



# DARE TO CHANGE DARE TO LEAD

ANNUAL REPORT  
2019



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## 2019 ACHIEVEMENTS AND 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.

Vinhomes Central Park (Ho Chi Minh City)



## 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.



## 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 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. The determination and passion on display during work hours often carry over into community activities.

# 2019 AT A GLANCE

(As of December 31, 2019)

Sales contracts signed and deposits received for

**60,100**

APARTMENTS, VILLAS, AND SHOPHOUSES (\*)

Contracted sales totaled

VND **91.1** TRILLION (\*\*)

↑ 35%

Unbilled revenues totaled

VND **91.4** TRILLION (\*\*)

↑ 31%

Sold

**10,000**

UNITS of Vinhomes Grand Park

in

**17**

DAYS

Handed over

**28,100**

APARTMENTS, VILLAS, AND SHOPHOUSES (\*)

**TOP 5**

MOST VALUABLE BRANDS IN VIETNAM IN 2019 (Forbes Vietnam)

Handed over and commenced management operations at

**5**

NEW PROJECTS (\*\*)

**THE MOST RESPECTED**

PROPERTY DEVELOPER IN VIETNAM IN 2019 (Vietnam Report)

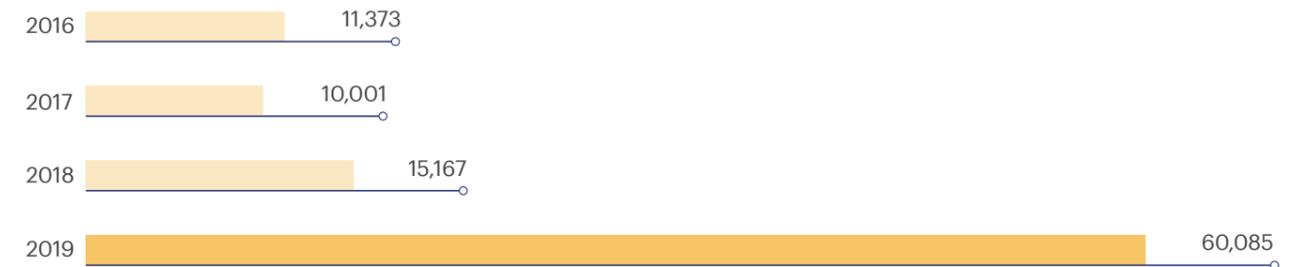
(\*) Including retail sales and retail-equivalents of bulk sales of apartments, villas and shophouses in projects developed by Vinhomes and those in which Vinhomes has business cooperation contracts with Vingroup and its subsidiaries  
 (\*\*) Including Vinhomes New Center, Vinhomes Marina, Vinhomes Ocean Park, Vinhomes Skylake and Vinhomes Symphony

# 2016 – 2019 FINANCIAL AND OPERATIONAL HIGHLIGHTS

## Number of Units Sold <sup>(\*)</sup><sup>(\*\*)</sup>

↑ 296%

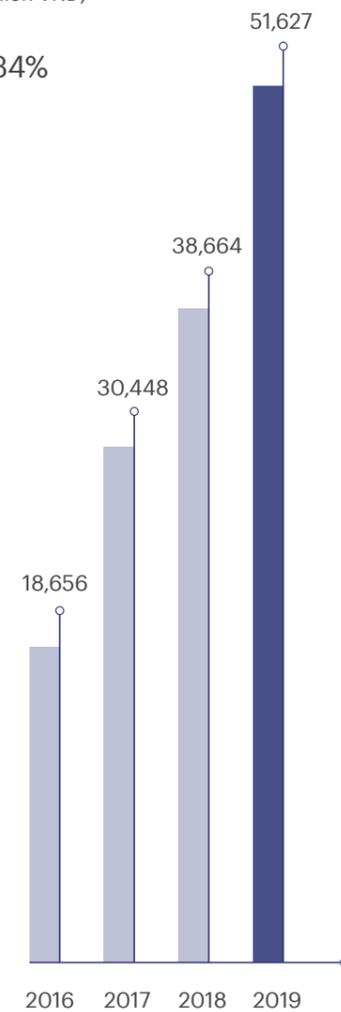
(Units)



## Net Revenue <sup>(\*\*)</sup>

(Billion VND)

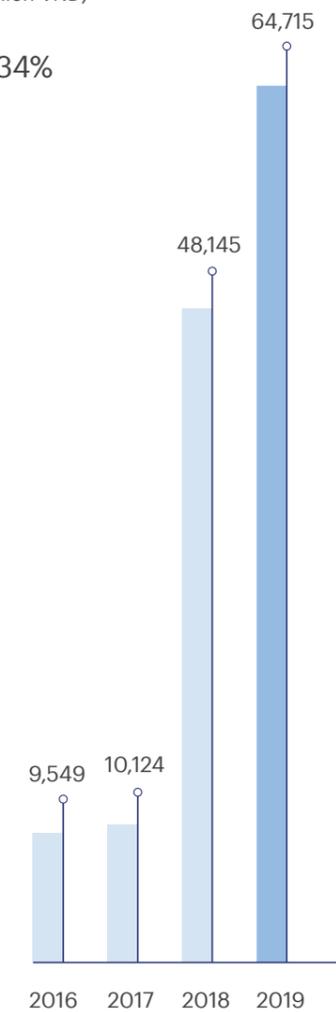
↑ 34%



## Owner's Equity

(Billion VND)

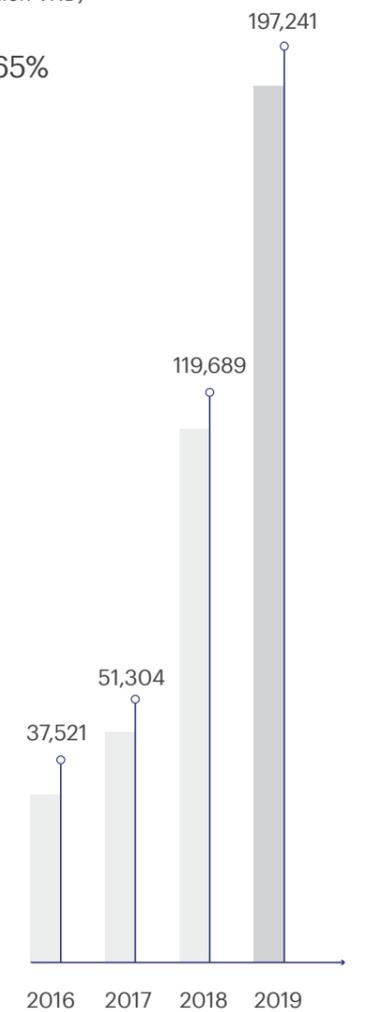
↑ 34%



## Total Assets

(Billion VND)

↑ 65%



(\*) 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

(\*\*) Pro forma figures based on the presumption that Vinhomes had completed its restructuring at the beginning of 2016

# 2019 HIGHLIGHTS

01

VinCity projects were upgraded to smart mega projects under the Vinhomes brand



During the first quarter of 2019, Vinhomes (“the Company”) completed a rebranding. It upgraded VinCity projects to Vinhomes branded mega projects: Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park. Vinhomes also introduced three distinct products to cater to three customer segments from the mid-range to high-end segments, namely Vinhomes Sapphire, Vinhomes Ruby and Vinhomes Diamond.

02

An institutional sales department was established

In March 2019, the Company established the Institutional Sales Department. It handles bulk sale transactions and project transfers to institutional partners. The department has organized several successful roadshows in Japan and Korea in 2019, which paved the way for successful bulk sales transactions of three mega projects: Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park. All of them were significant parts of the company’s growing revenue stream in 2019.

03

A new world record was set when 10,000 units of Vinhomes Grand Park were sold out in just 17 days

In July 2019, Vinhomes officially launched the Vinhomes Grand Park mega project. It’s the first ever smart park city in Ho Chi Minh City. Features include one of Southeast Asia’s biggest light parks, a 36-hectare riverside mega park and 15 unique theme parks introduced in Vietnam for the very first time. At its launch, the project already generated serious interest from buyers, created an unprecedented fervor in Ho Chi Minh City’s real estate market, and recorded a 100% absorption rate for over 10,000 units in only 17 days.

04

Vinhomes events attracted 75,000 visitors and future residents



In 2019, a series of grand events were organized at two mega projects: Vinhomes Ocean Park and Vinhomes Smart City. The aim was to give buyers an opportunity to get a sneak peek at the projects’ facilities, such as Vietnam’s largest man-made, fresh water, white sand lake as well as a Japanese garden. Tens of thousands of visitors and future residents attended these events, and monthly sales numbers doubled in volume.

05

Vinhomes Ocean Park’s saltwater lake set new world record



On December 24, 2019, Vinhomes Ocean Park brought its residents’ dream of an “ocean in the city” to life with a 6.1-hectare saltwater lake. Thousands of people gathered to see the launch of the project, which set prestigious world records including: “Urban Area with the World’s Largest Man-Made Saltwater and Fresh Water White Sand Lakes”.

# 2019 AWARDS AND ACCOLADES

## Award Highlights

 Best Mixed-Use Development Vietnam  Vinhomes Ocean Park was awarded “Best Mixed-Use Development Vietnam” at the Asia Pacific Property Awards 2019

 Best Township Development  Vinhomes Smart City was awarded “Best Township Development” at the Japan International Property Awards (JIPA) in Tokyo

 Worth Living Project  Vinhomes Ocean Park was also awarded “Worth Living Project” in the “Most Popular Real Estate Projects” poll organized by the Vietnam Investment Review

 Vietnam Urban Planning Awards  Vinhomes has won three prestigious categories in the Vietnam Urban Planning Awards (VUPA), in which, Vinhomes Ocean Park received the Gold prize in “Construction Master Planning” and Vinhomes was awarded the Excellent Title in “Excellent Urban Development Management”.

## Record Highlights

### Vinhomes Ocean Park

**3** RECORD HIGHLIGHTS

- Urban Project with the World’s Largest Man-Made Saltwater and Fresh Water White Sand Lakes
- Vietnam’s Largest Man-Made Saltwater Lake
- Vietnam’s Largest Man-Made Fresh Water White Sand Lake

### Vinhomes Smart City

- Urban Area with Most Diverse Sports Theme Park in Vietnam

# MESSAGE FROM THE CHAIRWOMAN



## The Year 2019 – A Pioneer Reputation With Steady Progress

In 2019, Vinhomes' net revenue and profit before tax reached VND 51.6 trillion and VND 29.7 trillion respectively, increases of 34% and 51% over 2018. This impressive growth was fueled by the sales and handover of large projects including Vinhomes Golden River in Ho Chi Minh City and two mega projects in Hanoi – Vinhomes Ocean Park and Vinhomes Smart City.

In 2019, Vinhomes sold nearly 60,100 apartments, villas and shophouses, with a total pre-sales value of VND 91.1 trillion. That total included both retail and bulk sales. In addition, the company completed and handed over 28,100 apartments, villas and shophouses, putting five new projects into operation. These results combined to affirm the company's reputation for unparalleled service, execution and prestigious image among customers.

Vinhomes also upgraded VinCity-branded projects to Vinhomes-branded mega projects with three distinctive product lines: Vinhomes Sapphire, Vinhomes Ruby and Vinhomes Diamond. They serve a wide range of midrange to high-end customer segments as the first "Smart Mega Projects" in Vietnam.

The Vinhomes Smart City, Vinhomes Ocean Park and Vinhomes Grand Park mega projects will offer international standards of living to their residents under four core pillars: smart management, smart safety and security, smart community, and smart home based on Industry 4.0 technologies, to enhance residents' living experience.

The Company's efforts do not end with smart products. Vinhomes has been implementing digital transformation in its business activities in order to improve operational and cost efficiency while continuing to expand its scale, such as a nationwide construction management application, an online staff training monitoring system, bidding gateways and digital contracts for construction procurement procedures, and SAP software for accounting and operations.

Vinhomes continued to be the most valuable real estate brand in Vietnam in 2019, as voted by Brand Finance. The company is embraced for its acumen in identifying and capitalizing

on the latest market trends, its relentless efforts to improve product and service quality, and its dedication in bringing the best value to customers. Vinhomes has strengthened its position as the leading brand in the property segment in particular and in the Vietnamese economy overall.

## 2020 – A New Decade and a Vinhomes Transformation

Vinhomes will bring significant changes this year in which transformations by adopting technology plays a leading role. Vinhomes will maximize the digitization of its business operations to improve efficiency, enhance growth potential and boost its values.

With regard to development, we will continue to focus on the execution of Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park mega projects. The impressive sales performance of these projects in 2019 has validated Vinhomes' sound decision to develop products that align with market demand and confirm the company's reputation. These mega projects will continue to drive growth in 2020 in terms of pre-sales, revenue and profits.

Vinhomes will also continue to focus resources on new project development activities. In the process, the Company will leverage the strength of its land bank, which is currently the largest among developers in Vietnam. With its outstanding execution and service quality, Vinhomes thrives to meet the needs of homebuyers as well as investors who wish to partner and grow with Vinhomes.

In terms of sales, Vinhomes will carry out the transition from agency distribution to direct sales in a number of large projects. The company has been building a strong fleet of well-trained, highly skilled and service-minded sales experts to directly support our customers. Moreover, Vinhomes still maintains a large network of partners to maintain sales coverage nationwide. This ensures that customers receive timely support. Our transition will initially be applied in specific major projects, with the aim of optimizing the customers' experience, increasing market transparency, and building our reputation.

In 2020, Vinhomes will launch an online real estate trading platform. The system will fully integrate all the features of an e-commerce platform, where homebuyers can easily purchase products online. This will complement the most up-to-date project information provided on a user-friendly website. Interested homebuyers can now view an entire project's 3D images as well as tour the model units on the website or via mobile applications. This digital enhancement will supplement the traditional purchasing process of visiting a trading floor to have a close look at model units while receiving consultation from sales agents. Vinhomes' online sales team is fully integrated into the online trading platform

and is always ready to connect and respond to any queries from both domestic and foreign customers. This is well-suited for tech-savvy homebuyers, as well as foreign homebuyers who cannot visit the projects or the trading floor in person. The platform will help raise the level of transparency in Vinhomes' business activities, optimize customers' experience, expedite administrative procedures, and minimize costs for both customers and the Company.

To improve internal governance, in 2020 we will continue the digitization, promotion and application of the Governance and Information Manuals that were developed and put into operation in 2019. Along with the highly regarded discipline within Vinhomes's culture, internal management will ensure uniformity, transparency and efficiency as the Company's scale and scope of operation expands. Additionally, the management team also set strategic directions to grow the talent pool and develop high-quality human capital, together with succession planning and practical training activities, to build a much stronger Vinhomes.

In preparing for 2020, all Vinhomes employees, energized with solidarity and teamwork, are determined to overcome challenges that may arise and maintain our position as "Vietnam's No. 1 real estate brand". We are looking forward to continuing to receive current and potential shareholders' support and loyalty in our 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

Dear Valued Shareholders,

On behalf of the Board of Directors, I would like to send you my warmest greetings and wish you the best of health, happiness and success!

Ladies and Gentlemen,

In 2019, Vietnam continued to be an expanding market with an impressive GDP growth rate of 7.02%, despite the global economic slowdown caused by the U.S. – China trade war and other geopolitical issues. Housing demand remained high, thanks to the rapid growth of the middle class and the highest urbanization rate in Southeast Asia.

However, the prolonged licensing process has caused a supply shortage in the market, impacting most property developers' business performance and potentially hurting homebuyers' access to desired products.

In this challenging environment, Vinhomes has undertaken strategic initiatives to overcome these challenges, take advantage of new opportunities, and maintain its leading position in Vietnam's real estate market.

CHAPTER

# 02

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## ABOUT VINHOMES

# VINHOMES PROFILE

Vinhomes Joint Stock Company (“Vinhomes” or “the Company”) is Vietnam’s largest investor, developer and operator of mixed-use residential projects.

COMPANY NAME	HEADQUARTERS
VINHOMES JOINT STOCK COMPANY	No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam

TICKER	CHARTER CAPITAL
VHM	VND 33,495 BILLION (As of December 31, 2019)

BUSINESS REGISTRATION NUMBER AND TAX CODE	WEBSITE
0102671977	vinhomes.vn

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.

# 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 a 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 NHH
- 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.



# KEY BUSINESS AREAS

## 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 comprehensively planned infrastructure and a complete suite of utilities and services to create a modern, high quality living environment, for Vinhomes is truly "where happiness lives".



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.

60,100

UNITS SOLD (\*)

28,100

UNITS HANDED OVER (\*)

VND 91 TRILLION

TOTAL CONTRACTED SALES (\*)



Vinhomes Imperia (Hai Phong)

VINHOMES  
Sapphire

Modern apartment units catered for young and tech savvy home-buyers.

VINHOMES  
Ruby

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

VINHOMES  
Diamond

Luxury apartment units that offer the most privileged living standard.

(\*) Including retail sales and retail-equivalents of bulk sales of apartments, villas and shophouses in projects developed by Vinhomes and those in which Vinhomes has business cooperation contracts with Vingroup and its subsidiaries in 2019

# KEY BUSINESS AREAS (Continued)

## 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 December 31, 2019, Vinhomes managed 23 mixed-use residential projects in seven cities and provinces throughout Vietnam. The projects contain more than 50,500 apartments, villas, and townhouses, making Vinhomes the largest real estate developer and operator in Vietnam.

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. 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.

**23**  
RESIDENTIAL PROJECTS <sup>(\*)</sup>

**7**  
CITIES AND PROVINCES <sup>(\*)</sup>

**50,500**  
APARTMENTS, VILLAS AND TOWNHOUSES <sup>(\*)</sup>

<sup>(\*)</sup> As of December 31, 2019

## 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.

Vinhomes manages residential leasing activities under the Vinhomes Serviced Residences brand. These serviced 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. Moreover, 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 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 December 31, 2019, there were six residential projects under Vinhomes Serviced Residences brand and three office buildings under VinOffice brand in Hanoi and Ho Chi Minh City

**6**  
RESIDENTIAL PROJECTS <sup>(\*)</sup>

**3**  
OFFICE BUILDINGS <sup>(\*)</sup>

<sup>(\*)</sup> As of December 31, 2019

Vinhomes Times City & Park Hill	Hanoi
Vinhomes Royal City	
Vinhomes Riverside	
Vinhomes Metropolis	Ho Chi Minh City
Vinhomes Central Park	
Vinhomes Golden River	
Vinhomes Dong Khoi	

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 Ocean Park (Hanoi)



## Projects List (\*)

Vinhomes has the largest land bank among all property developers in Vietnam, capable of supporting development for the next 10 to 15 years. 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.

No	Projects	Location
1	Vinhomes Dragon Bay	Quang Ninh
2	Vinhomes Bac Ninh	Bac Ninh
3	Vincom Center Ba Trieu	Hanoi
4	Vinhomes Royal City	
5	Vinhomes Riverside	
6	Vinhomes Times City	
7	Vinhomes Nguyen Chi Thanh	
8	Vinhomes Thang Long	
9	Vinhomes Gardenia	
10	Vinhomes D'Capitale	
11	Vinhomes Metropolis	
12	Vinhomes Green Bay	
13	Vinhomes Skylake	
14	Vinhomes West Point	
15	Vinhomes Ocean Park	
16	Vinhomes Smart City	
17	Vinhomes Symphony	
18	Vinhomes Imperia	Thanh Hoa
19	Vinhomes Marina	
20	Vinhomes Star City	Ha Tinh
21	Vinhomes Ha Tinh	
22	Vinhomes New Center	Ho Chi Minh City
23	Vincom Center Dong Khoi	
24	Vinhomes Central Park	
25	Vinhomes Golden River	
26	Vinhomes Grand Park	

## List of Subsidiaries

As of December 31, 2019

No	Subsidiary name	Location	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	85.0%
2	Ecology Development and Investment Joint Stock Company	No. 191 Ba Trieu, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	99.2%
3	Vietnam Investment and Consulting Investment Joint Stock Company	No. 191 Ba Trieu, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	69.5%
4	Can Gio Tourist City Corporation	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	99.9%
5	Tay Tang Long Real Estate Company LLC	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	90.0%
6	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	97.9%
7	Royal City Real Estate Development and Investment JSC	72A Nguyen Trai, Thuong Dinh Ward, Thanh Xuan District, Hanoi	57.9%
8	Lang Van Development and Investment JSC	No.7, Truong Sa Street, Hoa Hai Ward, Ngu Hanh Son District, Da Nang	99.0%
9	Metropolis Hanoi LLC	HH Lot, Pham Hung Street, Me Tri Ward, Nam Tu Lien District, Hanoi	100%
10	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	67.5%
11	Thai Son Investment and Construction JSC	290 Nam Ky Khoi Nghia, Ward 8, District 3, Ho Chi Minh	100%
12	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%
13	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%
14	Phu Gia Property Trading Limited Liability Company	No. 63 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	98.0%
15	An Thinh Trading and Commercial Development JSC	Floor 20A, Vincom Center Building Dong Khoi, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	85.0%
16	Green City Development JSC	No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	90.0%
17	Delta JSC	No. 110 Dang Cong Binh, 6th Hamlet, Xuan Thoi Thuong Ward, Hoc Mon District, Ho Chi Minh City	100%
18	MV Viet Nam Real Estate Trading JSC	Floor 4, Vincom Megamall Thao Dien, 161 Ha Noi Highway, Thao Dien Ward, District 2, Ho Chi Minh City	99.8%

(\*) Project developed and/or operated by Vinhomes

# BOARD OF DIRECTORS

The Company's Board of Directors ("BOD") consists of six 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 two independent board members, both with many years of experience in the international financial markets.

## List of Board Members

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 16 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. **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, when Ms. Nguyen Dieu Linh became Chairwoman. 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 he is currently still the person with the highest net-worth in Vietnam.

Mr. **Nguyen Viet Quang**  
Board Member

Mr. Nguyen Viet Quang was elected to the Board in February 2018. He has worked at Vingroup for nearly ten years and is currently its Chief Executive Officer. Before joining Vingroup, he was a BOD member and Head of the Supervisory Board of Y Cao Limited Company. Mr. Nguyen Viet Quang graduated from National Economics University with a B.A in Business Administration.

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 Joint Stock Company and Director of the company branch in Ho Chi Minh City. She holds a postgraduate diploma in Insurance Finance from the Australian and New Zealand Institute of Insurance and Finance and an MBA from Bulacan State University, Philippines.

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. **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. 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.

# MANAGEMENT

The Management of the Company consists of a Chief Executive Officer (“CEO”), six Deputy Chief Executive Officers (“DCEO”) and a Chief Financial Officer (“CFO”). The Board appoints the CEO, who reports to the General Meeting of Shareholders (“GMS”) and the BOD. The BOD also appoints the Deputy CEOs and the CFO 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 and Project  
Development Director

Mr. Pham Thieu Hoa was appointed as CEO in May 2018. He is currently holding executive management positions at Vingroup’s subsidiaries, including Chairman of Sai Dong Urban Development and Investment JSC and Thang Long Real Estate Trading Investment JSC. He is also a BOD member at Royal City Real Estate Development and Investment JSC. 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.



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.



Ms.  
**Nguyen Ngoc Thuy Linh**  
DCEO of Operation

Ms. Nguyen Ngoc Thuy Linh was appointed DCEO in charge of operations in February 2018. She has worked for nearly six years at Vingroup. Prior to joining the Company, she was Director of Marketing at Syrena Investment and Development JSC Vietnam from 2012 to 2014. Ms. Nguyen Ngoc Thuy Linh graduated from James Cook University with a bachelor’s degree in International Business Management and a master’s degree in International Hospitality and Hospitality Management.



Mr.  
**Nguyen Van Trai**  
DCEO of Safety, Security &  
Fire Protection

Mr. Nguyen Van Trai was appointed DCEO in charge of Safety, Security and Fire Prevention in June 2018. Previously, he worked at Vingroup, where he managed Vincom Security Services Co., Ltd., a Vingroup subsidiary, since 2013. Mr. Nguyen Van Trai graduated from the University of Languages and International Studies, Vietnam National University, with a bachelor’s degree of Foreign Languages, Literature and Culture.



Ms.  
**Phi Thi Thuc Nga**  
DCEO of Customer Services

Ms. Phi Thi Thuc Nga was appointed DCEO of Customer Service in June 2018. She has worked for Vingroup since May 2007. Before joining the Company, Ms. Phi Thi Thuc Nga was DCEO of South Hanoi Urban Development JSC, the predecessor of Vinhomes JSC. She graduated with a bachelor’s degree in Foreign Languages from University of Languages and International Studies, National University of Vietnam.



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.



Ms.  
**Le Thi Hai Yen**  
Chief Financial Officer

Ms. Le Thi Hai Yen was appointed CFO in February 2018. Ms. Le Thi Hai Yen was previously DCEO and CEO of Vinhomes Real Estate Trading and Management JSC (Vinhomes Real Estate Trading and Management JSC was merged into the Company in February 2018). Before joining the Company, in 2010, she was Chief Accountant of PFV Investment and Trading JSC. Ms. Le Thi Hai Yen holds a Master’s Degree in Finance and Accounting from the University of Commerce.

# 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.

## Member of Supervisory Board

Mr.  
**Pham Khoi Nguyen**  
Head of 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 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 since 2015 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 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.





Vinhomes Symphony (Ha Noi)

# 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 high rates of urbanization and potential for tourism. 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

### Market Research and Customer Feedback

Vinhomes will adapt its products to meet the needs of customers in the various segments of the Vietnamese housing market. This strategy is reflected in the Company's introduction of three new product lines: Vinhomes Sapphire, Vinhomes Ruby, and Vinhomes Diamond. These new product lines serve customers in the mid-range and high-end market segments. All three product lines deliver a high level of quality and amenities. The Vinhomes Research and Development team is focused on continuous innovation to maintain Vinhomes' leadership in product offerings, quality, convenience, and style.

## 03

### The Digital Transformation of Sales and Management Control Systems

Vinhomes will continue to focus on aggressively upgrading its sales and management control systems to the digital model. During 2020, Vinhomes will launch an online sales platform that is aligned with Vingroup's 4.0 technology development strategy. The Company will also continue to digitize its business processes for construction, operations, customer service, human resources management, staff training, and accounting.

## 04

### Foreign Institutional Client Development

As Vietnam becomes more fully integrated with the global economy through developments in foreign policy, trade agreements, and foreign direct investment, there is a growing trend towards property investment by international expatriates residing in Vietnam. To address this trend, Vinhomes will continue to develop the ability of its institutional client department to serve this attractive customer segment.

## 05

### Value-Added Products and Services to Increase Revenue

With professional experience and competence in offering operational services such as reception, security, and technical maintenance, Vinhomes is now capable of providing a wide range of management services at a five-star level of quality. The Company will launch new services during 2020 to meet customer demand, generate additional income, and differentiate its offerings from those of competitors.

## 06

### Serviced Apartments, Villas, and Leased Offices

The business of serviced real estate generates a stable income stream and also enhances the Vinhomes brand. By leveraging Vinhomes' strong brand name and its large network of agents, Vinhomes supports property investors by maximizing the value of their investment through increased returns.

## 07

### Developing Vinhomes' 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 also builds its management pool to prepare for new projects.

## 08

### Developing Industrial Parks

Industrial park development leverages favorable macroeconomic conditions that arise from increased flows of foreign direct investment into Vietnam in general and into the manufacturing segment in particular. Vinhomes has decades of experience in acquiring land and building and operating large projects. These projects contribute to the Company's revenue in three areas: residential property, office buildings, and industrial parks. Specifically, industrial parks will enable leading international manufacturers to locate in Vietnam for the first time. This type of real estate development also supports the Company's overall strategy for becoming the leading Industrials and Technology Group in Vietnam.

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# MANAGEMENT REPORT ON 2019 BUSINESS PERFORMANCE AND 2020 ACTION PLAN

CHAPTER

03

# 2019 ECONOMY AND 2020 MACROECONOMIC OUTLOOK

## 2019 Economy

2019 saw a continuation of the global economic slowdown. According to the International Monetary Fund (IMF), the growth rate was expected to be 2.9%, a dramatic decline compared to 3.6% in 2018, sinking to its lowest level since the 2008 financial crisis. The global slowdown in commerce and investment occurred in both developed economies, notably Europe, and emerging economies, due largely to the US – China trade war.

In contrast, Vietnam had an impressive year in 2019. The GDP growth rate reached 7.02%, according to the General Statistics Office of Vietnam (“GSO”). That exceeded the planned target of 6.6% to 6.8% set by the National Assembly. In fact, GDP grew at an annual rate of over 7% for a second consecutive year. Vietnam remains Southeast Asia’s growth leader, reaching an expected GDP compound annual growth rate (CAGR) of 6.7% for the period of 2018 to 2020. That growth rate is far ahead of Singapore (1.6%) and Thailand (2.8%). In the same period, Vietnam is also leading in the growth of its middle class with an expected CAGR of 29.9%. That dwarfs the average ratio of 2.5% and 2.4% in Singapore and Thailand respectively. Vietnam’s per capita income was at USD 2,895.

Foreign direct investment (FDI) also recorded encouraging results. Total FDI into Vietnam in 2019 reached a 10-year high of USD 38 billion, up 7.2% compared to 2018. 2019 FDI disbursement was at a record high at nearly USD 20.4 billion, up 6.7% compared to 2018. Total import and export turnover in 2019 also marked a significant milestone by reaching more than USD 500 billion, where domestic sectors remarkably surpassed foreign invested sectors in terms of growth rates. In addition, inflation maintained under control, up by 2.79% compared to the average of 2018. That’s much lower than the target of 4% set by the National Assembly and also a three-year low.

GDP growth rate

**7.02%**

FDI

USD **38** BILLION

Inflation

**↑ 2.79%**

Vietnam's income per capita

USD **2,895**

**In contrast to global economies, Vietnam had an impressive year in 2019**

## 2020 Macroeconomic Outlook

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

According to the World Bank, Vietnam's economy is expected to grow by 4.9% in 2020, which is much lower than the 7.02% growth experienced in 2019. However, the growth rate will rebound to 7.5% in 2021, reflecting an improved external demand and a firming of the services sector, as well as a gradual recovery in agricultural production. Overcoming inevitable impacts of the Covid-19 outbreak, Vietnam surely continues to maintain its attractiveness as a young economy with a large working force, rich natural resources, a high rate of urbanization and the highest growth of the middle class in the region.



Vietnam is expected to maintain its attractiveness as a young economy with a large working force.

## The Residential Property Market Continued to Experience Increased Demand

As of April 1, 2019, the Vietnamese population reached 96.2 million, up by 10.4 million people compared to 2009. That jump makes Vietnam the 15<sup>th</sup> most populous country in the world and the third in Southeast Asia, just behind Indonesia and the Philippines. Its population density reached 290 people/km<sup>2</sup>, increasing by 30 people/km<sup>2</sup> compared to 2009. The average housing area per capita in 2019 was 23.2 m<sup>2</sup>/person, up 6.5 m<sup>2</sup>/person compared to 2009. Vietnam is still experiencing a period of "golden population structure" (i.e one dependent person for every two persons in the working force). It is forecast to last until 2040. The working force aged 25 to 44 accounted for 32.9% of the population, the second highest in Southeast Asia after Malaysia. According to CBRE, Vietnam's urbanization rate is expected to reach 41% by 2025, with 238,000 new households each year. Therefore, the annual housing demand in the country's two biggest cities, Hanoi and Ho Chi Minh City, might hit 800,000 housing units per year, while the demand for condominiums is expected to double from 2019 until 2022, to about 186,000 apartments per year.

The size of the Vietnamese mortgage market has grown on a foundation of consistently low levels of inflation and interest rates over the last five years. Following a very modest starting point of 5.7% of GDP in 2018, it is expected to gain significant momentum to keep pace with those of other countries in Southeast Asia, where the mortgage market typically reaches 30.6% of GDP.

According to CBRE, a total of 36,356 apartment units were launched in Hanoi in 2019, just 1% increase compared to 2018. There were 29,020 units sold with an absorption rate of 80%. Meanwhile, the prolonged licensing process in Ho Chi Minh City has sustained the shortage of supply, resulting in an increase in price levels in the primary and secondary market. Only 26,692 apartment units were launched, 13% lower compared to 2018. Whereas 29,874 successful transactions were recorded, with an absorption rate of 112%, of which the mega project Vinhomes Grand Park accounted for the majority, with all 10,000 apartments sold within 17 days of its launch. That broke all sales records in Vietnam. Although the supply of the low-rise segment in Hanoi increased in 2019 to 4,199 units, the absorption rate remained high, reaching 92% with more than 3,800 successful transactions. In Ho Chi Minh City, the low-rise supply remained at a very low level of only about 1,000 units, dropping by 18% compared to 2018.

According to CBRE forecasts, supply in the 2020 real estate market will continue to face a number of challenges due to the prolonged licensing process. Meanwhile, domestic purchasing power will remain at a high level to meet housing demands. Vinhomes has been striving to enhance its construction and sales activities to meet homebuyers' demands by leveraging the strength of its land bank, the largest among property developers in Vietnam, as well as its approved mega projects.

## Infrastructure Development Laid the Foundation for the Real Estate Market to Thrive

Vietnam is one of the leading countries in Southeast Asia in terms of infrastructure budget as a percentage of GDP. In 2019, 16 transport projects were put into operation and 15 other new projects commenced, including a number of key jobs with a total investment of trillions VND. These include the Van Don – Mong Cai, Bac Giang – Lang Son, Ho Chi Minh City – Moc Bai and Dau Giay – Lien Khuong highways. In the North, 12 new highways have been put into operation over the past four years, with the first ever metro line in Hanoi scheduled to begin operation in 2020. In Ho Chi Minh City, five highways and two subway lines are under construction.

Located near newly built or upgraded infrastructure, Vinhomes projects are expected to benefit once these infrastructure projects are completed and put into operation.

Put into operation

16

TRANSPORT PROJECTS

Commenced

15

NEW PROJECTS

Vinhomes projects are located near newly built or upgraded infrastructure.



# 2019 BUSINESS RESULTS

Behind impressive momentum in 2018, Vinhomes continued to have another successful year in 2019

As two mega projects, Vinhomes Ocean Park and Vinhomes Smart City, were very positively received by the market in Hanoi in 2018, the Company launched its third mega project, Vinhomes Grand Park in Ho Chi Minh City, breaking all sales records with 10,000 apartment units sold less than three weeks after its launch.

In 2019, the Company's bulk sales strategy also boasted significant achievements through many successful transactions with reputable domestic and foreign investors. Vinhomes has successfully sold about 60,100 apartments, villas and shophouses with a total pre-sales value of VND 91.1 trillion, consisting of both bulk sales and retail sales.

In addition, the Company continued its leading position in the market, maintaining its unparalleled execution quality and delivery schedule. In 2019, Vinhomes successfully handed over 28,131 apartments, villas and shophouses (\*) to its customers. Projects delivered in 2019 included Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Green Bay, Vinhomes Central Park and Vinhomes Golden River.

## Key Financial Indicators

### Discussion and Analysis of the Income Statement

Item	2019 (billion VND)	2018 (billion VND)	Increase/ decrease
Revenue from sale of the inventory properties	48,162	35,769	35%
Revenue from leasing of properties and rendering related services	1,114	816	37%
Revenue from the provision of other services	2,351	2,079	13%
<b>Total Revenue</b>	<b>51,627</b>	<b>38,664</b>	<b>34%</b>
Profit before tax	29,746	19,719	51%
Of which:			
Profit before tax from sale of the inventory properties (**)	29,376	19,251	53%
<b>Profit after tax</b>	<b>24,319</b>	<b>14,776</b>	<b>65%</b>

(\*) Including retail sales or retail-equivalents of bulk sales  
(\*\*) Figures include profits from BCC projects and project transfers

Consolidated net revenue

VND **51,627** BILLION  
↑ 34%

Profit after tax

VND **24,319** BILLION  
↑ 65%

### Discussion and Analysis of the Balance Sheet

Total assets

VND **197,241** BILLION  
↑ 65%

Owners' equity

VND **64,715** BILLION  
↑ 34%

Vinhomes' 2019 consolidated net revenue totaled VND 51.627 trillion. Revenue from sale of inventory properties reached VND 48.162 trillion and revenue from leasing of properties was VND 1.114 trillion. Revenue sale of inventory properties mostly came from the completion and handover of the Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Green Bay, Vinhomes Central Park and Vinhomes Golden River projects. Revenue from leasing of properties stemmed from serviced apartments and office space. 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 Hai Phong, Vinhomes Dragon Bay, Vinhomes Star City Thanh Hoa and Vinhomes Skylake.

The Company's profit before tax reached VND 29.746 trillion in 2019. The total profit before tax from the sale of inventory properties, including BCC projects and project transfers, was VND 29.376 trillion. Profit after tax reached VND 24.319 trillion, up 65% compared to 2018.

Item	2019 (billion VND)	2018 (billion VND)	Increase/ decrease
Current assets	139,555	91,203	53%
Non-current assets	57,686	28,486	103%
Total assets	197,241	119,689	65%
Total liabilities	132,526	71,544	85%
Of which:			
Total loan and debts (short and long term)	26,505	31,909	-17%
Owners' equity	64,715	48,145	34%

Current assets increased from VND 91.203 trillion as of 31 December 2018 to VND 139.555 trillion as of 31 December 2019, largely due to changes in inventory and short term deposits for investment purposes. In particular, inventory increased by VND 23.439 trillion compared to 31 December 2018, and short term deposits for investment purposes increased by VND 10.279 trillion compared to the end of 2018.

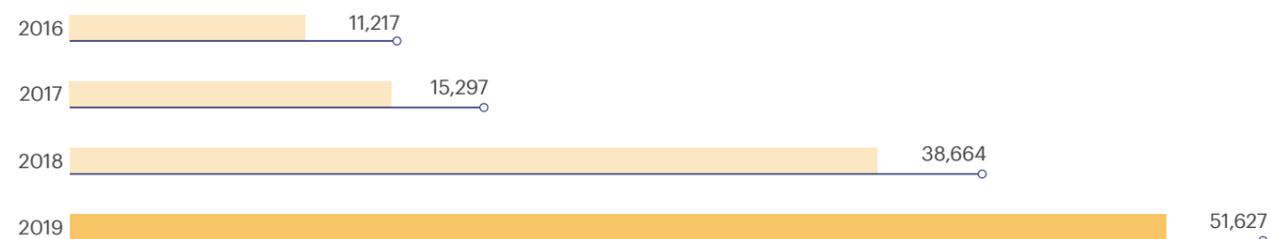
Non-current assets increased from VND 28.486 trillion to VND 57.686 trillion compared to the same period in 2018. In particular, cost of construction in real estate projects increased by VND 9.850 trillion, which is mainly Vinhomes' current mega projects. In addition, deposits for project investment and transfers in 2019 also increased by VND 7.928 trillion, the largest of which is the deposit for the Vinhomes Wonder Park project (Dan Phuong).

Total liabilities As of December 31, 2019 increased by VND 60.982 trillion, compared to 31 December 2018, to VND 132.526 trillion, primarily from an increase in homebuyers' instalment payments for apartments, villas and shophouses at Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Grand Park and Vinhomes Marina.

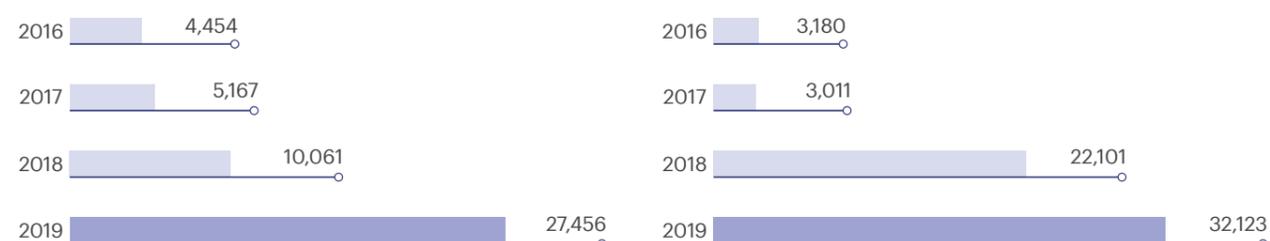
Owners' equity As of December 31, 2019 increased by VND 16.570 trillion compared to 31 December 2018, reaching VND 64.715 trillion. The increase in owners' equity was mainly from the Company's retained earnings in 2019.

# KEY FINANCIAL INDICATORS FOR THE PERIOD OF 2016 – 2019

Net Revenue ↑ 35%



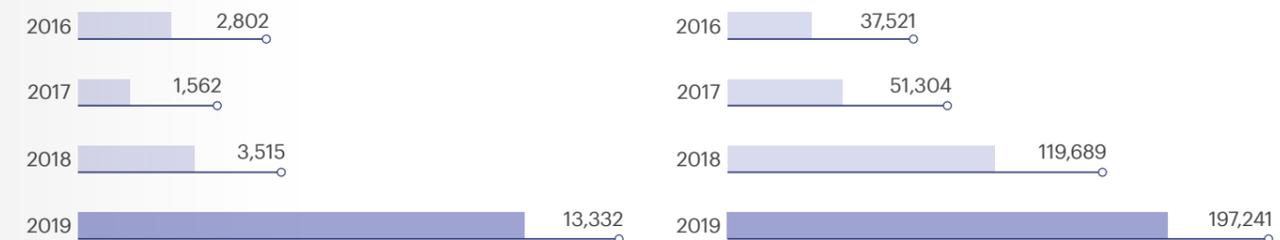
Gross Profit ↑ 173%      Earnings Before Interest and Tax ↑ 45%



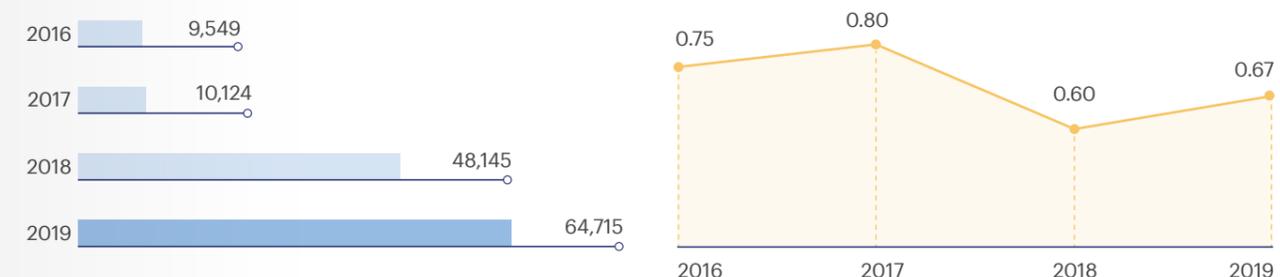
Profit After Tax ↑ 65%



Cash and Cash Equivalents ↑ 279%      Total Assets ↑ 65%



Owners' Equity ↑ 34%      Total Debt/Total Assets (Times)



Pre-Sales in 2019 (\*) (\*\*)

Type	Number of units launched	2017		2018		2019	
		Sold units	Contracted sales value	Sold units	Contracted sales value	Sold units	Contracted sales value
High-rise	115,541	7,076	29,562	11,262	25,996	57,742	69,876
Low-rise	9,885	2,925	35,622	3,905	41,652	2,343	21,184
<b>Total</b>	<b>125,426</b>	<b>10,001</b>	<b>65,184</b>	<b>15,167</b>	<b>67,648</b>	<b>60,085</b>	<b>91,060</b>

In 2019, Vinhomes and its subsidiaries entered into sale and purchase agreements and received non-cancellable deposits for 59,776 apartments, villas and shophouses, equivalent to a total contracted value of VND 87.656 trillion. In addition, its BCC projects with Vingroup and its subsidiaries recorded sales and non-cancellable deposit contracts for 309 residential units with a total contracted value of VND 3.404 trillion.

(\*) 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  
 (\*\*) Includes retail sales and retail equivalents for bulk sales transactions



# BLUEPRINT FOR 2020

## 01 Transforming the distribution model while strengthening the role of technology in sales activities

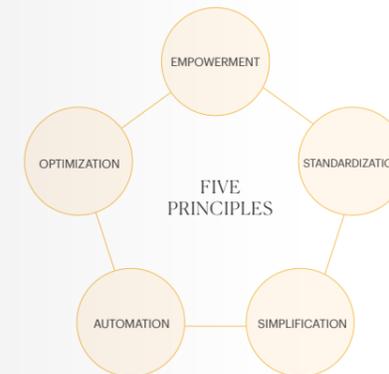
Shifting from the agency distribution model, Vinhomes will implement direct sales in a number of big projects by developing its own fleet of sales agents along with a large network of collaborators nationwide. Consequently, the service quality will be consistently enhanced thanks to a team of well-trained and highly skilled in-house sales experts, making the sales operation more transparent and cost effective.

Moreover, in addition to traditional sales channels as an indispensable step into the current era of Industry 4.0, Vinhomes will launch an online real estate trading platform. It will diversify Vinhomes' approach with a greater variety of customers in the mid-end segment, especially tech-savvy young people and distant homebuyers.

## 02 Continuously researching to optimize products and services to meet the needs of customers

Customers have always been the focus of Vinhomes development plans. The Company continuously researches the market and responds to customer feedback in order to improve its products for later launches. Following brand restructuring, product diversification and the launch of the Vinhomes Sapphire and Ruby product lines in 2019, the Company will roll out Diamond products in 2020. This will include a wide array of services aimed at offering a high-class living environment, in which residents will experience maximum comfort and convenience. All customer feedback in terms of unit sizes, number of rooms, amenities and living spaces is strictly and vigorously analyzed and evaluated in order to make additional upgrades well-suited to customers' needs.

## 03 Constantly promoting the Five Principles in business management and enhancing the service-oriented approach to customer service



Vinhomes continues to apply the five core principles in all business activities, which include “Empowerment – Standardization – Simplification – Automation – Optimization.” In particular, “Share” has been replaced by “Optimize,” aiming for sales growth and cost optimization as well as enhancing long-term value for the Company.

At the same time, in 2020, Vinhomes will focus on strengthening its service-minded approach to customer service, the quality of which is considered as one of the key drivers to affirm the Company's brand reputation. In addition to the standardized and regularly revised customer relations processes, Vinhomes employees, particularly the customer-facing staff, will be routinely trained to enhance their capabilities and maintain a service-minded attitude. Accordingly, while the Company is striving to meet customers' demands in a professional manner, all of its employees must take initiatives to offer their clients outstanding value beyond common standards. Embraced with the “Service from the Heart” mindset, Vinhomes will make determined efforts to win customers' loyalty by achieving maximum satisfaction in 2020.

## 04 Applying technology in urban management, enhancing customer service, and implementing a digital transformation in internal operations

In addition to applying cutting edge technology to sales activities, Vinhomes will also establish a series of centralized operation management centers to manage smart cities. Vinhomes will continue to deploy modern applications in construction, execution and operation as well as such internal activities as accounting and human resource management. The smart city model will be applied to three mega projects – Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park – in terms of urban area management and smart home application, previously only available on high-end products. This will offer more benefits to customers and turn these cities into a lively and convenient environment harmonious with the nature. Internal activities such as construction management, accounting and human resource management will also be gradually digitized in order to improve efficiency in line with Vinhomes' expanding scale of operation.

## 05 Developing an asset portfolio that emphasizes recurring income

In order to generate additional recurring revenue, Vinhomes will develop industrial parks in big cities with good infrastructure such as Hai Phong, Hai Duong and Quang Ninh, and expand its office portfolio located in Vinhomes urban areas for the next three to five years.

Strategic industrial park development will allow Vinhomes to take advantage of favorable macroeconomic conditions and FDI growth in Vietnam in general and industrial production in particular. The Company's management maintains the view that the development of industrial park properties will leverage Vinhomes' strengths in land bank acquisition, project execution and operations. In addition, Vingroup's relationships with international brands in the Industrials segment will enable Vinhomes to gain direct access to reputable and potential international customers.

As for office space development, opportunities arise thanks to the high occupancy rate of office markets in Hanoi and Ho Chi Minh City, 93% and 97% respectively, according to Savills. The increasingly strong inflow of FDI into Vietnam has resulted in rising demand for office space. The proportion of foreign tenants in Hanoi has increased from 55% in 2017 to 59% in 2019. However, the office supply in Hanoi and Ho Chi Minh City sat around one-fifth or one-sixth compared to regional cities/countries such as Bangkok, Singapore, Kuala Lumpur and Jakarta, representing a lucrative opportunity. Office and industrial parks will be the two key drivers to help Vinhomes consolidate its asset portfolio in order to create stable recurring income.

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CHAPTER

# 04

# CORPORATE GOVERNANCE

# VINHOMES’ CORPORATE GOVERNANCE STRUCTURE

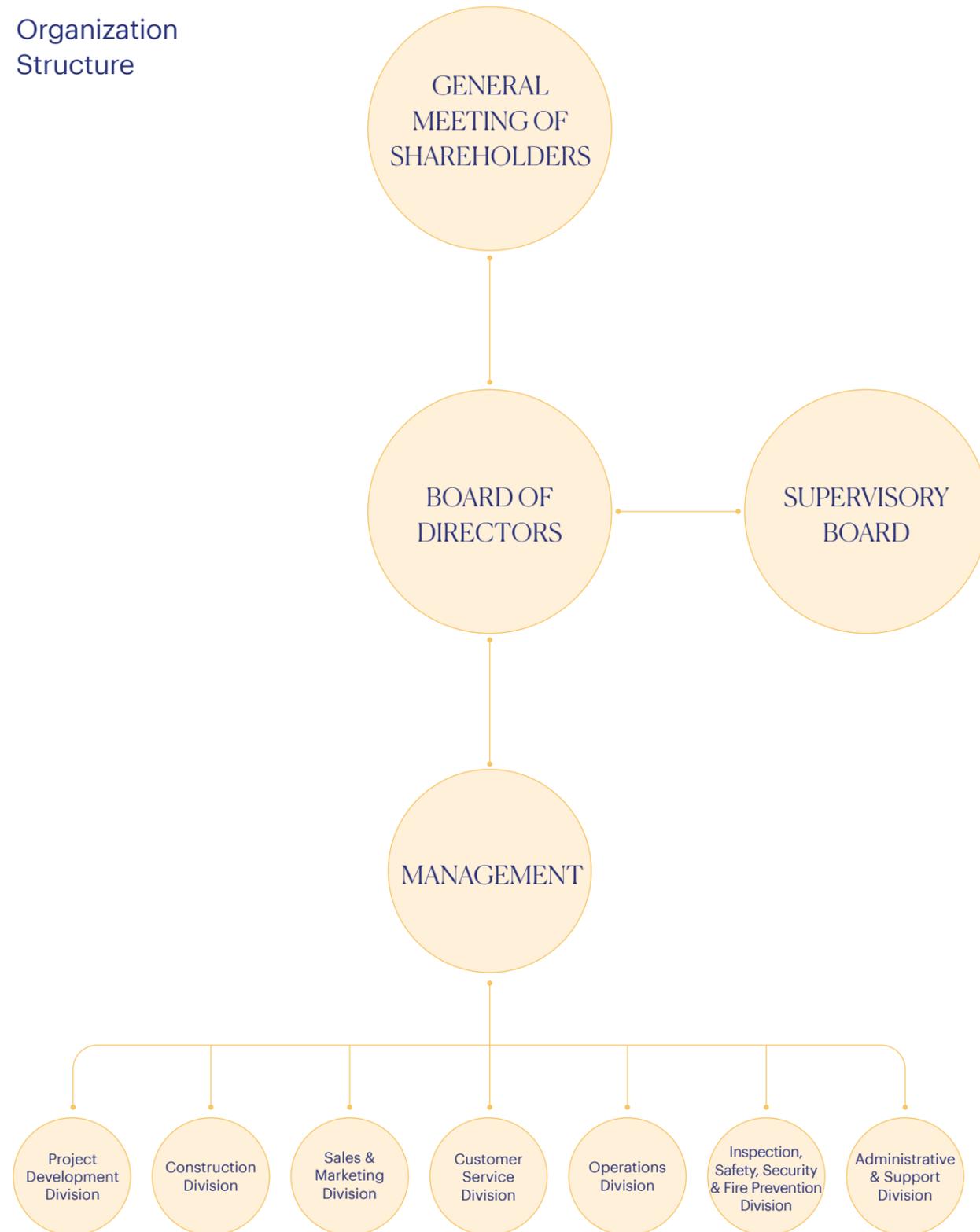
Transparency and efficiency are the most important objectives in Vinhomes’ corporate governance.

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.

## 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 consists of eight Sales Departments organized by 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.

### 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



## 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.
- 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. The Company reports all transactions with related companies for independent BOD members 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 HOSE.
- Information disclosure in an accurate and timely manner. 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.



## Maintaining Proper Governance

The 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 six 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 four male members of the BOD, there are two foreign independent members with extensive managerial experience in finance, real estate, investment and risk management.

At Vinhomes, the positions of Chairperson of the BOD and CEO are held by two different people.



## Maintaining Effective Performance of the BOD and the Supervisory Board

- Operation regulations of the BOD are constructed transparently and publicly stated in the Company’s Governance Regulation.
- The Supervisory Board and its regulations are established.
- BOD members are transparently appointed, reviewed and remunerated.
- BOD members are insured for their liabilities.
- A leading international independent audit firm is engaged.

# REPORT OF THE BOARD OF DIRECTORS

## About the Board of Directors

The Board of Directors consists of six members, including a Chairperson and two independent Directors.

Further details can be found in Chapter 2 – About Vinhomes, Board of Directors.

## Important Meetings and Resolutions of Vinhomes' BOD in 2019

In 2019, 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 27, 2019
- Supervised the publication of the 2019 quarterly, semi-annual and annual financial statements
- Supervised the implementation of resolutions by the GMS and the BOD
- Supervised information disclosure to ensure transparency and timeliness in accordance with the laws applicable to public companies
- Supervised Management activities to improve efficiency and to achieve business targets

The BOD has not set up direct subcommittees.

In 2019, the Board issued 25 resolutions, as follows:

Content	Number of resolutions
Strengthening corporate structure, including restructuring the organization chart, and establishing subsidiaries and branches of the Company	11
Buying back shares and keeping them as treasury stocks	01
Appointing directors and managers of the Company, disclosing transactions with related parties, appointing authorized representatives to manage contributed capital in subsidiaries	13
<b>Total</b>	<b>25</b>

## Participation of Board Members in Corporate Governance Programs

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

# REPORT OF THE SUPERVISORY BOARD

## Activities of the Supervisory Board During 2019

In 2019, the Supervisory Board worked closely with the BOD and Management. The Supervisory Board frequently monitored resolutions issued by the BOD, decisions by Management and audits conducted by the Internal Audit Division. It helped to ensure that resolutions were issued and implemented in compliance with laws and regulations, and with Governance Regulations of the Company.

The Supervisory Board carried out the following functions in 2019:

- Supervised the implementation of the AGM resolutions in 2019 relating to organizational and managerial restructuring
- Supervised the execution of business plans to achieve revenue and profit targets
- Ensured the accuracy of the quarterly and annual financial statements in accordance with the Vietnamese Accounting Standards
- 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 laws and regulations, and with Governance Regulations of the Company.

## Assessing Compliance with the Law and Implementation of GMS and BOD Resolutions

The implementation of GMS and BOD resolutions has been closely monitored. Within the scope of its authority and responsibility, the Supervisory Board believes that the BOD, Management and related departments have fulfilled their assigned duties with due diligence.

## Assessment of Compliance with the Company's Management Guidelines

Complying with the Company's Governance Regulation, the BOD has closely monitored and actively managed the implementation of business strategies. In 2019, the Supervisory Board has stepped up its compliance inspection and monitoring to improve the quality and independence of supervisory functions, especially in large transactions and those with related parties.

# GOVERNANCE REPORT

## 2019 Governance Report

In 2019, the Company fully complied with regulations on corporate governance for public companies and information disclosure on the stock market. Underpinned by positive achievements in 2018, 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 2019, there were six members of the BOD and three members of the Supervisory Board.

The total remuneration of the BOD and Supervisory Board members in 2019 was VND 12.6 billion, equivalent to 0.14% of Profit after tax.

Members of 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 International Hospital or other medical facilities selected by the Company.
- **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 for Vingroup's products and 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 BOD

On February 28, 2019, at the request of Mr. Pham Nhat Vuong, the BOD elected Ms. Nguyen Dieu Linh as Chairwoman, succeeding Mr. Pham Nhat Vuong, who remains on the BOD.

## Changes in BOD, Supervisory Board and Management

(continued)

### Changes in Supervisory Board

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

### Changes in Management

The BOD approved the resignation of Ms. Luu Thi Anh Xuan from the position of CEO and appointed Mr. Pham Thieu Hoa to the post, effective May 18, 2019. Mr. Pham Thieu Hoa also resigned from the position of DCEO in charge of Project Development Department from the same day.

The BOD approved the resignation of Ms. Dao Thi Thien Huong from the position of Standing DCEO from July 15, 2019.

# INTERNAL AUDIT REPORT

Further details can be found in the Vingroup Annual Report 2019 – 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 incident costs and risk management expenses. These policies are also regularly revised by the BOD and Management to maintain this balance.

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

# SHARE INFORMATION AND INVESTOR RELATIONS

Ticker

**VHM**

Market capitalization

as of December 31, 2019 (billion VND)

**278,951**

Outstanding shares  
as of December 31, 2019

**3,349,513,918**

Non-restricted shares

**3,349,513,918**

Restricted shares

**0**

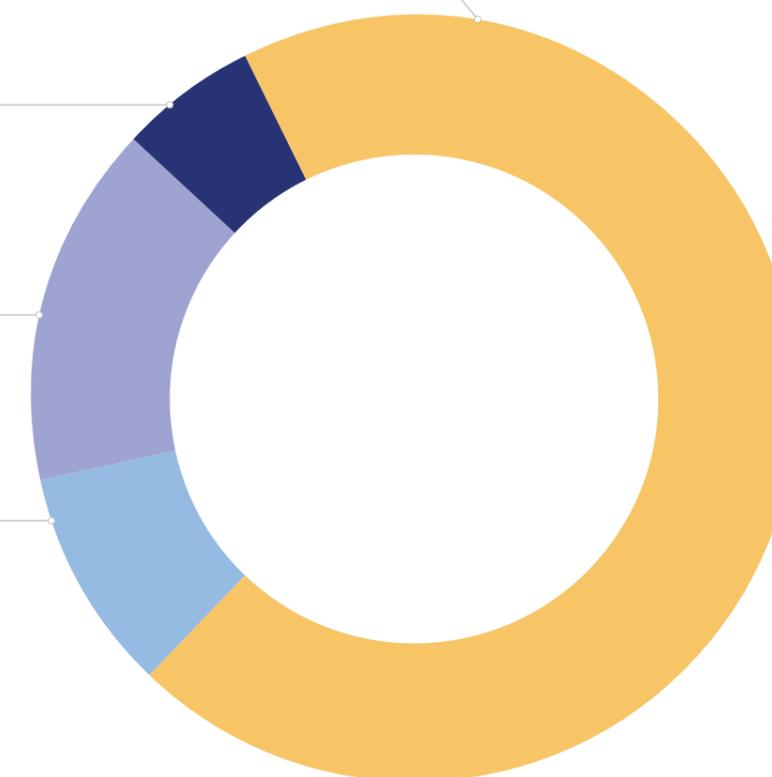
Vinhomes is currently the largest listed real estate developer in terms of market capitalization in the Vietnamese stock market and is a constituent of the VN30 Index. The index consists of the country’s leading stocks in terms of market capitalization and liquidity.

69.66% FOUNDING SHAREHOLDERS/  
LARGE SHAREHOLDERS – DOMESTIC

5.78% LARGE SHAREHOLDERS  
– FOREIGN

15.38% OTHER SHAREHOLDERS  
– DOMESTIC

9.18% OTHER SHAREHOLDERS  
– FOREIGN



## Shareholder structure

(As of December 31, 2019)

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>Large 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	193,688,843	5.78	1
3	<b>Other shareholders</b>	<b>822,660,825</b>	<b>24.56</b>	<b>6,309</b>
	Domestic	516,124,151	15.41	5,709
	Foreign	306,536,674	9.15	600
4	<b>Total</b>	<b>3,349,513,918</b>	<b>100.00</b>	<b>6,311</b>
	Domestic	2,849,288,401	85.07	5,710
	Foreign	500,225,517	14.93	601

## Insider holdings (\*)

Shareholder	Name - Position	Number of shares held	Ownership percentage (%)
<b>Board of Directors</b>	Nguyen Dieu Linh – Chairwoman	0	0
	Pham Nhat Vuong – Member	0	0
	Nguyen Viet Quang – Member	0	0
	Cao Thi Ha An – Member	0	0
	Varun Kapur – Independent Member	0	0
	Mueen Uddeen – Independent Member	0	0
<b>Management Board</b>	Pham Thieu Hoa – CEO	0	0
	Nguyen Van Trai – DCEO	0	0
	Pham Van Khuong – DCEO	0	0
	Nguyen Duc Quang – DCEO	0	0
	Douglas John Farrell – DCEO	0	0
	Nguyen Ngoc Thuy Linh – DCEO	0	0
	Phi Thi Thuc Nga – DCEO	55,000	0.001642
	Le Thi Hai Yen - CFO	0	0
<b>Supervisory Board</b>	Pham Khoi Nguyen – Head	0	0
	Doan Thi Thu Mai – Member	0	0
	Le Thi Duyen – Member	0	0

## Large shareholders (holding above 5%) (\*)

Name	Number of shares held	Ownership percentage (%)
Vingroup Joint Stock Company	2,333,164,250	69.66
Government of Singapore	193,688,843	5.78

## Transactions of treasury stocks (\*)

No.	Transaction period	Name	Average transaction price	Number of treasury stocks
1	November 15, 2019 to December 10, 2019	Vinhomes Joint Stock Company	VND 92,425 per share	60,000,000

No transactions

## History of charter capital changes (\*)

(\*) As of December 31, 2019



## Investor Relations Activities in 2019

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MEETINGS, CONFERENCE CALLS,  
AND SITE VISITS FOR INVESTORS

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, available in both Vietnamese and English. Vinhomes' investor presentation and regular financial updates and press releases can be found on the Company's website at [www.vinhomes.vn](http://www.vinhomes.vn), under the Shareholder Relations section.

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DOMESTIC AND FOREIGN  
INVESTOR CONFERENCES

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 2019, Vingroup in general and Vinhomes in particular held 160 meetings, presentations, and site visits for investors, and participated in 12 domestic and foreign investor conferences in the UK, the US, Singapore, Hong Kong and Japan, meeting hundreds of interested investors.

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).

## Event Calendar 2019 – Investor Relations

Date	Event	Address
<b>Quarter I</b>	Investor Conference Call to announce 4Q18 financial results	Hanoi
	Credit Suisse – ASEAN Investment Conference 2019	Singapore
	Credit Suisse – Asia Frontier Conference	London
	Credit Suisse – 22 <sup>nd</sup> Asian Investment Conference (AIC)	Hong Kong
	Daiwa – 13 <sup>th</sup> Annual Investment Conference	Tokyo
	Viet Capital Securities JSC – Investors’ Conference	Ho Chi Minh City
<b>Quarter II</b>	Investor Conference Call to announce 1Q19 financial results	Hanoi
	Annual General Meeting of Shareholders 2019	Hanoi
	Citi/SSI – Vietnam Investors Forum 2019	Ho Chi Minh City
	UBS – ASEAN Annual Conference	New York, San Francisco
	Citi – ASEAN Investors Forum 2019	Singapore
	HSC – Investors Conference	Ho Chi Minh City
<b>Quarter III</b>	Investor Conference Call to announce 2Q19 financial results	Hanoi
	HOSE/Daiwa – Vietnam Corporate Day Singapore	Singapore
<b>Quarter IV</b>	Investor Conference Call to announce 3Q19 financial results	Hanoi
	Morgan Stanley – Asia Pacific Summit Singapore	Singapore
	Goldman Sachs/SSI – Vietnam Corporate Day Singapore	Singapore

## Financial Calendar

Financial year ending December 31, 2019	
April 22, 2019	Release of Quarter I, 2019 Financial Statements
July 29, 2019	Release of Quarter II, 2019 Financial Statements
October 28, 2019	Release of Quarter III, 2019 Financial Statements
January 30, 2020	Release of Quarter IV, 2019 Financial Statements
Financial year ending December 31, 2020	
April 2020	Tentative release of Quarter I, 2020 Financial Statements
July 2020	Tentative release of Quarter II, 2020 Financial Statements
October 2020	Tentative release of Quarter III, 2020 Financial Statements
January 2021	Tentative release of Quarter IV, 2020 Financial Statements



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75 Vinhomes' Vision for Sustainability

76 2019 Sustainability Report

CHAPTER

05

# SUSTAINABLE DEVELOPMENT



# VINHOMES' VISION FOR SUSTAINABILITY

Having inherited a vision of sustainability from our parent company, Vingroup, we believe 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
- 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

# 2019 SUSTAINABILITY REPORT

## Energy Savings and Environmental Protection

### Promote Environmental Protection in the Company's Projects

In all our real estate projects, we protect the environment by adopting low construction density, ensuring harmony with nature and embracing a model of smart urban life immersed in natural elements. Visibility and natural lighting are optimized at high-rise projects such as Vinhomes Skylake, Vinhomes Golden River and Vinhomes Metropolis. In line with our strategy to promote the use of environment-friendly products, in many of our projects we have deployed central air-conditioning solutions, Low-E glass with enhanced protection from UV radiation, and better energy efficiency.

### Build Green Products and Living Spaces Close to Natural Elements

Each Vinhomes urban area is built based on the philosophy of "Life harmonizing with nature," with greenery, parks, squares and waterways harmoniously designed and arranged. All new Vinhomes mega projects feature low construction density of only 15% to 19%, and reserve vast areas for greenery, water expanses and public facilities. Vinhomes's hallmark amenities, such as the 6.1 hectare man-made salt-water lagoon, the 24.5 hectare central reservoir at Vinhomes Ocean Park in Hanoi, and the 36 hectare riverside mega park at Vinhomes Grand Park in Ho Chi Minh City are great examples. They offer natural "green" landscapes to their residents and also help to improve the climate conditions and create ideal public spaces in the surrounding areas. In addition, these new mega projects are enriched with useful facilities such as hundreds of fitness machines, numerous outdoor sports courts and various BBQ parks in place. These features promote physical and outdoor activities, improve community health and strengthen the bond among the residents.



Vinhomes Smart City (Hanoi)

## Social Responsibility

Besides business KPIs, one of Vinhomes most important objectives is to create and maintain happy and caring communities. Vinhomes accomplishes this goal by organizing meaningful community activities across all Vinhomes projects throughout Vietnam:

- The Annual Smart Little Residents Program is offered for free for all children living in all Vinhomes projects. Following its success in 2018, the 2019 Smart Little Residents Program equipped children with valuable life skills on child abduction and abuse prevention in modern and urban settings. In addition to creating a safe and green living environment, conducive to the holistic development of the children, both physically and mentally, Vinhomes also pays close attention to supplementing their education with critical life skills, such as coaching courses. Other activities include swimming classes and regular community events to promote social values.
- Holiday celebrations such as Lunar New Year, Mid-Autumn Festival, Children's Day and Christmas are held annually on a large-scale to promote bonding among the resident communities.

In addition to activities organized for residents, Vinhomes employees also actively participated in several volunteer programs throughout 2019, such as:

- Giving Tet presents to the poor, with donation of more than VND 1 billion from Vinhomes management and employees between 2019 to 2020. Over 100 Vinhomes employees volunteered to visit people in need in 63 cities and provinces throughout Vietnam.
- More than 640 Vinhomes employees participated in the 2019 – 2020 blood donation drive.

Further details about social responsibility can be found in Vingroup Annual Report 2019, Chapter 5, 2019 Sustainability Report, page 124.



## Sustainable Human Resources Development

Human resources is the key driving force behind the development of the Company. 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 three 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 2019 was VND 13.25 million.

Total  
**7,036** EMPLOYEES

Average Income  
VND **13.25** MILLION/  
MONTH

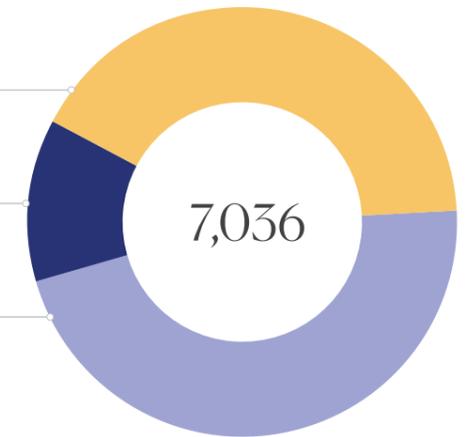
## Human Resource Structure

### EMPLOYEE DISTRIBUTION BY EDUCATION (\*)

41.57% UNIVERSITY, MASTER AND PH.D.

12.18% COLLEGE AND VOCATIONAL SCHOOL

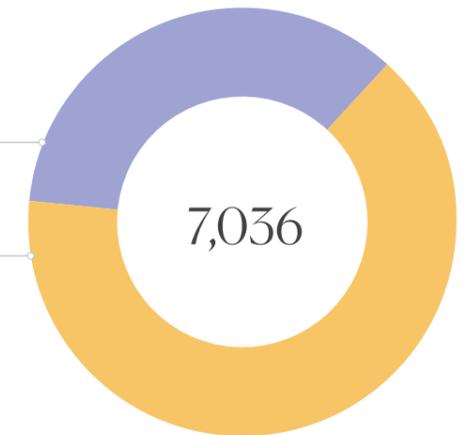
46.25% BELOW UNIVERSITY-LEVEL



### EMPLOYEE DISTRIBUTION BY GENDER (\*)

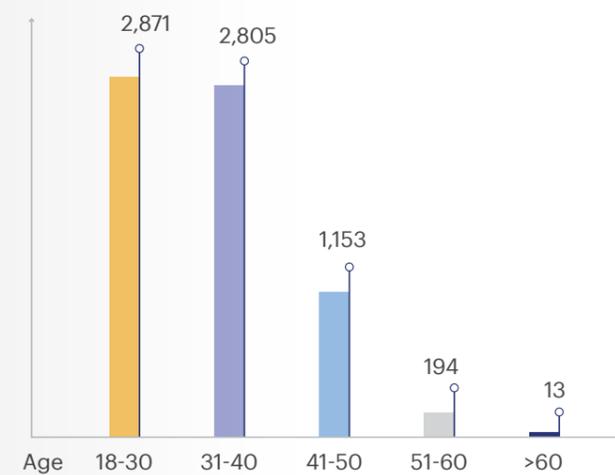
35.03% FEMALE

64.97% MALE



### EMPLOYEE DISTRIBUTION BY AGE (\*)

#### Number of employees



(\*) As of December 31, 2019

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# CONSOLIDATED FINANCIAL STATEMENTS

CHAPTER

06

Vinhomes Joint Stock Company

# CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

# GENERAL INFORMATION

## The Company

Vinhomes Joint Stock Company (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 28th amendment dated 28 June 2019 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company’s head office is located at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam.

Vingroup JSC is the Company’s parent. Vingroup JSC and its subsidiaries are hereby referred as the Group

## Board of Directors

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

Ms. Nguyen Dieu Linh	Chairwoman	Appointed on 28 February 2019
Mr. Pham Nhat Vuong	Member	Ms. Nguyen Dieu Linh was appointed as the Chairperson as replacement for Mr. Pham Nhat Vuong on 28 February 2019
Mr. Nguyen Viet Quang	Member	
Ms. Cao Thi Ha An	Member	
Mr. Varun Kapur	Independent member	
Mr. Mueen Uddeen	Independent member	

## Supervisory Board

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

Mr. Pham Khoi Nguyen	Head of the Supervisory Board	
Ms. Doan Thi Thu Mai	Member	
Ms. Le Thi Duyen	Member	

## Management

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

Mr. Pham Thieu Hoa	Chief Executive Officer Deputy Chief Executive Officer	Appointed on 18 May 2019 Resigned on 18 May 2019
Ms. Luu Thi Anh Xuan	Chief Executive Officer	Appointed on 28 February 2019 Resigned on 18 May 2019
Ms. Nguyen Dieu Linh	Chief Executive Officer	Resigned on 28 February 2019
Mr. Douglas John Farrell	Deputy Chief Executive Officer	
Ms. Nguyen Ngoc Thuy Linh	Deputy Chief Executive Officer	
Mr. Nguyen Duc Quang	Deputy Chief Executive Officer	
Ms. Phi Thi Thuc Nga	Deputy Chief Executive Officer	
Mr. Nguyen Van Trai	Deputy Chief Executive Officer	
Mr. Pham Van Khuong	Deputy Chief Executive Officer	
Ms. Dao Thi Thien Huong	Deputy Chief Executive Officer	Appointed on 10 January 2019 Resigned on 15 July 2019

## Legal Representatives

The legal representatives of the Company:

- up to 5 March 2019 are Mr. Pham Nhat Vuong, Chairman, Ms. Nguyen Dieu Linh, Chief Executive Officer and Mr. Nguyen Van Trai, Deputy Chief Executive Officer;
- from 6 March 2019 to 19 May 2019 are Ms. Nguyen Dieu Linh, Chairwoman, Ms. Luu Thi Anh Xuan, Chief Executive Officer and Mr. Nguyen Van Trai, Deputy Chief Executive Officer;
- from 20 May 2019 to 27 June 2019 are Ms. Nguyen Dieu Linh, Chairwoman, Mr. Pham Thieu Hoa, Chief Executive Officer and Mr. Nguyen Van Trai, Deputy Chief Executive Officer; and
- from 28 June 2019 to the date of this report are Ms. Nguyen Dieu Linh, Chairwoman, Mr. Pham Thieu Hoa, Chief Executive Officer, Mr. Nguyen Van Trai, Deputy Chief Executive Officer and Mr. Pham Van Khuong, Deputy Chief Executive Officer.

Ms. Le Thi Hai Yen, Chief Financial Officer, is authorised to sign the financial statements of the Company in accordance with the Letter of Authorisation No 064/2019/GUQ-TGD-VH dated 26 July 2019.

## Auditor

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

# REPORT OF MANAGEMENT

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

## Management’s Responsibility in Respect of the Consolidated Financial Statements

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

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

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

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

## Statement by Management

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

For and on behalf of management:



LE THI HAI YEN  
Chief Financial Officer

Hanoi, Vietnam  
30 March 2020

Reference: 60871645/21120223-HN

# INDEPENDENT AUDITORS’ REPORT

To: The Shareholders of Vinhomes Joint Stock Company

We have audited the accompanying consolidated financial statements of Vinhomes Joint Stock Company (“the Company”) and its subsidiaries (collectively referred to as “the Company and its subsidiaries”) as prepared on 30 March 2020 and set out on pages 88 to 146, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

## Management’s responsibility

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

## Auditors’ responsibility

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

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

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

## Opinion

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

Ernst & Young Vietnam Limited



LE VU TRUONG  
Deputy General Director  
Audit Practicing Registration  
Certificate No. 1588-2018-004-1

Hanoi, Vietnam  
30 March 2020



NGUYEN HOANG LINH  
Auditor  
Audit Practicing Registration  
Certificate No. 3835-2016-004-1

# CONSOLIDATED BALANCE SHEET

as at 31 December 2019

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>139,555,054</b>	<b>91,202,544</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>13,332,299</b>	<b>3,515,372</b>
111	1. Cash		2,788,220	2,695,195
112	2. Cash equivalents		10,544,079	820,177
<b>120</b>	<b>II. Short-term investments</b>		<b>360,611</b>	<b>1,009,405</b>
123	1. Held-to-maturity investments	6	360,611	1,009,405
<b>130</b>	<b>III. Current accounts receivable</b>		<b>47,467,976</b>	<b>43,356,144</b>
131	1. Short-term trade receivables	7.1	8,811,344	7,144,805
132	2. Short-term advances to suppliers	7.2	8,802,736	2,552,554
135	3. Short-term loan receivables	8	16,507,454	4,527,857
136	4. Other short-term receivables	9	13,465,638	29,241,297
137	5. Provision for doubtful short-term receivables	10	(119,196)	(110,369)
<b>140</b>	<b>IV. Inventories</b>	<b>11</b>	<b>60,296,848</b>	<b>36,858,429</b>
141	1. Inventories		60,306,616	37,065,229
149	2. Provision for obsolete inventories		(9,768)	(206,800)
<b>150</b>	<b>V. Other current assets</b>		<b>18,097,320</b>	<b>6,463,194</b>
151	1. Short-term prepaid expenses	12	2,089,245	1,005,321
152	2. Value-added tax deductible	21	673,229	119,251
153	3. Tax and other receivables from the State	21	41,933	94,494
155	4. Other current assets	13	15,292,913	5,244,128

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>57,685,974</b>	<b>28,486,210</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>8,114,996</b>	<b>213,789</b>
215	1. Long-term loan receivables	8	7,863,900	-
216	2. Other long-term receivables	9	251,096	213,789
<b>220</b>	<b>II. Fixed assets</b>		<b>690,347</b>	<b>128,186</b>
221	1. Tangible fixed asset	14	624,738	100,435
222	Cost		678,311	119,583
223	Accumulated depreciation		(53,573)	(19,148)
227	2. Intangible fixed assets		65,609	27,751
228	Cost		108,952	50,628
229	Accumulated amortisation		(43,343)	(22,877)
<b>230</b>	<b>III. Investment properties</b>	<b>15</b>	<b>6,626,630</b>	<b>5,828,905</b>
231	1. Cost		6,959,536	5,994,452
232	2. Accumulated depreciation		(332,906)	(165,547)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>28,212,527</b>	<b>18,363,034</b>
242	1. Construction in progress	17	28,212,527	18,363,034
<b>250</b>	<b>V. Long-term investments</b>	<b>18</b>	<b>773,312</b>	<b>478,312</b>
253	1. Investments in other entities	18.1	558,632	378,632
255	2. Held-to-maturity investments	18	214,680	99,680
<b>260</b>	<b>VI. Other long-term assets</b>		<b>13,268,162</b>	<b>3,473,984</b>
261	1. Long-term prepaid expenses	12	2,511,706	508,583
262	2. Deferred tax assets	33.3	330,794	340,864
268	3. Other long-term assets	13	9,471,481	1,543,754
269	4. Goodwill	19	954,181	1,080,783
<b>270</b>	<b>TOTAL ASSETS</b>		<b>197,241,028</b>	<b>119,688,754</b>

# CONSOLIDATED BALANCE SHEET

(continued)

as at 31 December 2019

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>132,525,985</b>	<b>71,543,880</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>121,556,854</b>	<b>42,872,273</b>
311	1. Short-term trade payables	20.1	6,078,324	2,504,134
312	2. Short-term advances from customers	20.2	40,245,699	14,206,623
313	3. Statutory obligations	21	2,095,296	2,543,863
315	4. Short-term accrued expenses	22	7,839,911	6,083,735
318	5. Short-term unearned revenues	23	465,696	458,115
319	6. Other short-term payables	24	46,669,574	10,672,890
320	7. Short-term loans	25	18,162,354	6,402,913
<b>330</b>	<b>II. Non-current liabilities</b>		<b>10,969,131</b>	<b>28,671,607</b>
333	1. Long-term accrued expenses	22	588,885	520,943
336	2. Long-term unearned revenues	23	1,534,550	1,718,386
337	3. Other long-term liabilities	24	90,376	114,028
338	4. Long-term loans	25	8,343,025	25,505,723
341	5. Deferred tax liabilities	33.3	270,303	623,140
342	6. Long-term provisions	26	141,992	189,387

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>64,715,043</b>	<b>48,144,874</b>
<b>410</b>	<b>I. Capital</b>	<b>27</b>	<b>64,715,043</b>	<b>48,144,874</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)	-
420	4. Other funds belonging to owners' equity		1,816,269	1,816,269
421	5. Undistributed earnings		26,039,678	7,626,959
421a	- Undistributed earnings by the end of prior year		4,277,445	-
421b	- Undistributed earnings of current year		21,762,233	7,626,959
429	6. Non-controlling interests		8,618,886	4,911,507
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>197,241,028</b>	<b>119,688,754</b>



BUI TIEN LUC  
Preparer



NGUYEN HUU THANH  
Chief Accountant



LE THI HAI YEN  
Chief Financial Officer

Hanoi, Vietnam  
30 March 2020

# CONSOLIDATED INCOME STATEMENT

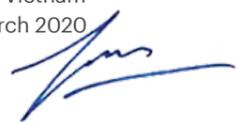
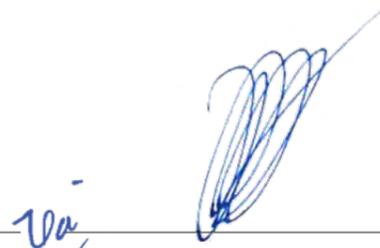
for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	51,626,931	38,664,328
02	2. Deductions	28.1	-	-
10	3. Net revenue from sale of goods and rendering of services	28.1	51,626,931	38,664,328
11	4. Cost of goods sold and services rendered	29	(24,171,323)	(28,603,258)
20	5. Gross profit from sale of goods and rendering of services		27,455,608	10,061,070
21	6. Finance income	28.2	9,045,787	14,565,047
22	7. Finance expenses	30	(2,548,827)	(2,456,954)
23	In which: Interest expenses and bond issuance expenses		(2,377,698)	(2,382,622)
24	8. Shares of profit of associates	18.1	-	191
25	9. Selling expenses	31	(2,080,673)	(1,381,105)
26	10. General and administrative expenses	31	(2,156,421)	(1,062,826)
30	11. Operating profit		29,715,474	19,725,423
31	12. Other income		185,728	100,932
32	13. Other expenses		(155,508)	(107,621)
40	14. Other profit/(loss)		30,220	(6,689)
50	15. Accounting profit before tax		29,745,694	19,718,734
51	16. Current corporate income tax expense	33.1	(5,766,161)	(4,630,061)
52	17. Deferred tax income/(expense)	33.3	339,567	(312,354)
60	18. Net profit after tax		24,319,100	14,776,319
61	19. Net profit after tax attributable to shareholders of the parent		21,747,376	14,284,453
62	20. Net profit after tax attributable to non-controlling interests		2,571,724	491,866

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
70	21. Basic earnings per share	35	6,502	4,503

Hanoi, Vietnam  
30 March 2020

BUI TIEN LUC  
Preparer

NGUYEN HUU THANH  
Chief AccountantLE THI HAI YEN  
Chief Financial Officer

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Profit before tax		29,745,694	19,718,734
	Adjustments for:			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	38	351,846	261,532
03	Reversal of provisions		(197,023)	(28,000)
04	Foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(899)	(1,414)
05	Profits from investing activities	38	(9,115,700)	(14,478,398)
06	Interest expenses and bond issuance expenses	30	2,377,698	2,382,622
08	Operating profit before changes in working capital		23,161,616	7,855,076
09	(Increase)/decrease in receivables		(3,032,812)	5,329,601
10	(Increase)/decrease in inventories		(7,354,995)	11,297,369
11	Increase/(decrease) in payables (other than interest, corporate income tax)		51,451,474	(20,385,216)
12	(Increase)/decrease in prepaid expenses		(2,885,248)	427,513
14	Interest paid		(3,309,171)	(2,579,917)
15	Corporate income tax paid	21	(6,102,455)	(3,407,626)
20	Net cash flows from/(used in) operating activities		51,928,409	(1,463,200)
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(3,846,972)	(750,555)
22	Proceeds from disposals of fixed assets and other long-term assets		205,848	1,618,545
23	Loans to other entities and payments for purchase of debt instruments of other entities	38	(14,077,010)	(13,939,642)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		30,762,019	19,995,489
25	Payments for investments in other entities (net of cash hold by entity being acquired)	38	(61,164,624)	(52,277,281)
26	Proceeds from sale of investments in other entities (net of cash hold by entity being disposed)	38	19,568,901	26,397,780
27	Interest and dividends received		1,232,061	1,113,713
30	Net cash flows used in investing activities		(27,319,777)	(17,841,951)

# CONSOLIDATED CASH FLOW STATEMENT

(continued)

for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Issuance of shares		-	12,240,979
32	Reacquisition of treasury shares	27.1	(5,549,929)	-
33	Drawdown of borrowings		6,847,057	100,191,076
34	Repayment of borrowings		(12,402,281)	(90,227,832)
36	Dividends paid		(3,686,552)	(945,277)
<b>40</b>	<b>Net cash flows (used in)/from financing activities</b>		<b>(14,791,705)</b>	<b>21,258,946</b>
<b>50</b>	<b>Net increase in cash for the year</b>		<b>9,816,927</b>	<b>1,953,795</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>		<b>3,515,372</b>	<b>1,561,577</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>13,332,299</b>	<b>3,515,372</b>

BUI TIEN LUC  
Preparer

Hanoi, Vietnam  
30 March 2020

NGUYEN HUU THANH  
Chief Accountant



LE THI HAI YEN  
Chief Financial Officer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2019 and for the year then ended

## 1. CORPORATE INFORMATION

Vinhomes Joint Stock Company (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 28th amendment dated 28 June 2019 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company’s head office is located at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam.

Vingroup JSC is the Company’s parent. Vingroup JSC and its subsidiaries are hereby referred as the Group.

The Company’s normal course of business cycle of real estate development activity begins when the Company receives investment certificate, carries out land clearance and construction works until the project is completed. Accordingly, the normal course of business cycle of real estate development activity ranges from 12 months to 36 months.

The Company’s normal course of business cycle of other activities is normally within 12 months.

The number of the Company’s employees as at 31 December 2019: 7,116 (31 December 2018: 6,258).

### Corporate structure

As at 31 December 2019, the Company has 18 subsidiaries (as at 31 December 2018: 18 subsidiaries). The information on these subsidiaries, along with the Company’s direct and indirect voting rights and direct and indirect equity interest in each subsidiary is as follows:

No.	Company	Voting rights (%)	Equity interest (%)	Registered office’s address	Principal activities
1	Gia Lam Urban Development and Investment Limited Liability Company (“Gia Lam LLC”) (i)	85.00	83.95	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
2	Ecology Development and Investment Joint Stock Company (“Ecology JSC”) (i)	99.18	98.76	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
3	Vietnam Investment and Consulting Investment Joint Stock Company (“Vietnam Investment JSC”) (i)	69.50	68.64	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
4	Can Gio Tourist City Corporation (“Can Gio JSC”) (i)	99.89	98.56	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
5	Tay Tang Long Real Estate LLC (“Tay Tang Long LLC”)	90.00	90.00	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 1. CORPORATE INFORMATION (continued)

### Corporate structure (continued)

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
6	Berjaya Vietnam International University Township ("Berjaya VIUT LLC") (i)	97.90	88.17	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
7	Royal City Real Estate Development and Investment JSC ("Royal City JSC")	57.85	57.85	No. 72A Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi	Investing, developing and trading real estate properties
8	Lang Van Development and Investment JSC ("Lang Van JSC") (i)	99.00	95.82	No. 7 Truong Sa Street, Hoa Hai Ward, Ngu Hanh Son District, Da Nang City	Investing, developing and trading real estate properties
9	Metropolis Hanoi LLC	100.00	100.00	HH land area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi	Investing, developing and trading real estate properties
10	Berjaya Vietnam Financial Center LLC ("Berjaya VFC LLC") (i)	67.50	60.78	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
11	Thai Son Investment and Construction JSC ("Thai Son JSC") (i)	100.00	90.06	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
12	Millenium Trading Investment and Development LLC ("Millenium LLC")	100.00	100.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties and office leasing
13	GS Cu Chi Development JSC ("GS Cu Chi JSC") (i)	100.00	99.89	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
14	Phu Gia Property Trading Limited Liability Company ("Phu Gia LLC") (i) (ii)	98.00	96.79	No. 63 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	Investing, developing and trading real estate properties
15	AnThinh Trading and Commercial Development JSC ("An Thinh JSC")	85.00	85.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
16	Delta JSC (i)	100.00	99.34	110 Dang Cong Binh, 6th Hamlet, Xuan Thoi Thuong Ward, Hoc Mon District, Ho Chi Minh City	Investing, developing and trading real estate properties
17	Green City Development JSC ("Green City JSC")	90.00	90.00	No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
18	MV Viet Nam Real Estate Trading JSC ("MV Real Estate JSC") (i)	99.82	89.84	4th Floor, Vincom Megamall Thao Dien, 161 Ha Noi Highway, Thao Dien Ward, District 2, Ho Chi Minh City	Investing, developing and trading real estate properties

(i) The equity interest in these subsidiaries differs from voting right since the Company controls over these subsidiaries indirectly through other subsidiaries.

(ii) This company is in the process of completing dissolution procedures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 2. BASIS OF PREPARATION

### 2.1. Accounting standards and system

The consolidated financial statements of the Company and its subsidiaries, which are expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

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

### 2.2. Applied accounting documentation system

The Company and its subsidiaries' applied accounting documentation system is the General Journal.

### 2.3. Fiscal year

The Company and its subsidiaries' fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

### 2.4. Accounting currency

The consolidated financial statements are prepared in VND which is also the Company's accounting currency. For the purpose of presenting the consolidated financial statements as at 31 December 2019, the figures are rounded to the nearest millions and presented in millions of Vietnam dong ("million VND").

### 2.5. Basis of consolidation

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

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until such control ceases, except when the Company only obtains temporary control and the subsidiary is acquired with a view of resale within 12 months from acquisition.

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

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

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 2. BASIS OF PREPARATION (continued)

### 2.5. Basis of consolidation (continued)

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

In case the Company disposes a partial interest in a subsidiary and loses control but retains an interest as an associate, the Company's investment is accounted for using the equity method of accounting. Profit/loss from this transaction is recognised in the consolidated income statement.

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

### 3.2. Inventories

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

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

#### *Inventory property*

Property acquired or being constructed for sale or to be held for long-term lease that meets the requirements of outright revenue recognition in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Cost includes:

- Freehold, leasehold and development rights for land;
- Amounts payable/paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

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

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

#### *Construction inventory*

The Company and its subsidiaries use perpetual method to record raw materials and merchandise which are valued at cost of purchase on a weighted average basis.

Work in progress of construction contracts comprises costs of materials, labour costs, construction costs payable to sub-contractors and other related costs which have not been accepted by the investors at the date of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.2. Inventories (continued)

#### *Provision for obsolete inventories*

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

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

### 3.3. Receivables

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

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

### 3.4. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

### 3.5. Leased assets

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

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

#### *Where the Company and its subsidiaries are the lessors*

The net investment under finance lease contracts is included as a receivable in the consolidated balance sheet. The interest amount of the leased payments are recognised in the consolidated income statement over the period of the lease contracts to achieve a constant rate of interest on the net investment outstanding.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5. Leased assets (continued)

Where the Company and its subsidiaries are the lessees

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

#### 3.6. Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

#### 3.7. Depreciation and amortisation

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

Buildings and structures	15 - 48 years
Machinery and equipment	5 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years
Computer software	3 - 5 years
Others	2 - 5 years

#### 3.8. Investment properties

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

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

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

Definite land use rights, buildings and structures	27 - 50 years
Machinery and equipment	7 - 10 years

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9. Borrowing costs

Borrowing costs consist of interest and other costs that the Company and its subsidiaries incur in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

#### 3.10. Prepaid expenses

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

Short-term prepaid expenses include commission fees for selling inventory properties, provisional corporate income tax for down payments from customers for the purchase of inventory properties at the Company and its subsidiaries' real estate projects and other prepaid expenses that are expected to generate future economic benefit within one ordinary course of business cycle.

Long-term prepaid expenses include tools and supplies, long-term prepaid rental fee and other prepaid expenses that generate future economic benefits for more than one year.

##### *Prepaid land rental*

The prepaid land rental represents the remaining unamortised balance of advance payment made in accordance with the lease contract signed with the authorities. Such prepaid rental is recognised as a long-term prepaid expense and is amortised to the consolidated income statement over the remaining lease period according to Circular 45/2013/TT-BTC. Besides, prepaid land rental also comprises land lease incurred from business combination, in which, the acquiree is a lessee under operating leases with favourable lease terms compared with the fair value at the date of business combination.

#### 3.11. Business combinations and goodwill

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

Where equity instruments are issued by the acquirer as consideration, fair value of the consideration shall be measured at fair value of these instruments at the exchange date. In case the published price at the date of exchange is an unreliable indicator of fair value, the fair value of those instruments could, for example, be estimated by reference to their proportional interest in the fair value of the acquirer or by reference to the proportional interest in the fair value of the acquiree obtained, whichever is the more clearly evident.

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.11. Business combinations and goodwill (continued)

##### *Business combinations involving entities or businesses under common control*

A business combination involving entities under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

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

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

After the date of business combination, if the Company and its subsidiaries transfer and lose control of investment in these entities, the difference between the cost of a business combination and net assets, which was previously recognised in owners' equity, is recognised in the consolidated income statement.

#### 3.12. Assets acquisitions and business combinations

The Company and its subsidiaries acquire subsidiaries that own assets and production activities. At the date of acquisition, the Company and its subsidiaries consider whether the acquisition represents the acquisition of a business. The Company and its subsidiaries account for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

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

#### 3.13. Investments

##### *Held-for-trading securities and investments in other entities*

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

##### *Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

##### *Held-to-maturity investments*

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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.

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

##### *Warranty provision for inventory properties*

The Company and its subsidiaries estimate provision for warranty expenses based on revenues and available information about the repair of inventory properties sold in the past.

#### 3.16. Foreign currency transactions

Transactions in currencies other than the Company and its subsidiaries' reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the consolidated balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly.

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.17. Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

#### 3.18. Appropriation of net profits

Net profit after tax (excluding gain arising from a bargain purchase) is available for appropriation to shareholders pursuant to decision of the Board of Directors (approved by General Meeting of Shareholders), and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

#### 3.19. Advances from customers buying inventory properties

Payments received from customers as deposits for purchase of inventory properties in the future that do not meet the conditions for revenue recognition, are recognised and presented as "Advances from customers" in the liability section in the consolidated balance sheet. Incentives under promotion programs which are, in substance, revenue deductions are offset against account "Advances from customers" which are not qualified to be recognised as revenue for the year.

#### 3.20. Revenue recognition

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

##### *Revenue from sale of inventory properties*

Revenue from sale of inventory properties is recognised when the significant risks and rewards incident to ownership of the properties have been passed to the buyer.

Revenue from sale of inventory properties also includes long-term lease of investment property qualified for recognition of outright sales. If the lease term is greater than 90% of the asset's useful life, the Company and its subsidiaries recognise the revenue for the entire prepaid lease payment if all following conditions are met:

- Lessee is not allowed to cancel the lease contract during the lease term, and the lessor is not responsible for reimbursing the prepaid lease payments under any circumstances;
- The prepaid lease payment is not less than 90% of the total estimated lease payment collected under contract over the lease period and lessee must pay all rental within 12 months from the commencement of the lease;
- Almost all risks and rewards associated with the ownership of leased assets are transferred to the lessee; and
- Lessor must estimate the full cost of leasing activity.

##### *Rental income*

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

##### *Rendering of services*

Revenue from rendering of services is recognised when the services are rendered to customers.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.20. Revenue recognition (continued)

##### *Interest*

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

##### *Dividends*

Income is recognised when the Company and its subsidiaries' entitlement as an investor to receive the dividend is established.

##### *Income from capital transfer*

Income from capital transfer is identified as difference between transfer consideration and cost of capital transfer. This income is recognised on the date when the transaction arises being the date when the transfer contract is exercised.

##### *Income from Business and Investment Co-operation Contracts in which the Company and its subsidiaries are entitled to profit before tax or profit after tax*

Income from the profit before tax or profit after tax of real estate business under Business and Investment Co-operation Contracts is recognised as finance income in the consolidated income statement.

In the transaction in which the Company and its subsidiaries provide multiple products and services to the customer in the same arrangement, the Company and its subsidiaries determine the obligation to sell the products and the obligation to render the services separately and only recognises the revenue when each individual obligation is completed by the Company and its subsidiaries. The contract value is allocated to individual product by taking the total contract value minus the estimated fair value of the services. Payments from customers under contracts corresponding to the unfulfilled obligations are presented as "Advances from customers" or "Unearned revenues" in the consolidated balance sheet.

#### 3.21. Construction contract

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

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

#### 3.22. Taxation

##### *Current income tax*

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

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.22. Taxation (continued)

##### *Deferred tax*

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible 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.

#### 3.23. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.24. Segment information

A segment is a component determined separately by the Company and its subsidiaries which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

Real estate trading and related services are principal sources of revenue and profit of the Company and its subsidiaries, while revenue from other activities accounts for a minimal portion in the Company and its subsidiaries' total revenue. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

#### 3.25. Related parties

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

#### 3.26. Demerger

Demerger transactions where the Company is the demerged company are carried out as follows:

- Assets, liabilities transferred to the new company is deducted from the respective items in the consolidated balance sheet by the carrying value at the date of demerger;
- Difference between assets and liabilities transferred to the new company is deducted from equity in the consolidated balance sheet; and
- No gain or loss is recognised for the demerger transaction.

#### 3.27. Bond issuance transaction cost

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR

### 4.1. Disposal of Prime Land Real Estate Investment Joint Stock Company (“Prime Land JSC”)

On 28 March 2019, under Share Transfer Agreements signed between the Company and a subsidiary with counterparties, the Company and the aforementioned subsidiary have disposed all shares in Prime Land JSC for total consideration of VND2,413 billion. Accordingly, the Company recognised a gain from this transaction in the consolidated income statement (Note 28.2).

### 4.2. Acquisition of group of assets

During the year, the Company and its subsidiaries have acquired shares of the following companies from counterparties. Management has reviewed and assessed that the acquisition of shares of these companies is the acquisition of group of assets, rather than business combination. The total consideration for each of these acquisitions was allocated to the assets and liabilities acquired based on their relative fair values at acquisition date. Accordingly, a part of consideration was recognised in construction in progress (Note 17). The non-controlling interests were also recognised at their relative proportion of the interests in the assets and liabilities acquired. These acquired assets and liabilities are presented in the same categories as other similar assets and liabilities held by the Company and its subsidiaries.

#### Acquisition of Green City JSC, a new subsidiary

On 1 July 2019, the Company and its subsidiaries completed the acquisition of 90% shares of Green City JSC from counterparties for a total consideration of VND15,474 billion. As a result, Green City JSC became a subsidiary of the Company. At the date of acquisition, Green City JSC is the owner of a potential real estate project.

#### Acquisition of Delta JSC, a new subsidiary

On 8 July 2019, the Company and its subsidiaries completed the acquisition of 100% shares of Delta JSC from counterparties for a total consideration of VND4,920 billion. As a result, Delta JSC became a subsidiary of the Company. At the date of acquisition, Delta JSC is the owner of a potential real estate project.

## 5. CASH AND CASH EQUIVALENTS

Currency: million VND

	Ending balance	Beginning balance
Cash on hand	1,288	2,029
Cash at banks	2,786,932	2,693,166
Cash equivalents	10,544,079	820,177
<b>TOTAL</b>	<b>13,332,299</b>	<b>3,515,372</b>

Cash equivalents as at 31 December 2019 comprise bank deposits in VND with term ranging from 1 month to 3 months, earning interests at rates ranging from 3.9% to 5% per annum (as at 31 December 2018: from 3.9% to 5.5% per annum).

Details of each type of foreign currency in original currency:

	Ending balance	Beginning balance
Foreign currency:		
- United States dollar (USD)	2,622	10,475

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 6. HELD-TO-MATURITY INVESTMENTS

Currency: million VND

	Ending balance		Beginning balance	
	Cost	Carrying value	Cost	Carrying value
Short-term bank deposits	360,611	360,611	1,009,405	1,009,405
<b>TOTAL</b>	<b>360,611</b>	<b>360,611</b>	<b>1,009,405</b>	<b>1,009,405</b>

Short-term bank deposits in VND as at 31 December 2019 have terms ranging from more than 3 months to 12 months, earning interests at rates ranging from 5% to 7% per annum (as at 31 December 2018: from 6.1% to 7.1% per annum).

## 7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

### 7.1. Short-term trade receivables

Currency: million VND

	Ending balance	Beginning balance
Sale of inventory properties	7,456,476	5,258,911
Disposal of investments	694,000	939,949
Rendering construction services and related services	442,173	772,169
Rendering real estate management services and related services	115,335	79,200
Leasing activities and rendering related services	103,360	94,576
<b>TOTAL</b>	<b>8,811,344</b>	<b>7,144,805</b>
<i>In which:</i>		
Trade receivables from others	6,629,747	4,484,621
Trade receivables from related parties (Note 34)	2,181,597	2,660,184
<i>In which, details of receivables which are more than 10% of total balance</i>		
A corporate counterparty	1,628,845	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

### 7.2. Short-term advances to suppliers

Currency: million VND

	Ending balance	Beginning balance
Advances to other suppliers	8,788,192	2,550,405
Advances to related parties (Note 34)	14,544	2,149
<b>TOTAL</b>	<b>8,802,736</b>	<b>2,552,554</b>
Provision for doubtful advances to suppliers	(19,205)	(11,664)

## 8. LOAN RECEIVABLES

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Loans to corporate counterparties and individuals (i)	15,852,454	4,527,857
<i>In which:</i>		
Current portion of long-term loan receivables	26,324	23,257
Loans to related parties (Note 34)	655,000	-
<b>TOTAL</b>	<b>16,507,454</b>	<b>4,527,857</b>
Provisions for doubtful loan receivables	(70,000)	(70,000)
<b>Long-term</b>		
Loans to corporate counterparties and individuals	1,000	-
Loans to related parties (Note 34)	7,862,900	-
<b>TOTAL</b>	<b>7,863,900</b>	-

(i) Balances as at 31 December 2019 mainly include:

- Loans to individuals amounting to VND12,001 billion, with terms of 12 months, and earning an interest rate of 10% to 10.15% per annum. These loans are secured by a number of listed shares and capital contributions in several companies.
- Loans to corporate counterparties amounting to VND3,770 billion, with terms of 12 months, and earning interest rate of 9% per annum. These loans are guaranteed by a number of shares of a listed company within the Group, a number of shares and a portion of the capital contribution in the borrowers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 9. OTHER RECEIVABLES

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Capital contribution for Business and Investment Co-operation Contract (i)	4,231,792	25,726,793
Receivables from payment on behalf (ii)	2,853,941	522,957
Interest income on loans, deposits and bank deposits	2,713,198	1,170,922
Declared profit receivables (iii)	2,617,025	1,294,827
Short-term deposits, mortgage	545,372	86,746
Others	504,310	439,052
<b>TOTAL</b>	<b>13,465,638</b>	<b>29,241,297</b>
Provision for doubtful other short-term receivables	(29,991)	(28,705)
<i>In which:</i>		
Receivables from others	6,765,972	16,229,553
Receivables from related parties (Note 34)	6,699,666	13,011,744
<b>Long-term</b>		
Receivable from long-term lease	127,886	125,621
Deposits for rental purpose	73,357	73,357
Interest income on long-term loans, deposits and bank deposits	39,647	-
Others	10,206	14,811
<b>TOTAL</b>	<b>251,096</b>	<b>213,789</b>
<i>In which:</i>		
Receivables from others	85,526	93,212
Receivables from related parties (Note 34)	165,570	120,577

- (i) Mainly includes capital contribution of VND3,890 billion to companies within the Group for the purpose of investing in several real estate projects under Business and Investment Co-operation Contracts.
- (ii) Mainly includes down payments collected by third party on behalf of the Company and its subsidiaries.
- (iii) This represents receivables for profit declaration from Business and Investment Co-operation Contracts with Vingroup JSC and an affiliate for the purpose of investing in Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Star City Thanh Hoa, Vinhomes Skylake and Vinhomes Dragon Bay Projects. The total profit sharing from these contracts is presented in Note 28.2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 10. BAD DEBTS

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

Currency: million VND

Debtor	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Corporate counterparties	119,804	608	110,369	-
<b>TOTAL</b>	<b>119,804</b>	<b>608</b>	<b>110,369</b>	<b>-</b>
Details of overdue receivables more than 10% of ending balance:				
Phu Son Cement JSC	82,705	-	82,705	-

## 11. INVENTORIES

Currency: million VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Inventory properties under construction (i)	54,949,401	-	33,682,718	(201,365)
Completed inventory properties	2,612,151	(8,578)	1,287,356	-
Inventories acquired for sales (ii)	578,709	(1,190)	1,009,381	(5,435)
Work in progress related to construction services (iii)	1,845,763	-	712,409	-
Others	320,592	-	373,365	-
<b>TOTAL</b>	<b>60,306,616</b>	<b>(9,768)</b>	<b>37,065,229</b>	<b>(206,800)</b>

(i) Mainly includes land use fee, land clearance costs, construction and development costs of Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Grand Park, Vinhomes Marina and Vinhomes West Point Projects.

(ii) Includes villas and shophouses acquired for sales of some real estate projects in Northern Vietnam.

(iii) Includes the costs incurred related to the rendering of general constructor services to investors of real estate projects.

Detail movements of provision for obsolete inventories:

Currency: million VND

	Ending balance	Beginning balance
Beginning balance	206,800	259,110
Add: Provision made during the year	13,850	184,728
Less: Disposal of subsidiary	-	(49,258)
Less: Utilisation of provision during the year	(210,882)	(187,780)
Ending balance	9,768	206,800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 12. PREPAID EXPENSES

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Commission fee related to inventory properties not yet handed over	1,509,431	834,413
Provisional corporate income tax	357,764	154,122
Guarantee fee prepaid related to inventory properties not yet handed over	97,788	-
Others	124,262	16,786
<b>TOTAL</b>	<b>2,089,245</b>	<b>1,005,321</b>
<b>Long-term</b>		
Prepaid land rental (i)	2,422,489	365,250
Tools and supplies	28,996	27,451
Prepaid villas rental	30,446	44,504
Repair and leasehold improvement	18,222	66,842
Others	11,553	4,536
<b>TOTAL</b>	<b>2,511,706</b>	<b>508,583</b>

(i) These are prepaid land rental fee of Vinhomes Ocean Park Project and Vinhomes Smart City Project, and land rental rights for Ecology JSC's shopping malls operating under Business Co-operation Contracts.

## 13. OTHER ASSETS

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Deposits for investment purpose (i)	15,292,913	5,014,141
Electrical equipment systems	-	229,987
<b>TOTAL</b>	<b>15,292,913</b>	<b>5,244,128</b>
<i>In which:</i>		
Deposits to others	6,643,513	974,871
Deposits to related parties (Note 34)	8,649,400	4,269,257
<b>Long-term</b>		
Deposits for investment purpose (ii)	8,439,145	511,418
Deposits for commercial purpose (iii)	1,032,336	1,032,336
<b>TOTAL</b>	<b>9,471,481</b>	<b>1,543,754</b>
<i>In which:</i>		
Deposits to others	1,032,336	1,032,336
Deposits to related parties (Note 34)	8,439,145	511,418

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 13. OTHER ASSETS (continued)

- (i) Mainly comprises:
- Deposits of VND3,063 billion to a company within the Group for acquiring additional shares of its subsidiaries that own potential real estate projects. In which, a portion of these deposits with total amount of VND1,940 billion is secured by several shares and related rights, benefit of these shares;
  - A deposit of VND1,985 billion to a company within the Group for the purpose of acquiring a real estate project;
  - Deposits of VND741 billion to a company within the Group for the purpose of investing in a number of real estate projects;
  - A deposit of VND2,790 billion to an affiliate for the purpose of investing and constructing a project. This deposit is secured by capital contribution of this affiliate;
  - Deposits of VND3,400 billion to counterparties for the purpose of acquiring shares of a company that owns a real estate project. These deposits are secured by a number of shares in this company; and
  - A deposit of VND2,750 billion to a counterparty for the purpose of acquiring shares of a company that owns a potential project. This deposit is interest-free and secured by a number of shares of a non-listed company.
- (ii) Comprises deposits to a company within the Group for the purpose of acquiring a real estate project and shares of companies that own potential real estate projects; and
- (iii) An unsecured deposit to a counterparty earning interest rate which is determined by 12-month interest paid-in-arrear VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, adjusted every 3 months. The deposit and interest will be used as settlement for 10% of contract value under separate contracts between the Company and its subsidiaries and this counterparty.

### 14. TANGIBLE FIXED ASSETS

Currency: million VND

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
<b>Cost:</b>						
Beginning balance	9,768	20,492	76,872	3,897	8,554	119,583
Newly purchased	92	12,862	803	6,157	536	20,450
Newly constructed	344,297	160,922	-	-	-	505,219
Acquisition of subsidiaries	28,670	45	-	665	-	29,380
Transfer from inventories	4,904	-	-	-	-	4,904
Sold, disposed	-	(218)	-	(906)	(101)	(1,225)
Ending balance	387,731	194,103	77,675	9,813	8,989	678,311
Fully depreciated	-	15,256	2,749	1,665	246	19,916
<b>Accumulated depreciation:</b>						
Beginning balance	-	6,068	8,278	800	4,002	19,148
Depreciation for the year	11,974	2,351	9,920	3,037	2,136	29,418
Acquisition of subsidiaries	4,753	24	-	590	-	5,367
Sold, disposed	-	(139)	-	(186)	(35)	(360)
Ending balance	16,727	8,304	18,198	4,241	6,103	53,573
<b>Net carrying amount:</b>						
Beginning balance	9,768	14,424	68,594	3,097	4,552	100,435
Ending balance	371,004	185,799	59,477	5,572	2,886	624,738

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 15. INVESTMENT PROPERTIES

Currency: million VND

	Land use rights, Buildings and structures	Machinery and equipment	Total
<b>Cost:</b>			
Beginning balance	5,342,589	651,863	5,994,452
Newly purchased	677,136	-	677,136
Newly constructed	599,504	181,389	780,893
Other additions	19,849	1,272	21,121
Transfer to inventories	(31,896)	-	(31,896)
Sold, disposed (i)	(360,251)	-	(360,251)
Other decreases	(45,292)	(76,627)	(121,919)
Ending balance (ii)	6,201,639	757,897	6,959,536
<b>Accumulated depreciation:</b>			
Beginning balance	109,913	55,634	165,547
Depreciation for the year	132,958	38,371	171,329
Transfer to inventories	(216)	-	(216)
Sold, disposed	(3,754)	-	(3,754)
Ending balance (ii)	238,901	94,005	332,906
<b>Net carrying amount:</b>			
Beginning balance	5,232,676	596,229	5,828,905
Ending balance (ii)	5,962,738	663,892	6,626,630

- (i) Investment properties sold and disposed during the year mainly include villas for lease of a real estate project in Hanoi.
- (ii) As at 31 December 2019, investment properties mainly include: office-for-lease component in Vinhomes Times City Project; office component of Vincom Center Dong Khoi at No. 72, Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City; office component of Vinhomes Symphony Project; parking component in Vinhomes Times City, Vinhomes Central Park, Vinhomes Green Bay, Vinhomes Golden River, Vinhomes Royal City, Vinhomes Metropolis Projects, Landmark 81 SkyView; and apartments, villas, shophouses for lease in other projects.

The Company and its subsidiaries have not determined fair value of investment properties as at 31 December 2019 because of insufficient market information for fair value determination purpose.

### 16. CAPITALISED BORROWING COSTS

During the year, the Company and its subsidiaries capitalised borrowing costs with an amount of approximately VND700.7 billion (for the year ended 31 December 2018: VND459 billion). These borrowing costs mainly related to specific borrowings taken to finance the construction of Vinhomes Central Park, Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park Projects. The capitalised borrowing costs are determined by applying a capitalisation rate from 8.12% per annum to 10.4% per annum (for the year ended 31 December 2018: 7% per annum to 10.03% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 17. CONSTRUCTION IN PROGRESS

Currency: million VND

	Ending balance	Beginning balance
Vinhomes Long Beach Can Gio Project	12,453,085	12,403,704
Vinhomes Grand Park Project	4,183,547	-
Hoc Mon Urban Project	4,092,295	-
Leman Golf Course & Villa Cu Chi Project	1,688,815	1,657,779
Vinhomes Smart City Project	1,466,565	356,058
Vinhomes Ky Hoa Project	1,141,329	1,133,149
Vinhomes Ocean Park Project	1,130,702	416,685
Vinhomes Golden River Project	839,811	642,158
Other Projects	1,216,378	1,753,501
<b>TOTAL</b>	<b>28,212,527</b>	<b>18,363,034</b>

The balance represents construction costs, land clearance costs, land use fee, project development costs and consideration for acquisition of subsidiaries allocated as a part of project acquisition costs.

## 18. LONG-TERM INVESTMENTS

Currency: million VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Investments in other entities (Note 18.1)	558,632	-	378,632	-
Held-to-maturity investments (i)	214,680	-	99,680	-
<b>TOTAL</b>	<b>773,312</b>	<b>-</b>	<b>478,312</b>	<b>-</b>

(i) As at 31 December 2019, the balances represent four investments in bonds, details are as follows:

Issuer	Ending balance (million VND)	Maturity date	Interest rate
Joint Stock Commercial Bank for Investment and Development of Vietnam	100,000	28 November 2025	Interest rate is equal to the reference interest rate plus 1.3% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual, reference from 4 banks (Joint Stock Commercial Bank for Investment and Development of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, Joint Stock Commercial Bank for Foreign Trade of Vietnam and Vietnam Bank for Agriculture and Rural Development).
Joint Stock Commercial Bank for Foreign Trade of Vietnam	50,000	25 November 2026	Interest rate for the first period is 7.57% per annum; the interest rate from the following years is equal to the 12-month interest paid-in-arrear VND saving rate for individual plus 1% per annum.
Joint Stock Commercial Bank for Investment and Development of Vietnam	49,680	19 December 2028	Interest rate is equal to the reference interest rate plus 1% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual.
Vietnam Joint Stock Commercial Bank for Industry and Trade	15,000	29 October 2026	Interest rate is equal to the reference interest rate plus 1% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual, reference from 4 banks (Joint Stock Commercial Bank for Investment and Development of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, Joint Stock Commercial Bank for Foreign Trade of Vietnam and Vietnam Bank for Agriculture and Rural Development).
<b>TOTAL</b>	<b>214,680</b>		

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 18. LONG-TERM INVESTMENTS (continued)

### 18.1. Investments in other entities

	Ending balance			Beginning balance				
	Number of shares	Voting right (%)	Equity interest (%)	Amount (*) (million VND)	Number of shares	Voting right (%)	Equity interest (%)	Amount (million VND)
SV Real Estate JSC (i)	11,000,000	4%	4%	110,000	-	-	-	-
SV West Hanoi JSC (ii)	7,000,000	4%	4%	70,000	-	-	-	-
Xavinco Land JSC ("Xavinco JSC")	2,000,000	1%	1%	22,223	2,000,000	1%	1%	22,223
Thang Long Real Estate Trading Investment JSC ("Thang Long Real Estate JSC")	500,000	10%	10%	13,500	500,000	10%	10%	13,500
Phat Loc Commercial Investment Trading LLC ("Phat Loc LLC") (iii)	(**)	-	51%	342,909	(**)	-	51%	342,909
<b>TOTAL</b>				<b>558,632</b>				<b>378,632</b>

(\*) As at 31 December 2019, the fair value of these investments has not been determined because of insufficient market information for fair value determination purpose.

(\*\*) This is a limited liability company.

(i) On 1 November 2019, the Company completed the capital contribution of VND110 billion to SV Real Estate JSC. Thereby, SV Real Estate JSC became other long-term investment of the Company.

(ii) On 13 November 2019, the Company completed the capital contribution of VND70 billion in SV West Hanoi JSC. Thereby, SV West Hanoi JSC became other long-term investment of the Company.

(iii) As at 31 December 2019, the Company no longer controls or has significant influence over Phat Loc LLC. Therefore, the Company presents this investment as other long-term investment.

## 19. GOODWILL

		Currency: million VND					Total
		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
<b>Cost:</b>							
Beginning balance	369,867	288,149	1,235	115,728	337,767	153,044	1,265,790
Ending balance	369,867	288,149	1,235	115,728	337,767	153,044	1,265,790
<b>Accumulated amortisation:</b>							
Beginning balance	75,443	58,814	252	10,608	30,962	8,928	185,007
Amortisation for the year	37,037	28,815	123	11,554	33,723	15,350	126,602
Ending balance	112,480	87,629	375	22,162	64,685	24,278	311,609
<b>Net carrying amount:</b>							
Beginning balance	294,424	229,335	983	105,120	306,805	144,116	1,080,783
Ending balance	257,387	200,520	860	93,566	273,082	128,766	954,181

(\*) These companies were merged into the Company in 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 20. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

## 20.1. Short-term trade payables

Currency: million VND

	Balance (Payable amount)	
	Ending balance	Beginning balance
Short-term trade payables	5,530,445	2,192,065
<i>In which:</i>		
A corporate counterparty rendering construction service	652,470	440,897
Others	4,877,975	1,751,168
Trade payables to related parties (Note 34)	547,879	312,069
<b>TOTAL</b>	<b>6,078,324</b>	<b>2,504,134</b>

## 20.2. Advances from customers

Currency: million VND

	Ending balance	Beginning balance
Down payments from customers under sales and purchase agreements (i)	39,843,431	13,718,960
Advances from customers for construction services	402,268	487,663
<b>TOTAL</b>	<b>40,245,699</b>	<b>14,206,623</b>
<i>In which:</i>		
Advances from others	40,203,079	13,992,195
Advances from related parties (Note 34)	42,620	214,428

(i) These mainly represent down payments to purchase inventory properties at Vinhomes Ocean Park, Vinhomes Grand Park, Vinhomes Smart City, Vinhomes Marina, Vinhomes West Point and Vinhomes Metropolis Projects from customers who signed sales and purchase agreements with the Company and its subsidiaries.

## 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	2,121,043	5,854,204	(6,048,590)	1,926,657
Value added tax	412,631	1,857,228	(2,155,306)	114,553
Other taxes	10,189	7,936,822	(7,892,925)	54,086
<b>TOTAL</b>	<b>2,543,863</b>	<b>15,648,254</b>	<b>(16,096,821)</b>	<b>2,095,296</b>
	Beginning balance	Receivable for the year	Offset during the year	Ending balance
<b>Receivables</b>				
Value added tax	119,251	614,333	(60,355)	673,229
Corporate income tax	94,261	53,865	(106,430)	41,696
Other taxes	233	4	-	237
<b>TOTAL</b>	<b>213,745</b>	<b>668,202</b>	<b>(166,785)</b>	<b>715,162</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 22. ACCRUED EXPENSES

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Accrued costs for completed investment properties and handed over inventory properties	3,489,249	2,294,541
Accrued construction costs	1,604,205	1,413,051
Accrued commission fees and other expenses related to inventory properties	1,031,847	1,385,362
Accrued bond and loan interest expenses	655,274	833,817
Others	1,059,336	156,964
<b>TOTAL</b>	<b>7,839,911</b>	<b>6,083,735</b>
<i>In which:</i>		
Short-term accrual to others	7,820,481	5,732,349
Short-term accrual to related parties (Note 34)	19,430	351,386
<b>Long-term</b>		
Accrued loan interest expenses	588,885	520,943
<b>TOTAL</b>	<b>588,885</b>	<b>520,943</b>
<i>In which:</i>		
Long-term accrual to others	370,071	102,099
Long-term accrual to related parties (Note 34)	218,814	418,844

## 23. UNEARNED REVENUE

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Unearned revenue from real estate management service	439,862	423,489
Unearned revenue from leasing service	25,834	34,626
<b>TOTAL</b>	<b>465,696</b>	<b>458,115</b>
<b>Long-term</b>		
Unearned revenue from real estate management service	1,286,692	1,460,577
Unearned revenue from leasing service	247,858	257,809
<b>TOTAL</b>	<b>1,534,550</b>	<b>1,718,386</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 24. OTHER PAYABLES

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Deposits and other agreements related to real estate projects (i)	36,356,311	4,786,478
Deposits for disposal of investments (ii)	6,719,985	-
Apartment maintenance funds held on behalf of customers (iii)	1,208,885	1,549,065
Deposits under Business and Investment Co-operation Contracts (iv)	904,000	2,562,807
Deposits from brokerage agents and tenants	219,413	322,153
Receipt on behalf payables	104,690	567,393
Others	1,156,290	884,994
<b>TOTAL</b>	<b>46,669,574</b>	<b>10,672,890</b>
<i>In which:</i>		
Other short-term payables to others	45,169,429	8,121,647
Other short-term payables to related parties (Note 34)	1,500,145	2,551,243
<b>Long-term</b>		
Other long-term deposits	86,651	99,024
Others	3,725	15,004
<b>TOTAL</b>	<b>90,376</b>	<b>114,028</b>

(i) Balance as at 31 December 2019 includes cash receipts under deposits and other agreements from customers and corporate counterparties related to real estate properties of the Company and its subsidiaries.

(ii) This represents amounts received from corporate counterparties for share transfer in certain companies.

(iii) These pertain to maintenance fund held on behalf of customers of real estate projects of the Company and its subsidiaries, which will be handed over to Building Management Boards. The Company and its subsidiaries are maintaining these funds in cash equivalents and held-to-maturity investments.

(iv) These pertain to deposits from a number of affiliates to the Company and its subsidiaries pursuant to Business and Investment Co-operation Contracts for purpose of operating and transferring co-operation of shopping mall and school components of Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Central Park, Vinhomes Grand Park and Vinhomes Long Beach Can Gio Projects. The deposits related to the shopping mall components are bearing interest at 10% per annum.

## 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>						
Loans from banks (Note 25.1)	22,433	22,433	4,235,219	(362,837)	3,894,815	3,894,815
Loans from counterparties (Note 25.2)	1,960,000	1,960,000	950,000	(950,000)	1,960,000	1,960,000
Current portion of long-term corporate bonds (Note 25.3)	3,037,874	3,037,874	12,407,855	(3,138,190)	12,307,539	12,307,539
Loans from related parties (Note 34)	1,382,606	1,382,606	1,087,500	(2,470,106)	-	-
<b>Long-term</b>						
Loans from banks (Note 25.1)	1,421,098	1,421,098	-	(50,000)	1,371,098	1,371,098
Loans from counterparties (Note 25.2)	3,200,000	3,200,000	1,950,000	(1,760,000)	3,390,000	3,390,000
Corporate bonds (Note 25.3)	14,386,625	14,386,625	736,032	(12,345,730)	2,776,927	2,776,927
Loans from related parties (Note 34)	6,498,000	6,498,000	439,000	(6,132,000)	805,000	805,000
<b>TOTAL</b>	<b>25,505,723</b>	<b>25,505,723</b>	<b>3,125,032</b>	<b>(20,287,730)</b>	<b>8,343,025</b>	<b>8,343,025</b>
	<b>31,908,636</b>	<b>31,908,636</b>	<b>21,805,606</b>	<b>(27,208,863)</b>	<b>26,505,379</b>	<b>26,505,379</b>

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## 25. LOANS (continued)

## 25.1. Loans from banks

(i) Detail of short-term loans from bank is presented as below:

Lender	Ending balance (million VND)	Maturity date	Interest rate	Collateral
Vietnam Technological and Commercial Joint Stock Bank	3,700,000	From July 2020 to August 2020	Interest rate for the first period is 10.35% per annum. Interest rate for the following periods is calculated every 3 months on the 19th as short-term base interest rate for large corporates/LIBOR plus 2.95% per annum but no lower than the minimum interest rate prescribed by Techcombank for each period, each type of customer corresponding to the time of interest rate adjustment. Interest is paid on a monthly basis.	Project development right, receivables, bank balance related to a Project of a subsidiary located in Ho Chi Minh city and shares in a subsidiary held by the Company, another subsidiary and an affiliate.
Military Commercial Joint Stock Bank	178,181	Principal amount is payable in full in April 2020	12-month VND saving rate for individual plus 0.7% per annum.	None
Vietnam Prosperity Joint Stock Commercial Bank (“VPBank”)	16,634	Principal amount is payable in full in May 2020	9.3% per annum.	Shares of the Company and affiliates (*).
<b>TOTAL</b>	<b>3,894,815</b>			

(\*) This loan is an integral part of a credit line contract signed between Vingroup JSC and VPBank.

(ii) Detail of long-term loans from bank is presented as below :

Lender	Ending balance (million VND)	Maturity date	Interest rate	Collateral
Vietnam Technological and Commercial Joint Stock Bank	1,371,098	Principal amount is payable in full in January 2021.	Interest rate for the first period is 10% per annum. Interest rate for the following periods is calculated as the average of 12-month interest paid-in-arrear VND saving rate for individual from 4 state-owned banks: Vietcombank, Vietinbank, BIDV and Agribank, plus 3.33% per annum. Interest is payable in each three-month period.	Capital contribution amount of a subsidiary in another subsidiary.
<b>TOTAL</b>	<b>1,371,098</b>			

## 25.2. Loans from counterparties

Loans from counterparties comprises:

- Short-term loans from three (03) counterparties with the principal of VND1,960 billion, bearing the interest rate at 9% per annum with maturity date from September 2020 to October 2020. These loans are unsecured; and
- Long-term loans from three (03) counterparties with total principal of VND3,390 billion, bearing the interest rate at 9% per annum with maturity date in July 2021. These loans are unsecured.

**25. LOANS** (continued)**25.3. Corporate bonds**

	Ending balance	Beginning balance
Long-term corporate bonds	15,084,466	17,424,499
<i>In which: Current portion of long-term corporate bonds</i>	<i>(12,307,539)</i>	<i>(3,037,874)</i>
<b>TOTAL</b>	<b>2,776,927</b>	<b>14,386,625</b>

Currency: million VND

Underwriter	Ending balance	Maturity date	Interest rate	Collateral
Techcom Securities Joint Stock Company	5,468,373	October 2020	Interest rate for the first and second periods is 9.2% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 3.25% per annum. Interest is payable every 6 months.	(i)
	1,979,167	August 2021	Interest rate for the first and second periods is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 4.25% per annum. Interest is payable every 6 months.	None
	4,963,969	September 2020	Interest rate for the first and second periods is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 4% per annum. Interest is payable every 6 months.	None
	1,875,197	December 2020	Interest rate for the first period is 9.73% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 2.9% per annum. Interest is payable every 3 months.	(ii)
KB Securities Vietnam Joint Stock Company	797,760	November 2021	Interest rate for the first and second periods is 10.2% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate from Vietnam Prosperity Joint-Stock Commercial Bank in this period plus 3.3% per annum. Interest is payable every 6 months.	(iii)
<b>TOTAL</b>	<b>15,084,466</b>			
<i>In which:</i>				
<i>Long-term corporate bonds</i>	<i>2,776,927</i>			
<i>Current portion of corporate bonds</i>	<i>(12,307,539)</i>			

Currency: million VND

(i) Collateral of this bond includes a cultural park and eco-tourism project located in Central Vietnam.

(ii) Collateral of this bond includes a Project of a subsidiary located in Northern Vietnam.

(iii) Collateral of this bond includes the asset right arising from the Build-Transfer contract of overhead road project along the Ring Road 2; a part of assets and asset right of an urban functional area Project located in Northern Vietnam and a number of listed shares of a company within the Group.

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**26. LONG-TERM PROVISIONS**

This represents provision for warranty costs for inventory properties at Vinhomes Times City, Vinhomes Royal City, Vinhomes Golden River, Vinhomes Central Park, Vinhomes Green Bay, Vinhomes Metropolis, Vinhomes Marina and Vinhomes New Center Projects in accordance with the warranty clause in sales and purchase agreements.

**27. OWNERS' EQUITY****27.1. Increase and decrease in owners' equity**

Previous year	Attributable to shareholders of the parent					Total
	Issued share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Undistributed earnings	
Beginning balance	2,000,000	-	-	(99,118)	5,003,298	3,219,605
Additional shares issued	12,000,000	-	-	-	-	-
Stock dividends	10,699,024	-	-	-	(10,699,024)	-
Shares issued under merger contracts	10,365,000	295,000	-	2,116,151	-	174,868
Acquisition of new subsidiaries	-	-	-	(249,697)	-	2,543,421
Net profit for the year	-	-	-	-	14,284,453	491,866
Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	475	(1,452,653)
Partial disposal of equity interest in existing subsidiaries without loss of control	-	-	-	-	(62,243)	62,243
Disposal of subsidiaries	-	-	-	48,933	-	(82,566)
Cash dividends declared	-	-	-	-	(900,000)	(45,277)
Demerger	(1,568,885)	-	-	-	-	-
Ending balance	33,495,139	295,000	-	1,816,269	7,626,959	4,911,507

Currency: million VND

**27. OWNERS' EQUITY** (continued)**27.1. Increase and decrease in owners' equity** (continued)

	Attributable to shareholders of the parent						Non-controlling interests	Total
	Issued share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Undistributed earnings			
	Currency: million VND							
<b>Current 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)	
Cash dividends declared (i)	-	-	-	-	(3,349,514)	(492,746)	(3,842,260)	
Reacquisition of treasury shares (ii)	-	-	(5,549,929)	-	-	-	(5,549,929)	
Ending balance	33,495,139	295,000	(5,549,929)	1,816,269	26,039,678	8,618,886	64,715,043	

(i) Pursuant to the Resolution No. 01/2019/NQ-DHDCD-VH dated 27 May 2019, the General Meeting of Shareholders of the Company approved the plan on using profit after tax of 2018. Accordingly, the Company will pay cash dividends with ratio of 10% per share (which is equivalent to VND1,000 per share). On 30 July 2019, the Chairwoman approved the Decision No. 03/2019/QD-CTHDQT-VH on declaration of cash dividends to the existing shareholders with aggregate amount of approximately VND3,350 billion from accumulated retained earnings up to 31 December 2018.

(ii) Pursuant to the Resolution No. 20/2019/NQ-HDQT-VH dated 30 October 2019, Board of Directors approved the share buyback to keep as treasury stocks. Accordingly, maximum number of shares to be bought back is 60,000,000 shares, equivalent to 1.79% of charter capital. On 12 December 2019, the Company completed the share buyback of 60,000,000 shares with the average transaction price of VND92,425 per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**27. OWNERS' EQUITY** (continued)**27.2. Capital transactions with owners' equity**

	Currency: million VND	
	Current year	Previous year
<b>Contributed share capital from owners</b>		
Beginning balance	33,495,139	2,000,000
Additional shares issued	-	12,000,000
Stock dividends	-	10,699,024
Shares issued under merger contracts	-	10,365,000
Demerger	-	(1,568,885)
Ending balance	33,495,139	33,495,139

**27.3. Ordinary shares and preference shares**

	Unit: Shares	
	Ending balance	Beginning balance
Authorised shares	3,349,513,918	3,349,513,918
Issued shares	3,349,513,918	3,349,513,918
Ordinary shares	3,349,513,918	3,349,513,918
Preference shares	-	-
Treasury shares	60,000,000	-
Ordinary shares	60,000,000	-
Preference shares	-	-
Shares in circulation	3,289,513,918	3,349,513,918
Ordinary shares	3,289,513,918	3,349,513,918
Preference shares	-	-

The par value of outstanding shares: VND10,000 per share (as at 31 December 2018: VND10,000 per share).

**27.4. Dividends**

	Currency: million VND	
	Current year	Previous year
<b>Dividends declared and paid during the year</b>		
Dividends on ordinary shares		
Cash dividends for 2019: VND1,000 per share (2018: VND4,500 per share)	3,349,514	900,000
Stock dividends for 2019: 0 shares (2018: 2,000 shares per 1,000 existing shares)	-	4,000,000
Stock dividends for 2019: 0 shares (2018: 250 shares per 1,000 existing shares)	-	6,699,024
<b>Dividends declared after the date of reporting period and not yet recognised as liability as at 31 December</b>	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 28. REVENUE

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

Currency: million VND

	Current year	Previous year
<b>Gross revenue</b>	<b>51,626,931</b>	<b>38,664,328</b>
<i>In which:</i>		
Revenue from sales of inventory properties	48,161,594	35,769,365
Revenue from rendering real estate management and related services	1,483,024	960,729
Revenue from leasing activities and rendering related services	1,113,647	816,437
Revenue from rendering general contractor, construction consultancy and supervision services	708,450	985,691
Others	160,216	132,106
<b>Deductions</b>	-	-
<b>Net revenue</b>	<b>51,626,931</b>	<b>38,664,328</b>
<i>In which:</i>		
Revenue from others	50,944,507	37,635,952
Revenue from related parties	682,424	1,028,376

### 28.2. Finance income

Currency: million VND

	Current year	Previous year
Income from Business and Investment Co-operation Contracts (i)	5,174,641	9,513,096
Gains from disposal of investments (ii)	1,492,806	3,508,042
Interest income from deposits and loans	2,376,941	1,541,300
Other finance income	1,399	2,609
<b>TOTAL</b>	<b>9,045,787</b>	<b>14,565,047</b>

(i) Income from Business and Investment Co-operation Contracts with Vingroup JSC and an affiliate for the development purpose of Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Dragon Bay, Vinhomes Star City Thanh Hoa and Vinhomes Skylake Projects.

(ii) Gain from the transfer of shares in Prime Land JSC (Note 4.1).

### 28.3. Revenue and expenses relating to investment properties

Currency: million VND

	Current year	Previous year
Rental income from investment properties	893,535	637,694
Direct operating expenses of investment properties that generated rental income during the year	(306,923)	(282,609)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 29. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: million VND

	Current year	Previous year
Cost of inventory properties sold	21,499,616	26,242,671
Cost of rendering real estate management and related services	1,481,356	954,904
Cost of rendering general contractor, construction consultancy and supervision services	584,043	751,119
Cost of leasing activities and other related costs	510,756	572,447
Others	95,552	82,117
<b>TOTAL</b>	<b>24,171,323</b>	<b>28,603,258</b>

## 30. FINANCE EXPENSES

Currency: million VND

	Current year	Previous year
Loan interest and bond issuance costs	2,377,698	2,382,622
Loss from disposals of investments	-	68,281
Foreign exchange losses	-	1,195
Other finance expenses	171,129	4,856
<b>TOTAL</b>	<b>2,548,827</b>	<b>2,456,954</b>

## 31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Currency: million VND

	Current year	Previous year
<b>Selling expenses</b>		
Consultancy and commission fees for handed over inventory properties	1,053,679	1,060,365
Advertising and marketing expenses	801,329	73,935
Labour costs	135,745	93,673
Rental expenses of retail outlets	76,447	63,565
Others	13,473	89,567
	<b>2,080,673</b>	<b>1,381,105</b>
<b>General and administrative expenses</b>		
Expenses for external services	761,329	588,428
Donation	592,545	157,890
Labour costs	244,610	130,099
Depreciation and amortisation	147,800	124,920
Others	410,137	61,489
	<b>2,156,421</b>	<b>1,062,826</b>
<b>TOTAL</b>	<b>4,237,094</b>	<b>2,443,931</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 32. PRODUCTION AND OPERATING COSTS

Currency: million VND

	Current year	Previous year
Cost of developing inventory properties	45,139,282	24,831,551
Expenses for external services	4,850,331	3,685,141
Labour costs	1,245,474	791,207
Depreciation and amortisation	351,846	261,532
Others	984,151	199,793
<b>TOTAL</b>	<b>52,571,084</b>	<b>29,769,224</b>

## 33. CORPORATE INCOME TAX

The current corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 20% of taxable profits (previous year: 20%).

The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

### 33.1. CIT expense

Currency: million VND

	Current year	Previous year
Current tax expense	5,766,161	4,630,061
Deferred tax (income)/expense	(339,567)	312,354
<b>TOTAL</b>	<b>5,426,594</b>	<b>4,942,415</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 33. CORPORATE INCOME TAX (continued)

### 33.1. CIT expense (continued)

Reconciliation between CIT expenses and the accounting profit multiplied by applicable CIT rate is presented below:

Currency: million VND

	Current year	Previous year
<b>Accounting profit before tax</b>	<b>29,745,694</b>	<b>19,718,734</b>
At CIT rate of 20% applicable to the Company	5,949,139	3,943,747
Losses of subsidiaries	2,238	88,010
Impacts from acquisition, disposal and legal merge transactions in the consolidated financial statements	(139,815)	(179,772)
Differences of cost of goods sold between the individual financial statements and the consolidated financial statements	(45,829)	415,692
Differences arising from revaluation of net asset of subsidiaries as at acquisition date	-	601,756
Difference from recording outright sale transaction	-	32,166
CIT adjustments of subsidiaries	-	26,366
Tax losses carried forward	(265,190)	(118,667)
Shared profit from associates	-	(38)
Goodwill amortisation in the consolidated financial statements	25,320	23,424
Dividend income and shared profit under Business and Investment Co-operation Contracts	(657,047)	(3)
Non-deductible expenses	547,462	100,374
Losses ineligible for offsetting against taxable income	-	14,138
Others	10,316	(4,778)
<b>CIT expenses</b>	<b>5,426,594</b>	<b>4,942,415</b>

### 33.2. Current CIT expense

The current CIT payable is based on taxable income for the current year. The taxable income of the Company and its subsidiaries for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

**33. CORPORATE INCOME TAX** (continued)**33.3. Deferred tax**

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiaries, and the movement thereon, during the current and previous years:

	Currency: million VND			
	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
<b>Deferred tax assets</b>				
Provision for obsolete inventories	1,622	83,607	(81,985)	83,607
Accrued expense and deferred revenue	35,334	71,566	(36,232)	63,626
Selling expenses for real estate projects	169,727	10,947	155,580	3,184
Differences from recording outright sale transaction	-	-	-	(24,041)
Differences arising from revaluation of net asset of subsidiaries at acquisition date	70,650	75,366	(4,716)	(24,837)
Differences arising from revaluation of net asset of subsidiaries under legal merge transaction	77	99,378	(99,301)	99,378
Differences arising from unrealised profit	44,614	-	44,614	-
Differences from temporarily non-deductible expenses	8,770	-	8,770	-
<b>Deferred tax liabilities</b>	<b>330,794</b>	<b>340,864</b>		
Differences arising from revaluation of net asset of subsidiaries at acquisition date	(270,303)	(623,140)	352,837	(513,271)
<b>Net deferred tax assets/(liabilities)</b>	<b>60,491</b>	<b>(282,276)</b>	<b>339,567</b>	<b>(312,354)</b>
<b>Net deferred tax credit/(charge) to consolidated income statement</b>				

**Tax losses carried forward**

The Company and its subsidiaries are entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company and its subsidiaries have aggregated accumulated tax losses of VND62.8 billion (31 December 2018: VND1,337.8 billion) available for offset against future taxable income.

No deferred tax assets have been recognised in respect of these accumulated tax losses because future taxable income cannot be ascertained at this stage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**34. TRANSACTIONS WITH REPEATED PARTIES****34.1. Significant transactions with related parties**

Significant transactions with related parties during this year and previous year were as follows:

Related parties	Relationship	Transactions	Currency: million VND	
			Current year	Previous year
Vingroup JSC	Parent company	Deposit under project development agreements, project transfer agreements and share transfer agreements	22,790,474	15,760,946
		Collection of deposit under project development agreements, project transfer agreements and share transfer agreements	(13,272,604)	-
		Collection of contribution for Business and Investment Co-operation Contracts	(7,825,000)	-
		Contribution for Business and Investment Co-operation Contract	280,000	-
		Receivables from collection on behalf of down payments from customers under sales and purchase agreements	6,038,847	-
		Receipt of collection on behalf of down payments from customers under sales and purchase agreements	(5,950,000)	-
		Receivables from shared profit from Business and Investment Co-operation Contracts	3,014,466	6,626,813
		Collection of shared profit from Business and Investment Co-operation Contracts	(3,302,430)	(5,331,992)
		Project transfer payables	(3,147,470)	-
		Project transfer paid	918,020	-
		Net off deposit under share transfer agreements with project transfer payables	2,229,450	-
		Management services payables	(675,356)	(194,578)
		Management services paid	389,797	159,844
		Repayment of borrowings	54,606	25,458,929
		Borrowings	-	(23,860,000)
		Payables for collection on behalf related to sale of properties	(38,654)	(623,738)
		Repayment for collection on behalf related to sale of properties	5,321	1,800,760
		Receivables from cash centralised account	15,779	65,940,871
		Receipt from cash centralised account	(15,786)	(66,017,770)
		Dividend payables	(2,333,164)	(11,545,124)
		Dividend paid in cash	2,333,164	890,100
		Dividend paid in shares	-	10,655,024
		Receivables from share transfer	-	693,000
		Receipt from share transfer	-	(10,515,252)
		Receipt from share issuance	-	(9,500,000)
		Decrease in share capital due to demerger	-	1,568,885
Payables for share transfer	-	(4,814,154)		
Payment for share transfer	-	4,814,154		
Lending	-	1,238,891		
Collection of lending	-	(1,238,891)		
Interest payables	(107)	(377,397)		
Payment for management fees and brand name Royalty fee	-	502,875		

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### 34. TRANSACTIONS WITH REPATED PARTIES (continued)

#### 34.1. Significant transactions with related parties (continued)

Currency: million VND

Related parties	Relationship	Transactions	Current year	Previous year
Xavinco JSC	Affiliate	Repayment of borrowings	258,500	966,000
		Borrowings	-	(840,000)
Xalivico LLC	Affiliate	Borrowings	(184,000)	(840,000)
		Repayment of borrowings	8,500	966,000
		Interest payables	(32,612)	-
Central Park Development LLC ("Central Park LLC")	Affiliate	Receivables from shared profit from Business and Investment Co-operation Contracts	1,610,168	-
		Repayment of borrowings	1,435,000	1,775,000
		Borrowings	(290,000)	(1,050,000)
		Lending	800,000	-
		Collection of lending	(145,000)	-
Vietnam Grand Prix LLC ("Grand Prix LLC")	Affiliate	Capital contribution for Business and Investment Co-operation Contract	-	490,000
		Repayment of borrowings	808,000	-
		Borrowings	-	(940,000)
		Interest paid	31,007	-
Vinschool One Member LLC ("Vinschool LLC")	Affiliate	Interest payables	(6,374)	-
		Collection of disposal of assets	-	(914,441)
		Receivables from disposal of assets	-	914,441
Vinschool One Member LLC ("Vinschool LLC")	Affiliate	Repayment of borrowings	-	735,000
		Receivables from share transfer	-	894,000
Vinmec International General Hospital JSC ("Vinmec JSC")	Affiliate	Lending	1,000,000	14,550,000
		Collection of lending	(1,000,000)	(15,060,000)
		Borrowings	-	(3,560,000)
		Repayment of borrowings	-	3,560,000
		Payables for share transfer	-	(3,000,000)
		Payment for share transfer	-	3,000,000
		Payables for goods purchased	(121,391)	(2,102,622)
		Payment for goods purchased	108,548	2,519,664

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 34. TRANSACTIONS WITH REPATED PARTIES (continued)

#### 34.1. Significant transactions with related parties (continued)

Currency: million VND

Related parties	Relationship	Transactions	Current year	Previous year
Vinfast Trading and Production LLC ("Vinfast LLC")	Affiliate	Lending	19,250,000	-
		Collection of lending	(17,600,000)	-
		Repayment of borrowings	3,240,000	26,005,000
		Borrowings	-	(27,164,000)
		Interest receivables	165,186	-
		Interest received	(150,196)	-
		Interest paid	179,755	-
		Interest payables	(10,184)	(401,789)
Vinpearl JSC	Affiliate	Lending	9,127,900	-
		Collection of lending	(5,170,000)	-
		Deposit received for Business Co-operation contract	-	(2,199,807)
		Receivables from sale of inventory properties	2,276,986	-
		Repayment of borrowings	1,745,000	7,875,000
		Borrowings	-	(9,620,000)
		Refund of deposit for general contractor services	-	1,961,800
Phu Quoc Tourism Development and Investment JSC ("Phu Quoc Tourism JSC")	Parent's associate	Receipt of deposit for the general contractor services	-	(1,961,800)
		Payables for charitable purpose	(500,000)	(100,000)
Kind Heart Foundation	Under common owner	Payment for charitable purpose	100,000	-
		Receipt of advances amount for charitable purpose	-	(92,449)
		Deposit for Investment Co-operation Contract	(978,315)	(1,818,166)
Vincor Retail JSC	Affiliate	Receivables from sale of inventory properties	91,818	2,930,333
		Deposit for construction investment activities	2,790,000	-
VinAcademy Education and Training LLC ("VinAcademy LLC")	Affiliate			
Vinsmart Research and Manufacture JSC ("Vinsmart JSC")	Affiliate	Lending	2,255,000	-
		Repayment of borrowings	-	510,000
Southern Star JSC	Affiliate (until 20 March 2019)			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 34. TRANSACTIONS WITH RELATED PARTIES (continued)

#### 34.1. Significant transactions with related parties (continued)

Terms and conditions of transactions with related parties during the year are as follows

The Company and its subsidiaries have sold/purchased goods and rendering/purchased services to/from related parties based on negotiated market prices and contract terms.

The Company and its subsidiaries have entered into Business and Investment Co-operation Contracts with Vingroup JSC, parent company, and Central Park LLC, an affiliate, for the purpose of developing real estate projects. Accordingly, the Company and its subsidiaries will receive a portion of profit from these contracts.

Payables and receivables (except for some lending, borrowings and deposits for share transfer) as at 31 December 2019 are unsecured, free of interest and will be settled in cash. During the year ended 31 December 2019, the Company and its subsidiaries have not made provision for doubtful debts relating to amounts due from related parties (31 December 2018: nil). This assessment is undertaken each financial year through the examination of the financial position of the related parties and the market in which the related parties operate.

#### 34.2. Amounts due to and due from related parties

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows:

Currency: million VND				
Related parties	Relationship	Transactions	Current year	Previous year
<b>Trade receivables</b> (Note 7.1)				
Vincom Retail JSC	Affiliate	Receivables from sale of inventory properties	1,028,007	1,356,167
		Receivables from general contractor and supervision services	14,074	199,956
		Other receivables	11,993	9,257
Vinmec JSC	Affiliate	Receivables from share transfer	694,000	694,000
		Other receivables	7,552	2,644
Vingroup JSC	Parent company	Receivables from general contractor and supervision services	153,576	100,722
		Other receivables	-	9,956
VinAcademy LLC	Affiliate	Receivables from sale of inventory properties	76,000	-
		Other receivables	1,212	-
Vinpearl JSC	Affiliate	Receivables from sale of inventory properties	76,999	-
		Other receivables	40,560	-
Kind Heart Foundation	Under common owner	Receivables from general contractor services	33,902	33,902
Vinschool LLC	Affiliate	Receivables from shared revenue from educational activity and related services	12,597	9,362
Vincommerce JSC	Affiliate (until 30 December 2019)	Receivables from general contractor and supervision services	-	113,424
		Receivables from office leasing	-	6,127
Other affiliates		Other receivables	31,125	124,667
			<b>2,181,597</b>	<b>2,660,184</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 34. TRANSACTIONS WITH RELATED PARTIES (continued)

#### 34.2. Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

Currency: million VND				
Related parties	Relationship	Transactions	Current year	Previous year
<b>Short-term advance to suppliers</b> (Note 7.2)				
VinID JSC	Affiliate	Other advance to suppliers	6,804	-
Other affiliates		Other advance to suppliers	7,740	2,149
			<b>14,544</b>	<b>2,149</b>
<b>Other short-term receivables</b> (Note 9)				
Vingroup JSC	Parent company	Capital contribution for Business and Investment Co-operation Contract (*)	3,400,230	10,945,230
		Receivables from shared profit from Business and Investment Co-operation Contract	1,006,857	1,294,821
		Receivables from payment on behalf	100,972	11,743
Central Park LLC	Affiliate	Receivables from shared profit from Business and Investment Co-operation Contract	1,610,168	-
		Capital contribution for Business and Investment Co-operation Contract (*)	490,000	490,000
		Other receivables	18,714	250
VinAcademy LLC	Affiliate	Receivables from payment on behalf	41,781	-
Other affiliates		Other receivables	30,944	269,700
			<b>6,699,666</b>	<b>13,011,744</b>

(\*) These capital contributions for Business and Investment Co-operation Contracts are unsecured

<b>Other long-term receivables</b> (Note 9)				
Vinsmart JSC	Affiliate	Interest receivables	18,221	-
Vinpearl JSC	Affiliate	Interest receivables	13,529	-
Vincom Retail JSC	Vincom Retail JSC	Receivables from leasing	127,886	120,577
Other affiliates		Other receivables	5,934	-
			<b>165,570</b>	<b>120,577</b>
<b>Other current assets</b> (Note 13) (*)				
Vingroup JSC	Parent company	Deposit for share transfer and investment purpose	5,789,142	4,198,999
VinAcademy LLC	Affiliate	Deposit for construction investment purpose	2,790,000	-
Sai Dong JSC	Affiliate	Deposit for share transfer and investment purpose	70,258	70,258
			<b>8,649,400</b>	<b>4,269,257</b>

(\*) In which, deposits to Vingroup JSC and affiliates with total amount of VND3,919 billion are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 34. TRANSACTIONS WITH RELATED PARTIES (continued)

#### 34.2. Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows:

Currency: million VND

Related parties	Relationship	Transactions	Current year	Previous year
<b>Other non-current assets</b> (Note 13)				
Vingroup JSC	Parent company	Deposit for share transfer and investment purpose (*)	8,439,145	511,418
			<b>8,439,145</b>	<b>511,418</b>
<b>Trade payables</b> (Note 20.1)				
Vingroup JSC	Parent company	Management service payables	487,662	202,103
		Other trade payables	28,381	50,123
Vincom Retail JSC	Affiliate	Payables for goods purchased	13,242	-
Vincommerce JSC	Affiliate (until 30 December 2019)	Payables for goods purchased	-	5,552
Other affiliates		Other trade payables	18,594	54,291
			<b>547,879</b>	<b>312,069</b>
<b>Short-term advances from customers</b> (Note 20.2)				
Vinschool LLC	Affiliate	Advances for construction activities	34,725	-
Vingroup JSC	Parent company	Advances for goods purchased	-	41,268
Vincommerce JSC	Affiliate (until 30 December 2019)	Advances for goods purchased	-	93,109
Vincom Retail JSC	Affiliate	Advances for goods purchased	-	48,921
Kind Heart Foundation	Under common owner	Advances for construction activities	-	14,392
Other affiliates		Other advances from customers	7,895	16,738
			<b>42,620</b>	<b>214,428</b>

(\*) These deposits are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 34. TRANSACTIONS WITH RELATED PARTIES (continued)

#### 34.2. Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

Currency: million VND

Related parties	Relationship	Transactions	Current year	Previous year
<b>Short-term accrued expenses</b> (Note 22)				
Vincom Retail JSC	Affiliate	Deposit interest payables	10,298	19,381
VinTech JSC	Affiliate	Sponsor fee payables	8,878	-
Vingroup JSC	Parent company	Interest payables	-	186,517
Central Park LLC	Affiliate	Interest payables	-	116,758
Grand Prix LLC	Affiliate	Interest payables	-	24,633
Other affiliates		Other accrued expenses	254	4,097
			<b>19,430</b>	<b>351,386</b>
<b>Long-term accrued expenses</b> (Note 22)				
Xavinco JSC	Affiliate	Interest payables	151,473	106,198
Xalivico LLC	Affiliate	Interest payables	67,341	34,728
Vinfast LLC	Affiliate	Interest payables	-	169,571
Vinpearl JSC	Affiliate	Interest payables	-	103,154
Other affiliates		Other accrued expenses	-	5,193
			<b>218,814</b>	<b>418,844</b>
<b>Other short-term payables</b> (Note 24)				
Vincom Retail JSC	Affiliate	Deposit received for Investment Co-operation Contract	704,000	-
		Other payables	14,391	23,377
Kind Heart Foundation	Under common owner	Payables for charitable purpose	500,000	100,000
Vinschool LLC	Affiliate	Deposit received for Business Co-operation Contract	200,000	200,000
		Other payables	72,497	-
Vinpearl JSC	Affiliate	Deposit received for Business Co-operation Contract	-	2,199,807
		Other payables	2,194	1,718
Other affiliates		Other payables	7,063	26,341
			<b>1,500,145</b>	<b>2,551,243</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 34. TRANSACTIONS WITH RELATED PARTIES (continued)

#### 34.3. Details of lending to related parties (Note 8)

Details of short-term lending as at 31 December 2019:

Related parties	Relationship	Amount million VND	Interest rate % per annum	Maturity date	Collateral
Central Park LLC	Affiliate	655,000	9%	December 2020	(i)
		<b>655,000</b>			

(i) This lending is secured by shares of an affiliate 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 Producing and Trading LLC	Affiliate	1,650,000	9%	February 2021	(iii)
		<b>7,862,900</b>			

(i) The lending is secured by shares of a listed company within the Group held by this borrower and shares of this borrower held by shareholders.

(ii) The lending is secured by entire buildings and structures, machinery and equipment of this borrower.

(iii) The lending is secured by capital contribution of Vingroup JSC in this borrower.

The balance of lending to related parties as at 31 December 2018 is nil.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 34. TRANSACTIONS WITH RELATED PARTIES (continued)

#### 34.4. Details of borrowings from related parties (Note 25)

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.

Details of short-term borrowings as at 31 December 2018:

Related parties	Relationship	Amount million VND	Interest rate % per annum	Maturity date	Collateral
Grand Prix LLC	Affiliate	808,000	9%	September 2019	None
Central Park LLC	Affiliate	520,000	9%	From January 2019 to September 2019	(ii)
Vingroup JSC	Parent company	54,606	9%	December 2019	(ii)
		<b>1,382,606</b>			

Details of long-term borrowings as at 31 December 2018:

Related parties	Relationship	Amount million VND	Interest rate % per annum	Maturity date	Collateral
Vinfast LLC	Affiliate	3,240,000	9%	February 2020	(ii)
Vinpearl JSC	Affiliate	1,745,000	9%	February 2020	(ii)
Xavinco JSC	Affiliate	641,000	9%	February 2020	(ii)
Central Park LLC	Affiliate	625,000	9%	From January 2020 to February 2020	(ii)
Xalivico LLC	Affiliate	247,000	9%	February 2020	(ii)
		<b>6,498,000</b>			

(ii) These loans are secured by listed and non-listed shares of some companies within the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 34. TRANSACTIONS WITH RELATED PARTIES (continued)

### 34.5. Other related party transactions

Remuneration to members of management and Board of Directors:

Currency: million VND

	Current year	Previous year
Salaries	62,792	23,797
<b>TOTAL</b>	<b>62,792</b>	<b>23,797</b>

## 35. EARNINGS PER SHARE

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

Currency: VND

	Current year	Previous year
Net profit after tax attributable to ordinary shareholders	21,747,376,096,636	14,284,453,166,652
Adjust for the effect of dilution	-	-
<b>Net profit attributable to ordinary shareholders adjusted for the effect of dilution</b>	<b>21,747,376,096,636</b>	<b>14,284,453,166,652</b>

	Current year	Previous year
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,344,926,936	3,171,919,955
Adjust for the effect of dilution	-	-
<b>Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share</b>	<b>3,344,926,936</b>	<b>3,171,919,955</b>

Currency: VND

	Current year	Previous year
Basic earnings per share	6,502	4,503

## 36. SEGMENT INFORMATION

The Company and its subsidiaries do not present segmental information for the year ended 31 December 2019 because real estate trading and related services are principal sources accounting for a substantial portion in the Company and its subsidiaries' total revenue, profit and assets. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 37. COMMITMENTS AND CONTINGENCIES

Commitments under operating leases where the Company and its subsidiaries are lessees

The Company and its subsidiaries, as lessees, have signed land rental contract and other operating lease arrangements. The minimum lease commitments as at the balance sheet dates under these operating lease agreements are as follows:

Currency: million VND

	Ending balance	Beginning balance
Less than 1 year	124,024	563,106
From 1 to 5 years	290,977	377,807
More than 5 years	3,703,184	1,300,271
<b>TOTAL</b>	<b>4,118,185</b>	<b>2,241,184</b>

### Commitments related to program of management services and apartments rental

The Company provided management and leasing services to customers who bought apartments at real estate projects. Accordingly, for the first 2 to 3 years from the date of apartments being handed over, customers are guaranteed by these entities to receive the committed profit under signed agreement with customer.

### Commitments under operating leases where the Company and its subsidiaries are lessors

The Company and its subsidiaries, as lessors, lease office, apartments, shophouses and villas under operating lease agreements. The future minimum rental receivables as at the balance sheet dates under these operating lease agreements are as follows:

Currency: million VND

	Ending balance	Beginning balance
Less than 1 year	610,672	165,716
From 1 to 5 years	614,070	64,755
More than 5 years	410,299	402,647
<b>TOTAL</b>	<b>1,635,041</b>	<b>633,118</b>

Under the Business Co-operation Contract signed in February 2012 between Royal City JSC, a subsidiary, and Thien Huong Investment JSC ("Thien Huong JSC") regarding the school operations in Vinhomes Royal City project, Royal City JSC is entitled to the share of Thien Huong JSC's revenue, which is equal to 15% of revenue and can be adjusted according to the agreement. The duration of the Business Co-operation Contract is from February 2012 to the end of August 2043.

### Lease commitment

Ecology JSC, a subsidiary, entered into lease contracts with an affiliate for leasing retail areas at two (02) real estate projects. At 31 December 2019, the present values of the minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND18 billion, VND46 billion, VND58 billion.

At 31 December 2019, the total minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND21 billion, VND85 billion, VND523 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 37. COMMITMENTS AND CONTINGENCIES (continued)

#### Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects

The Company and its subsidiaries have entered into a number of contracts relating to the development of certain real estate projects. The outstanding commitment on these contracts as at 31 December 2019 amounts to approximately VND13,161 billion (as at 31 December 2018: VND7,266 billion).

On 25 June 2019, a subsidiary of the Company has entered into a Project Transfer Agreement (“PTA”) with counterparties to acquire a real estate project. The total consideration payable will be determined as the total of land use rights, assets value and other general expenses directly attributable to this real estate project incurred by counterparties up to the acquisition date. As at 31 December 2019, the remaining commitment under this agreement amounts to VND172.5 billion.

Under a Business Co-operation Contract dated 23 November 2017 between Royal City JSC and a counterparty, Royal City JSC commits to contribute 100% investment capital for a potential real estate project in Hanoi. The total estimated capital is VND790 billion, the remaining commitment of this agreement as at 31 December 2019 is VND782.1 billion.

On 25 May 2018, the Company and Can Gio JSC, a subsidiary, have entered into a Capital Transfer Agreement with a corporate counterparty to acquire 32.5% of Berjaya VFC LLC’s equity interest. As at 31 December 2019, the remaining consideration payable under this agreement is VND503.7 billion.

#### Commitment under interest support agreements to buyers of inventory properties at real estate projects of the Company and its subsidiaries

According to three-party (3) interest support agreements among the Company and its subsidiaries as investors, buyers of inventory properties of the Company’s projects (including Vinhomes Metropolis, Vinhomes Golden River, Vinhomes West Point, Vinhomes Ocean Park, Vinhomes Grand Park, Vinhomes Smart City, Vinhomes New Center Ha Tinh and Vinhomes Marina Projects) and certain banks, the Company and its subsidiaries commit to support the buyers in getting loans to finance for a part of the selling price and to settle the interest within a committed period.

### 38. NOTES TO CASH FLOW MOVEMENT

Currency: million VND

	Current year	Previous year
<i>Code 02 - Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)</i>		
Depreciation and amortisation	225,244	144,413
Goodwill amortisation (Note 19)	126,602	117,119
<b>TOTAL</b>	<b>351,846</b>	<b>261,532</b>
<i>Code 05 – Profits from investing activities</i>		
Shared profit under Business and Investment Co-operation Contract (Note 28.2)	(5,174,641)	(9,513,096)
Gain on disposal of investments in other entities (Note 28.2 and Note 30)	(1,492,806)	(3,439,761)
Interest income (Note 28.2)	(2,376,941)	(1,541,300)
(Gain)/loss on disposal of fixed assets and investment properties	(70,812)	15,950
Dividend income (Note 28.2)	(500)	-
Share of profit from associates	-	(191)
<b>TOTAL</b>	<b>(9,115,700)</b>	<b>(14,478,398)</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 38. NOTES TO CASH FLOW MOVEMENT (continued)

Currency: million VND

	Current year	Previous year
<i>Code 23 - Loans to other entities and payments for purchase of debt instruments of other entities</i>		
Disbursement of loans	(11,715,930)	(13,352,891)
Term deposits with maturity over three months	(2,361,080)	(586,751)
<b>TOTAL</b>	<b>(14,077,010)</b>	<b>(13,939,642)</b>
<i>Code 25 - Payments for investments in other entities</i>		
Payment for acquisition of new subsidiaries, additional shares in existing subsidiaries and investment in other entities	(19,559,996)	(21,661,139)
Contribution to Business Co-operation Contracts	(11,330,000)	(18,640,000)
Deposit to acquire investments in other entities	(9,123,420)	(4,819,262)
Deposit to acquire projects	(9,186,208)	(5,229,705)
Return of deposit for purpose of investing and developing project	(6,875,000)	-
Payment of dividend declared to previous shareholders of subsidiaries prior to merger date	-	(1,109,675)
Deposit under project development agreement	(5,090,000)	(817,500)
<b>TOTAL</b>	<b>(61,164,624)</b>	<b>(52,277,281)</b>
<i>Code 26 - Proceeds from sales of investments in other entities</i>		
Proceeds from disposal of investments, net of cash held by entities being acquired	2,647,328	17,107,780
Redemption of contribution to Business Co-operation Contracts	7,825,088	-
Redemption of deposit to acquire shares	-	5,110,000
Proceeds from transfer of rights and obligations related to share purchase deposit agreement	-	4,180,000
Collection of deposits for purpose of transferring other long-term investments	6,719,985	-
Redemption of deposits for purpose of developing potential real estate projects	2,376,500	-
<b>TOTAL</b>	<b>19,568,901</b>	<b>26,397,780</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 39. EVENTS AFTER THE BALANCE SHEET DATE

Except for the events after the consolidated balance sheet date as presented in other notes of the consolidated financial statements, the Company and its subsidiaries also have the following events after the consolidated balance sheet date:

On 10 January 2020, a subsidiary of the Company entered into deposit contracts with individuals to acquire shares in a real estate company, with total deposit amount of VND1,800 billion.

On 10 March 2020, the Company and its subsidiaries completed the acquisition of 7,000,000 shares, equivalent to 100% equity interest in a company from Vingroup JSC, a counterparty and an affiliate with a total consideration of VND70 billion. Accordingly, this company became a subsidiary of the Company. On 16 March 2020, the Company and its subsidiaries completed the additional capital contribution to this subsidiary amounting to VND5,930 billion.

In February 2020, the Prime Minister of the Socialist Republic of Vietnam officially announced an epidemic of acute respiratory infections caused by Coronavirus disease Pandemic ("Covid-19 Pandemic"). Since then, the complicated movements of Covid-19 Pandemic have significantly affected the production and business activities of the Company and its subsidiaries.

The Company and its subsidiaries have proposed several general solutions to cut costs and reorganise business operations during the Covid-19 Pandemic. The Company is in the progress of making assessment on the effect of Covid-19 Pandemic on business operations of the Company and its subsidiaries in 2020.

There is no other matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Company and its subsidiaries.



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30 March 2020

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