## 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.

# 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 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:



Pham Thieu 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



Nguyen Trung Dung  
Auditor  
Audit Practising Registration  
Certificate No. 4657-2018-004-1

# Consolidated Balance Sheet

B01-DN/HN

as at 31 December 2020

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>102,312,109</b>	<b>139,555,054</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>13,713,651</b>	<b>13,332,299</b>
111	1. Cash		4,146,738	2,788,220
112	2. Cash equivalents		9,566,913	10,544,079
<b>120</b>	<b>II. Short-term investments</b>		<b>2,054,219</b>	<b>360,611</b>
121	1. Held-for-trading securities	6.1	359,322	-
123	2. Held-to-maturity investments	6.2	1,694,897	360,611
<b>130</b>	<b>III. Current accounts receivable</b>		<b>34,592,470</b>	<b>47,467,976</b>
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)
<b>140</b>	<b>IV. Inventories</b>	<b>11</b>	<b>42,983,662</b>	<b>60,296,848</b>
141	1. Inventories		43,021,241	60,306,616
149	2. Provision for obsolete inventories		(37,579)	(9,768)
<b>150</b>	<b>V. Other current assets</b>		<b>8,968,107</b>	<b>18,097,320</b>
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
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>113,014,268</b>	<b>57,685,974</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>11,084,368</b>	<b>8,114,996</b>
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

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>220</b>	<b>II. Fixed assets</b>		<b>5,906,615</b>	<b>690,347</b>
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)
<b>230</b>	<b>III. Investment properties</b>	<b>15</b>	<b>8,699,597</b>	<b>6,626,630</b>
231	1. Cost		9,231,822	6,959,536
232	2. Accumulated depreciation		(532,225)	(332,906)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>32,361,351</b>	<b>28,212,527</b>
242	1. Construction in progress	17	32,361,351	28,212,527
<b>250</b>	<b>V. Long-term investments</b>	<b>18</b>	<b>9,755,842</b>	<b>773,312</b>
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
<b>260</b>	<b>VI. Other long-term assets</b>		<b>45,206,495</b>	<b>13,268,162</b>
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
<b>270</b>	<b>TOTAL ASSETS</b>		<b>215,326,377</b>	<b>197,241,028</b>

# Consolidated Balance Sheet

(continued)

B01-DN/HN

as at 31 December 2020

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>126,196,462</b>	<b>132,525,985</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>103,385,277</b>	<b>121,556,854</b>
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	-
<b>330</b>	<b>II. Non-current liabilities</b>		<b>22,811,185</b>	<b>10,969,131</b>
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

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>89,129,915</b>	<b>64,715,043</b>
<b>410</b>	<b>I. Capital</b>	<b>27</b>	<b>89,129,915</b>	<b>64,715,043</b>
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
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>215,326,377</b>	<b>197,241,028</b>

Hanoi, Vietnam  
19 March 2021Hoang Minh Thai  
PreparerLe Tien Cong  
Chief AccountantPham Thieu Hoa  
Chief Executive Officer

# Consolidated Income Statement

B02-DN/HN

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

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
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
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
70	21. Basic earnings per share	36	8,315	6,502

Hanoi, Vietnam  
19 March 2021Hoang Minh Thai  
PreparerLe Tien Cong  
Chief AccountantPham Thieu Hoa  
Chief Executive Officer

# Consolidated Cash Flow Statement

B03-DN/HN

For the year ended 31 December 2020

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Profit before tax</b>		<b>36,516,837</b>	<b>29,745,694</b>
	<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
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>20,786,589</b>	<b>23,161,616</b>
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)
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>24,882,049</b>	<b>51,928,409</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
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)

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
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
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(22,419,597)</b>	<b>(27,319,777)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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)
<b>40</b>	<b>Net cash flows used in financing activities</b>		<b>(2,081,100)</b>	<b>(14,791,705)</b>
<b>50</b>	<b>Net increase in cash for the year</b>		<b>381,352</b>	<b>9,816,927</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>	<b>5</b>	<b>13,332,299</b>	<b>3,515,372</b>
61	Impact of exchange rate fluctuation		-	-
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>5</b>	<b>13,713,651</b>	<b>13,332,299</b>

Hanoi, Vietnam  
19 March 2021Hoang Minh Thai  
PreparerLe Tien Cong  
Chief AccountantPham Thieu Hoa  
Chief Executive Officer

# Notes To The Consolidated Financial Statements

B09-DN/HN

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).

## 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	99.39	99.36	2nd 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 1. Corporate Information (continued)

### Corporate structure (continued)

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
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
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

## 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, 9th 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
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 1. Corporate Information (continued)

### Corporate structure

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
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).

### 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
for the year ended 31 December 2020

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## 2. Basis of Preparation (continued)

### 2.5. Basis of consolidation (continued)

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.

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.

## 3. Summary of Significant Accounting Policies (continued)

### 3.2. Inventories (continued)

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.

#### *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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 3. Summary of Significant Accounting Policies (continued)

#### 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.

#### 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. Summary of Significant Accounting Policies (continued)

#### 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

#### 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 3. Summary of Significant Accounting Policies (continued)

#### 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.

##### *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.

### 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.

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

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### 3. Summary of Significant Accounting Policies (continued)

#### 3.13. Investments (continued)

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.

#### 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. Summary of Significant Accounting Policies (continued)

#### 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.

#### 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 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 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 out-right 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.

##### *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.

### 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 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.

#### 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.

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### 3. Summary of Significant Accounting Policies (continued)

#### 3.22. Taxation (continued)

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 temporarily 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.

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. Summary of Significant Accounting Policies (continued)

#### 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.

#### 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.

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## 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.

#### *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.

## 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*

The carrying value of identifiable assets and liabilities of Sai Dong JSC and Central Park LLC at acquisition date are presented below:

Currency: million VND

	<i>Carrying value at acquisition date</i>
<b>Assets</b>	
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
	<b>3,626,550</b>
<b>Liabilities</b>	
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)
	<b>(2,096,717)</b>
<b>Total net assets</b>	<b>1,529,833</b>
Non-controlling interests	972
Difference between consideration and net assets acquired recognised in other funds belonging to owners' equity (Note 27.1)	625,373
<b>Total purchase consideration</b>	<b>2,156,178</b>
<b>Cash flow on acquisition</b>	
Cash acquired with the subsidiaries	269,509
Cash paid for acquiring the subsidiaries up to 31 December 2020	(2,156,178)
<b>Net cash flow on acquisition</b>	<b>(1,886,669)</b>

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.

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## 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:

Currency: million VND	
<i>Fair value at acquisition date</i>	
<b>Assets</b>	
Cash	9,997
Tangible fixed assets	70,598
Construction in progress	84,264
Others	91,092
	<b>255,951</b>
<b>Liabilities</b>	
Short-term trade payables	(20,525)
Loans	(187,864)
Other payables	(31,947)
	<b>(240,336)</b>
<b>Total net assets</b>	<b>15,615</b>
Non-controlling interests	(6,087)
Goodwill (Note 19)	76,637
<b>Total purchase consideration</b>	<b>86,165</b>
<b>Cash flow on acquisition</b>	
Cash acquired with the subsidiary	9,997
Cash paid for acquiring the subsidiary up to 31 December 2020	(86,165)
<b>Net cash flow on acquisition</b>	<b>(76,168)</b>

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.

## 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:

Currency: million VND	
<i>Provisional fair value at acquisition date</i>	
<b>Assets</b>	
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
	<b>2,154,612</b>
<b>Liabilities</b>	
Short-term payables	(37,598)
Other short-term payables	(48,043)
Loans	(504,793)
	<b>(590,434)</b>
<b>Total net assets</b>	<b>1,564,178</b>
<b>Non-controlling interests</b>	(47,501)
Goodwill (Note 19)	1,263,323
<b>Total purchase consideration</b>	<b>2,780,000</b>
<b>Cash flow on acquisition</b>	
Cash acquired with the subsidiaries	44,594
Cash paid for acquiring the subsidiaries up to 31 December 2020	(2,700,000)
<b>Net cash flow on acquisition</b>	<b>(2,655,406)</b>

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.

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## 4. Significant Acquisitions and Disposals During the Year (continued)

### 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).

## 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
<b>TOTAL</b>	<b>13,713,651</b>	<b>13,332,299</b>

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	-	-	-	-
<b>TOTAL</b>	<b>359,322</b>	<b>359,322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 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
<b>TOTAL</b>	<b>1,694,897</b>	<b>1,694,897</b>	<b>360,611</b>	<b>360,611</b>

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).

## 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	-
<b>TOTAL</b>	<b>10,674,408</b>	<b>8,811,344</b>

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## 7. Trade Receivables and Advances to Suppliers (continued)

### 7.1. Short-term trade receivables (continued)

Currency: million VND

	Ending balance	Beginning balance
<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
<b>TOTAL</b>	<b>8,504,424</b>	<b>8,802,736</b>
Provision for doubtful advances to suppliers	(24,079)	(19,205)

## 8. Loan Receivables

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Loans to corporate counterparties and individuals (i)	8,261,293	15,852,454
Loans to related parties (Note 35)	11,200	655,000
<b>TOTAL</b>	<b>8,272,493</b>	<b>16,507,454</b>
Provisions for doubtful loan receivables	(16,000)	(70,000)
<b>Long-term</b>		
Loans to corporate counterparties (ii)	3,770,000	1,000
Loans to related parties (Note 35)	360,000	7,862,900
<b>TOTAL</b>	<b>4,130,000</b>	<b>7,863,900</b>

- (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.

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## 9. Other Receivables

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
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)	<b>751,705</b>	<b>4,231,792</b>
Short-term deposits, mortgage	612,730	545,372
Receivables from collection and payment on behalf	<b>330,335</b>	<b>2,853,941</b>
Declared profit receivables	68,820	2,617,025
Others	677,058	76,720
<b>TOTAL</b>	<b>7,190,939</b>	<b>13,465,638</b>
Provision for doubtful other short-term receivables	(500)	(29,991)
<i>In which:</i>		
<i>Receivables from others</i>	6,051,346	6,765,972
<i>Receivables from related parties (Note 35)</i>	1,139,593	6,699,666
<b>Long-term</b>		
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
<b>TOTAL</b>	<b>6,954,368</b>	<b>251,096</b>
<i>In which:</i>		
<i>Receivables from others</i>	1,022,258	85,526
<i>Receivables from related parties (Note 35)</i>	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.

## 10. Bad Debts

The Company and its subsidiaries' bad debts mainly include overdue loan principals and interest receivable from corporate counterparties:

Currency: million VND

	Ending balance		Beginning balance	
Đối tượng nợ	Giá gốc	Giá trị có thể thu hồi	Giá gốc	Giá trị ghi sổ
Corporate counterparties	49,794	-	119,804	608
<b>TOTAL</b>	<b>49,794</b>	<b>-</b>	<b>119,804</b>	<b>608</b>
Details of overdue receivables more than 10% of ending balance:				
<i>A corporate counterparty</i>	-	-	82,705	-

## 11. Inventories

Currency: million VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
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	-
<b>TOTAL</b>	<b>43,021,241</b>	<b>(37,579)</b>	<b>60,306,616</b>	<b>(9,768)</b>

- (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.

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## 11. Inventories (continued)

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.

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	37,579	9,768

## 12. Prepaid Expenses

Currency: million VND		
	Ending balance	Beginning balance
<b>Short-term</b>		
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
<b>TOTAL</b>	<b>1,784,595</b>	<b>2,089,245</b>
<b>Long-term</b>		
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
<b>TOTAL</b>	<b>2,287,994</b>	<b>2,511,706</b>

(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.

## 13. Other Assets

Currency: million VND

	Ending balance	Beginning balance
<b>IShort-term</b>		
Deposits for investment purpose (i)	6,832,475	15,292,913
<b>TOTAL</b>	<b>6,832,475</b>	<b>15,292,913</b>
<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
<b>Long-term</b>		
Deposits for investment purpose (ii)	38,479,770	8,439,145
Deposits for commercial purpose (iii)	1,032,336	1,032,336
<b>TOTAL</b>	<b>39,512,106</b>	<b>9,471,481</b>
<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.

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## 14. Tangible Fixed Assets

Currency: million VND

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
<b>Cost:</b>						
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)
<i>Ending balance</i>	4,082,153	1,648,906	97,915	23,546	20,744	5,873,264
<i>Fully depreciated</i>	-	35,988	1,750	2,258	323	40,319
<b>Accumulated depreciation:</b>						
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)
<i>Ending balance</i>	89,547	72,070	10,929	9,155	8,358	190,059
<b>Net carrying amount:</b>						
Beginning balance	371,004	185,799	59,477	5,572	2,886	624,738
<i>Ending balance</i>	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.

## 15. Investment Properties

Currency: million VND

	<i>Land use rights, Buildings and structures</i>	<i>Máy móc, thiết bị</i>	<i>Total</i>
<b>Cost:</b>			
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)
<i>Ending balance (i)</i>	8,118,713	1,113,109	9,231,822
<b>Accumulated depreciation:</b>			
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)
<i>Ending balance (i)</i>	370,814	161,411	532,225
<b>Net carrying amount:</b>			
Beginning balance	5,962,738	663,892	6,626,630
<i>Ending balance (i)</i>	7,747,899	951,698	8,699,597

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 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:

Currency: million VND

	Ending balance	Beginning balance
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.

## 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	-
<b>TOTAL</b>	<b>9,991,833</b>	<b>(235,991)</b>	<b>773,312</b>	<b>-</b>

(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).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 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%	4th 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

(i) These are limited liability companies.

(ii) 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.

**18. Long-Term Investments** (continued)**18.1. Investments in associates** (continued)

Details of investments in associates are as follows:

Currency: million VND

	Investments in				Total
	Cam Ranh JSC	MV/ Real Estate LLC	Tuong Phu LLC		
<b>Cost of investment:</b>					
Beginning balance	-	-	-	-	-
Increase	3,395,395	2,412,849	11,348	5,819,592	5,819,592
Ending balance	3,395,395	2,412,849	11,348	5,819,592	5,819,592
<b>Accumulated share in post-acquisition profit of the associates:</b>					
Beginning balance	-	-	-	-	-
Share in post-acquisition profit of the associates for the year	18,526	-	-	-	18,526
Ending balance	18,526	-	-	-	18,526
<b>Net carrying amount:</b>					
Beginning balance	-	-	-	-	-
Ending balance	3,413,921	2,412,849	11,348	5,838,118	5,838,118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
for the year ended 31 December 2020**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	-
<b>TOTAL</b>				<b>3,969,035</b>	<b>(235,991)</b>				<b>558,632</b>	<b>-</b>

**18. Long-Term Investments** (continued)**18.2. Investments in other entities** (continued)

- (\*) 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.
- (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 re-purchase 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.

**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 Vinhomes 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
<b>Cost:</b>										
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
<b>Accumulated amortisation:</b>										
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
<b>Net carrying amount:</b>										
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.

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## 20. Short-Term Trade Payables and Advances From Customers

### 20.1. Short-term trade payables

Currency: million VND

Balance (Payable amount)		
	Ending balance	Beginning balance
Short-term trade payables	10,235,689	5,530,445
In which:		
- 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
<b>TOTAL</b>	<b>11,401,484</b>	<b>6,078,324</b>

### 20.2. Advances from customers

Currency: million VND

	Ending balance	Beginning balance
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	-
<b>TOTAL</b>	<b>26,968,735</b>	<b>40,245,699</b>
In which:		
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.

## 21. Statutory Obligations

Currency: million VND

	Beginning balance	Payable for the year	Payment made in the year	Ending balance
<b>Payables</b>				
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
<b>TOTAL</b>	<b>2,095,296</b>	<b>12,102,353</b>	<b>(9,162,582)</b>	<b>5,035,067</b>

Currency: million VND

	Beginning balance	Receivable for the year	Offset during the year	Ending balance
<b>Receivables</b>				
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
<b>TOTAL</b>	<b>715,162</b>	<b>198,283</b>	<b>(562,408)</b>	<b>351,037</b>

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## 22. Accrued Expenses

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
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
<b>TOTAL</b>	<b>13,912,784</b>	<b>7,839,911</b>
In which:		
Short-term accrual to others	13,675,857	7,820,481
Short-term accrual to related parties (Note 35)	236,927	19,430
<b>Long-term</b>		
Accrued loan interest expenses	1,368,029	588,885
Others	41,669	-
<b>TOTAL</b>	<b>1,409,698</b>	<b>588,885</b>
In which:		
Long-term accrual to others	1,119,163	370,071
Long-term accrual to related parties (Note 35)	290,535	218,814

## 23. Unearned Revenue

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Unearned revenue from real estate management service	507,131	439,862
Unearned revenue from leasing service	24,568	25,834
<b>TOTAL</b>	<b>531,699</b>	<b>465,696</b>

## 23. Unearned Revenue (continued)

Currency: million VND

	Ending balance	Beginning balance
<b>Long-term</b>		
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
<b>TOTAL</b>	<b>3,325,997</b>	<b>1,534,550</b>

## 24. Other Payables

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
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
<b>TOTAL</b>	<b>34,032,822</b>	<b>46,669,574</b>
In which:		
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
<b>Long-term</b>		
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
<b>TOTAL</b>	<b>3,537,548</b>	<b>90,376</b>

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## 24. Other Payables (continued)

Currency: million VND

	Ending balance	Beginning balance
<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.

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## 25. Loans

Currency: million VND

	Beginning balance		Movement during the year		Ending balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
<b>Short-term</b>						
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	(12,399,999)	8,442,360	8,442,360
Loans from related parties (Note 35)	-	-	12,184,663	(11,600,247)	584,416	584,416
	<b>18,162,354</b>	<b>18,162,354</b>	<b>26,236,716</b>	<b>(33,401,344)</b>	<b>10,997,726</b>	<b>10,997,726</b>
<b>Long-term</b>						
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
	<b>8,343,025</b>	<b>8,343,025</b>	<b>20,163,359</b>	<b>(14,548,649)</b>	<b>13,957,735</b>	<b>13,957,735</b>
<b>TOTAL</b>	<b>26,505,379</b>	<b>26,505,379</b>	<b>46,400,075</b>	<b>(47,949,993)</b>	<b>24,955,461</b>	<b>24,955,461</b>

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## 25. Loans (continued)

### 25.1. Loans from banks

Detail of short-term loans from banks is presented as below:

Lender	31 December 2020 (million VND)	Maturity date	Collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam	590,000	January 2021	(i)
<b>TOTAL</b>	<b>590,000</b>		

Details of interests on short-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 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.

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## 25. Loans (continued)

### 25.1. Loans from banks (continued)

Detail of long-term loans from banks is presented as below:

Lender	31 December 2020			Collateral
	Currency	Million VND	Maturity date	
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>	VND	9,852		
Vietnam Joint Stock Commercial Bank for Industry and Trade	USD	175,534	June 2022	(ii)
Vietnam Technological and Commercial Joint Stock Bank	VND	1,371,098	January 2021	(ii)
<i>In which: Current portion of long-term loans</i>	VND	1,371,098		
<b>TOTAL</b>		<b>1,891,764</b>		
<i>In which:</i>				
<i>Long-term loans</i>		510,814		
<i>Current portion of long-term loans</i>		1,380,950		

## 25. Loans (continued)

### 25.1. Loans from banks (continued)

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.

### 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

	31 December 2020	31 December 2019
Long-term corporate bonds	15,832,281	15,084,466
In which: Current portion of long-term corporate bonds	(8,442,360)	(12,307,539)
<b>TOTAL</b>	<b>7,389,921</b>	<b>2,776,927</b>

Currency: million VND

## 25. Loans (continued)

### 25.3 Corporate bonds (continued)

Underwriter	31 December 2020	Maturity date	Interest	Collateral
Techcom Securities Joint Stock Company	11,839,055	From November 2021 to May 2023	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	6,448,193			
Techcom Securities Joint Stock Company	1,994,167	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.	(ii)
In which: Current portion of long-term bonds	1,994,167			
KB Securities Vietnam Joint Stock Company	1,999,059	May 2023	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.	(i)
<b>TOTAL</b>	<b>15,832,281</b>			
In which:				
Long-term bonds	7,389,921			
Current portion of long-term bonds	8,442,360			

Currency: million VND

(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 rights and bank balance related to a functional urban area project in Northern Vietnam; all legal rights and benefits related to the aforementioned project as stipulated in the Build-Transfer contract for the construction of Ring Road 2 project.

(ii) These loans are unsecured.

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## 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.

## 27. Owners' equity

### 27.1. Increase and decrease in owners' equity

Currency: million VND

	Attributable to shareholders of the parent						Total
	Issued share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Undistributed earnings	Non-controlling interests	
<b>Previous year</b>							
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)

### 27. Owners' equity (continued)

#### 27.1. Increase and decrease in owners' equity (continued)

Currency: million VND

	Attributable to shareholders of the parent						Total
	Issued share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Undistributed earnings	Non-controlling interests	
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
<b>Current year</b>							
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

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## 27. Owners' equity (continued)

### 27.2. Capital transactions with owners

Currency: million VND

	Current year	Previous year
<b>Contributed share capital from owners</b>		
Beginning balance	33,495,139	33,495,139
Ending balance	33,495,139	33,495,139

### 27.3. Ordinary shares and preference shares

Currency: million VND

	Số cuối năm	Số đầu năm
Authorised shares	3,349,513,918	3,349,513,918
Issued shares	3,349,513,918	3,349,513,918
<i>Ordinary shares</i>	3,349,513,918	3,349,513,918
<i>Preference shares</i>	-	-
Treasury shares	60,000,000	60,000,000
<i>Ordinary shares</i>	60,000,000	60,000,000
<i>Preference shares</i>	-	-
Shares in circulation	3,289,513,918	3,289,513,918
<i>Ordinary shares</i>	3,289,513,918	3,289,513,918
<i>Preference shares</i>	-	-

The par value of outstanding shares: VND10,000 per share (as at 31 December 2019: VND10,000 per share).

## 27. Owners' equity (continued)

### 27.4. Dividends

Currency: million VND

	Current year	Previous year
<b>Dividends declared and paid during the year</b>		
Dividends per ordinary share		
Cash dividends for 2020: VND0 per share (2019: VND1,000 per share)	-	3,349,514
<b>Dividends declared after the date of reporting period and not yet recognised as liability as at 31 December</b>	-	-

## 28. Revenues

### 28.1. Revenue from sale of goods and rendering of services

Currency: million VND

	Current year	Previous year
<b>Gross revenue</b>	<b>71,546,737</b>	<b>51,626,931</b>
In which:		
<i>Revenue from sales of inventory properties</i>	67,309,531	48,161,594
<i>Revenue from rendering real estate management and related services</i>	1,678,240	1,483,024
<i>Revenue from leasing activities and rendering related services</i>	898,466	1,113,647
<i>Revenue from rendering general contractor, construction consultancy and supervision services</i>	708,643	708,450
<i>Others</i>	951,857	160,216
<b>Deductions</b>	-	-
<b>Net revenue</b>	<b>71,546,737</b>	<b>51,626,931</b>
In which:		
<i>Revenue from others</i>	70,766,593	50,944,507
<i>Revenue from related parties</i>	780,144	682,424

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## 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 (ii)	751,151	5,174,641
Other finance income	176,788	1,399
<b>TOTAL</b>	<b>20,244,792</b>	<b>9,045,787</b>

(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
<b>TOTAL</b>	<b>45,610,660</b>	<b>24,171,323</b>

## 30. Finance expenses

Currency: million VND

	Current year	Previous year
Loans interest and bond issuance costs	3,001,572	2,377,698
Provisions for investment	235,991	-
Other finance expenses	781,698	171,129
<b>TOTAL</b>	<b>4,019,261</b>	<b>2,548,827</b>

## 31. Selling expenses and general and administrative expenses

Currency: million VND

	Current year	Previous year
<b>Selling expenses</b>		
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
	<b>2,680,833</b>	<b>2,080,673</b>
<b>General and administrative expenses</b>		
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
	<b>2,193,460</b>	<b>2,156,421</b>
<b>TOTAL</b>	<b>4,874,293</b>	<b>4,237,094</b>

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## 32. Other expenses

Currency: million VND

	Current year	Previous year
Penalty expenses	936,541	143,935
Others	73,895	11,573
<b>TOTAL</b>	<b>1,010,436</b>	<b>155,508</b>

## 33. Production and operating costs

Currency: million VND

	Current year	Previous year
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
<b>TOTAL</b>	<b>38,666,904</b>	<b>52,571,084</b>

## 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

Currency: million VND

	Current year	Previous year
Current tax expenses	8,778,070	5,766,161
Deferred tax income	(467,773)	(339,567)
<b>TOTAL</b>	<b>8,310,297</b>	<b>5,426,594</b>

## 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:

Currency: million VND

	Current year	Previous year
<b>Accounting profit before tax</b>	<b>36,516,837</b>	<b>29,745,694</b>
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
<b>Accounting profit before tax</b>	<b>8,310,297</b>	<b>5,426,594</b>

### 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.

**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		
	Ending balance	Beginning balance	Current year	Previous year	
					Currency: million VND
<b>Deferred tax assets</b>					
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	
	<b>727,156</b>	<b>330,794</b>			
<b>Deferred tax liabilities</b>					
Differences arising from revaluation of net asset of subsidiaries at acquisition date	(198,873)	(270,303)	71,430	352,837	
	<b>(198,873)</b>	<b>(270,303)</b>			
<b>Net deferred tax assets</b>	<b>528,283</b>	<b>60,491</b>			
<b>Net deferred tax credit to consolidated income statement</b>			<b>467,773</b>	<b>339,567</b>	

**34. CORPORATE INCOME TAX** (continued)**Tax losses carried forward** (continued)

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.

**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:

Currency: million VND

Related parties	Relationship	Transactions	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	-

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### 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)

Currency: million VND

Related parties	Relationship	Transactions	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

#### 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.

### 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

Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Short-term trade receivables (Note 7.1)</b>				
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
			<b>315,232</b>	<b>2,181,597</b>

(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.

Amounts due to and due from related parties as at 31 December 2020 and 31 December 2019 were as follows:

Currency: million VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Short-term advances to supplier (Note 7.2)</b>				
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)	-	<b>490,000</b>
Other affiliates	<b>Other receivables</b>	729,363	91,439	91,439
			<b>1,139,593</b>	<b>6,699,666</b>

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### 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

Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Other long-term receivables (Note 9) (ii)</b>				
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	165,570
			<b>5,932,110</b>	<b>165,570</b>

Currency: million VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Other current assets (Note 13) (ii)</b>				
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
			<b>4,149,700</b>	<b>8,649,400</b>
<b>Other non-current assets (Note 13) (ii)</b>				
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	-
			<b>38,479,770</b>	<b>8,439,145</b>

(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.

### 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

Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Short-term trade payables (Note 20.1)</b>				
Vingroup JSC	Parent company	Management service fee payables	368,319	487,662
		Other service fee payables	99,170	28,381
Vinfast Trading LLC	Affiliate	Payables for goods purchased	210,000	-
Vinsmart JSC	Affiliate	Payables for goods purchased	407,628	-
Other affiliates		Others	80,678	31,836
			<b>1,165,795</b>	<b>547,879</b>

#### 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.

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### 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

Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Other short-term payables (Note 24)</b>				
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
			<b>2,653,758</b>	<b>1,500,145</b>

(\*) 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 :

Related parties	Relationship	Amount (million VND)	Interest rate % per annum	Maturity date	Collateral
Thang Long Real Estate JSC	Affiliate	11,200	9%	December 2021	(i)
		<b>11,200</b>			

(i) This lending is secured by capital contribution of a company within the Group.

### 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:

Related parties	Relationship	Amount (million VND)	Interest rate % per annum	Maturity date	Collateral
Vingroup JSC	Parent company	360,000	9%	September 2022	None
		<b>360,000</b>			

(i) This lending is secured by capital contribution of a company within the Group.

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	Subsidiary (from 14 December 2020)	655,000	9%	December 2020	(i)
		<b>655,000</b>			

(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:

Related parties	Relationship	Amount (million VND)	Interest rate % per annum	Maturity date	Collateral
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)
		<b>7,862,900</b>			

(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.

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## 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 :

Related parties	Relationship	Amount (million VND)	Interest rate % per annum	Maturity date	Collateral
Vingroup JSC	Parent company	9,416	9%	August 2021	None
Vinfast LLC	Affiliate	575,000	9%	December 2021	None
		<b>584,416</b>			

Details of long-term borrowings as at 31 December 2020:

Related parties	Relationship	Amount (million VND)	Interest rate % per annum	Maturity date	Collateral
Xavinco JSC	Affiliate	336,000	9%	July 2022	(i)
Xalivico Limited Liability Company ("Xalivico LLC")	Affiliate	401,000	9%	July 2022	(i)
		<b>737,000</b>			

(i) These loans are secured by shares of the Company in a subsidiary.

Details of long-term borrowings as at 31 December 2019:

Related parties	Relationship	Amount (million VND)	Interest rate % per annum	Maturity date	Collateral
Xalivico LLC	Affiliate	422,500	9%	July 2021	(i)
Xavinco JSC	Affiliate	382,500	9%	July 2021	(i)
		<b>805,000</b>			

(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:

	Currency: million VND	
	Current year	Previous year
Salaries	47,956	62,792
<b>TOTAL</b>	<b>47,956</b>	<b>62,792</b>

## 36. Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Currency: million VND	
	Current year	Previous year
Net profit after tax attributable to ordinary shareholders	27,351,280,198,252	21,747,376,096,636
Adjust for the effect of dilution	-	-
<b>Net profit attributable to ordinary shareholders adjusted for the effect of dilution</b>	<b>27,351,280,198,252</b>	<b>21,747,376,096,636</b>

	Current year	Previous year
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	-	-
<b>Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share</b>	<b>3,289,513,918</b>	<b>3,344,926,936</b>

	Currency: million VND	
	Current year	Previous year
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.

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## 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
<b>TOTAL</b>	<b>6,376,550</b>	<b>4,118,185</b>

### 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
<b>TOTAL</b>	<b>3,365,525</b>	<b>1,635,041</b>

### 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.

## 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.

**39. Additional information regarding the consolidated cash flow statement**

Currency: Million VND

	<i>Current year</i>	<i>Previous year</i>
<b>Actual cash received from loans during the year:</b>		
Cash received from normal loan agreements	5,996,930	6,239,057
Cash received from issuance of bonds	13,665,935	608,000
<b>Actual cash payment of loans during the year:</b>		
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



Pham Thieu Hoa  
Chief Executive Officer

Hanoi, Vietnam  
19 March 2021