



**VINGROUP**



SHAPING  
THE FUTURE

**2018**

ANNUAL REPORT

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CHAPTER

# 01

ANNUAL  
REPORT  
2018

## VINGROUP 2018 AND MESSAGE FROM THE CEO

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“

THE VINGROUP ECOSYSTEM IS LARGE BUT THERE IS STILL A LOT OF WORK TO BE DONE. WE MUST NOT ONLY DO WELL INTERNALLY, BUT ALSO CREATE IMPACTS ALIGNING WITH OUR MISSION: "TO CREATE A BETTER LIFE FOR THE VIETNAMESE PEOPLE". VINGROUP WILL BUILD A SUSTAINABLE COMPETITIVE ADVANTAGE FOR GREATER GROWTH IN THE DOMESTIC MARKET WHILE PREPARING FOR INTERNATIONAL ACCLAIM!

”

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**Pham Nhat Vuong**  
Vingroup Chairman



# VISION, MISSION, CORE VALUES

## Vision

With the goal of market leadership and sustainable development, Vingroup aims to become one of the most respected companies not only in Vietnam but also in the region. We will achieve this goal by improving production quality and service levels in real estate development, retail operations, and hospitality, by improving the quality of life for the Vietnamese people, and by raising the reputation of the nation in the world.

## Mission

### CUSTOMERS

Vingroup will provide products and services that meet international standards while reflecting the customs and cultural values of Vietnam. Products and services must anticipate changes and lead the trends.

### EMPLOYEES

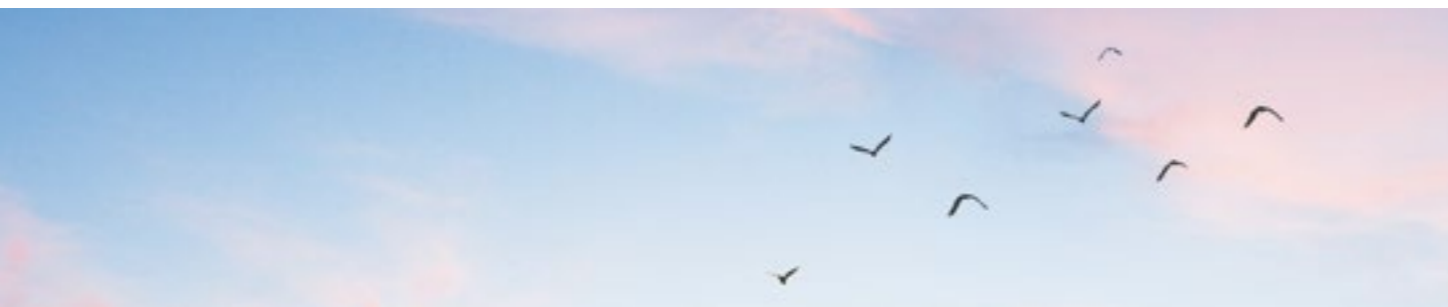
Vingroup will maintain a dynamic, creative, and respectful work environment that enables employees to achieve their maximum potential.

### SHAREHOLDERS AND BUSINESS PARTNERS

Vingroup will uphold a spirit of cooperation, emphasizing mutual development and respect for partners by emphasizing the creation of long-term sustainable value.

### VIETNAMESE SOCIETY

Vingroup will demonstrate its corporate social responsibility by harmonizing its corporate goals with the values of the communities in which it does business.



## Core Values

Vingroup strives to uphold six core values  
“**CREDIBILITY, INTEGRITY, CREATIVITY, SPEED, QUALITY, and COMPASSION**”.

### CREDIBILITY

Vingroup vigorously protects its Credibility as one would protect one’s honor. The Group is fully prepared to execute its plans and spares no effort in meeting its goals.

### SPEED

The Group considers speed of execution and efficiency in operations to be critical to our success. Among the practices that follow from our emphasis on speed are, “Fast To Decide, Fast To Invest, Fast To Deploy, Fast To Sell, Fast To Change, and Fast To Adapt”.

### INTEGRITY

As a foundation of our Company, Integrity demands that we remain in full compliance with all applicable laws and ethical standards. It follows that we must always put the interests of customers first.

### QUALITY

The place of quality in Vingroup’s operations is expressed as “Best in People, Best in Products and Services, Best in Quality of Life, Best in Commitment to Society.”

### CREATIVITY

Vingroup’s management believes that creativity is what enables the Group to deliver on its philosophy, which is expressed as, “Dare To Think, Dare To Do.” This philosophy encourages all employees to learn new skills.

### COMPASSION

The Group respects the interests of all its stakeholders. Employees are Vingroup’s most important resource. The Group will continue to promote harmony among the interests of all stakeholders by emphasizing fairness, integrity, unity, and strength.

## 2018 Message

## Shaping the future

Vingroup is proud to set a new standard in all areas of participation, leading the market and actively creating new consumer trends. Vingroup will continue applying its breakthrough and thought leadership to shape the future and ‘create a better life for the Vietnamese people’.

## Slogan

### Preserving the startup mindset

As a relatively young company, Vingroup believes it is important to preserve the entrepreneurial traits that led to our success. The startup mindset includes listening to customers, cultivating creativity, supporting the courage to innovate, and collaborating to succeed.

These traits will continue to guide the Group’s growth and development.

## Logo

The Vingroup Logo shows a bird in flight toward the Sun. This image expresses our determination to strive for new levels of success. The V-shape of the bird’s wings refers to Vietnamese national pride and to the Group’s place in its competitive marketplace.

The five stars beneath the image of the bird represent Vingroup’s gold standards and principles. The two colors of the logo, from Vietnam’s flag, express the Group’s pride in our Vietnamese identity, spirit, and intelligence.



# 2018 AT A GLANCE

VND  
 ▲ **122** TRILLION  
 NET REVENUE

VND  
 ▲ **6.2** TRILLION  
 PROFIT AFTER TAX

VND  
 ▲ **364** TRILLION  
 MARKET CAPITALIZATION<sup>(\*)</sup>

▲ **3.4** MILLION  
 GUEST NIGHTS SOLD  
 AT VINPEARL

▲ **4.9** MILLION  
 VISITS TO VINPEARL LAND

OVER  
 ▲ **2,080**  
 RETAIL STORES<sup>(\*)</sup>

OVER  
 ▲ **65,300**  
 EMPLOYEES

DELIVERED NEARLY  
 ▲ **15,400**  
 APARTMENTS, VILLAS,  
 SHOPHOUSES, AND  
 BEACH VILLAS DURING 2018

▲ **66**  
 RETAIL MALLS

▲ **617,000**  
 PATIENTS SERVED AT  
 VINMEC HOSPITALS AND CLINICS

NEARLY  
 ▲ **23,000**  
 VINSCHOOL STUDENTS<sup>(\*)</sup>

OVER  
 ▲ **6.3** MILLION  
 VINID MEMBERS<sup>(\*)</sup>

(\*) As of February 28, 2019



# 2018 ACHIEVEMENTS



## 01

### LAUNCH OF VINFAST CARS AND ELECTRIC SCOOTERS, AND VSMART SMARTPHONES

VinFast had an impressive launch ceremony with two models, SUV Lux SA2.0 and Sedan Lux A2.0, in October 2018 at the Paris Motor Show. This comes just a year after the Group announced its participation in the Industrials segment. VinFast unveiled three car models – SUV, Sedan and CUV (Fadil) – and the Klara electric scooter in seven major cities and provinces (Hanoi, Ho Chi Minh City, Hai Phong, Nha Trang, Da Nang, Can Tho and Ha Tinh). The Klara e-scooter is currently for sale, and VinFast is already receiving orders

for car models through its showrooms, dealers and Adayroi e-commerce channel.

In early December, just over three months from the groundbreaking, the VinSmart smartphone factory began operations. Initially, VinSmart launched four Vsmart smartphone models – Joy 1, Joy 1+, Active 1 and Active 1+ – targeting mass and mid-end market segments. This marked Vingroup's presence in the smart device manufacturing sector.



## 02

### LISTING OF VINHOMES SHARES AND RAISING TOTAL CAPITAL OF USD 3.2 BILLION FROM INTERNATIONAL MARKET

On May 17, 2018, Vinhomes JSC listed nearly 2.7 billion shares on the Ho Chi Minh Stock Exchange ("HOSE") and quickly became one of the largest listed companies on the market, second only to its parent company, Vingroup.

After the listing date, Vinhomes raised nearly USD 1.4 billion from the share sale to several reputable international investors. The sale was the largest-ever initial equity offering in Vietnam. In 2018, Vingroup also succeeded in raising capital through multiple channels from international financial institutions and for many of its core subsidiaries, with a total value of USD 2.5 billion. Some of the most notable transactions include the USD 400 million preference share issuance to Hanwha Group from Korea, the 10-year facility with a total value of USD 950 million to VinFast, guaranteed by Euler Hermes – an export credit agency of the German government, and the USD 450 million international exchangeable bonds issued by Vinpearl.



## 03

### VINHOMES LAUNCHED TWO MEGA PROJECTS WITH IMPRESSIVE PURCHASING POWER

In 2018, Vinhomes introduced its first two mega projects – Vinhomes Ocean Park and Vinhomes Sportia – in the Eastern and the Western gateway of Hanoi and launched the VinCity product line, which was renamed Vinhomes Sapphire, targeting mid-end segment. These mega projects will consist of three product lines – Vinhomes Sapphire, Vinhomes Ruby and Vinhomes Diamond, covering hundreds of hectares and offering a series of unique and impressive indoor and outdoor amenities.

With innovative and reasonable financial solutions, the Vinhomes Sapphire product line (formerly VinCity) has been embraced by the market. During the last two months of 2018, Vinhomes Sapphire's pre-sale rate reached 82% of the nearly 12,000 apartments launched for sale.



## 04

### VINCOM RETAIL SET A RECORD WITH 20 RETAIL MALLS OPENING IN A SINGLE YEAR

In 2018, Vincom Retail continued increasing its coverage with 20 new retail malls in 38 provinces and cities nationwide, bringing the total number of malls to 66, with a total GFA of 1.5 million square meters. Thanks to its large coverage, diverse tenants and quality service, Vincom Retail has become the first choice for many domestic partners and international brands wanting to seize opportunities from the current growth of consumer retail and entertainment in Vietnam.



## 05

### LAUNCH OF VINCOM CENTER LANDMARK 81 – THE FIRST COMPONENT OF THE TALLEST BUILDING IN VIETNAM

On July 26, 2018, Vincom Center Landmark 81, the first component of Landmark 81 – the tallest building in Vietnam – was officially put into operation. Vincom Center Landmark 81 has a scale of about 50,000 square meters. It is also the first retail mall in Vietnam that is designed with an advanced LED ceiling light system that is capable of producing unique motion effects.

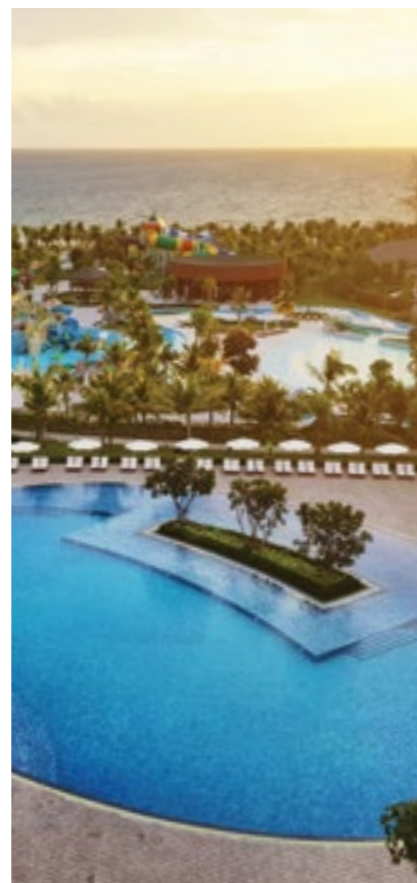
Since operations began, Vincom Center Landmark 81 has attracted nearly 100 leading domestic and international brands.



## 06

### AFTER ACQUIRING FIVIMART AND VIEN THONG A, VINGROUP NOW OWNS THE LARGEST RETAIL NETWORK IN VIETNAM

In 2018, Vingroup completed the acquisition of two major retail chains, Fivimart and Vien Thong A, which consist of 23 supermarkets and 185 ICT stores respectively. In addition, 18 new VinMart supermarkets, 748 VinMart+ stores, 21 VinPro electronic and appliance stores and 11 VinFa pharmacies were opened from the start of 2018. This growth places Vingroup atop the retail network in Vietnam with more than 2,080 stores in 60 cities and provinces nationwide.



## 07

### VINPEARL CARRIED OUT A REBRANDING EXERCISE AND INCREASED ITS SCALE BY 1.6 TIMES TO MORE THAN 16,400 ROOMS

2018 continued to be a great year for Vinpearl with the opening of 14 new hotels and resorts since the beginning of 2018 to date, raising its total number of operating facilities to 31, with more than 16,400 rooms. Vinpearl also marked its presence in 17 provinces with potential tourism destinations, such as Nha Trang, Da Nang, Hoi An, Phu Quoc, Ha Long, Nghe An, Ha Tinh, Can Tho, and Lang Son.

In addition to expanding its operational network, Vinpearl also carried out a rebranding exercise, forming six product lines: Vinpearl Luxury, Vinpearl Resorts, Vinpearl Discovery, Vinpearl Condotel, Vinpearl Hotels and VinOasis. Each product line offers unique products and services tailored to different customer segments.



## 08

### VINMEC TIMES CITY INTERNATIONAL HOSPITAL WAS GRANTED JCI ACCREDITATION FOR THE SECOND TIME

On June 5, 2018, three years after becoming the first JCI-accredited hospital in Vietnam, Vinmec Times City International Hospital was honored for the second time from the United States Joint Commission International ("JCI"). This event once again affirmed the quality of service at Vinmec Times City International Hospital, which cements the reputation and status of Vinmec healthcare network on a global scale.

In the same year, Vinmec opened its seventh hospital, Vinmec Hai Phong International Hospital, as well as a new clinic, Vinmec Gardenia.



## 09

### VINSCHOOL UPGRADED ITS EDUCATION PROGRAM UNDER INTERNATIONAL STANDARDS, VINGROUP COMMENCED THE CONSTRUCTION OF VINUNIVERSITY

After more than five years of operation, Vinschool has become home to nearly 23,000 students with 26 facilities across Vinhomes urban areas. 2018 was a turning point for Vinschool with its advocacy of changing education programs and philosophy. The entire system embarked on a transformative process with up to 80% of the curriculum adapted from international curriculum, and exclusively designed by education experts. Also, the preschool education program is adapted from the International Preschool Curriculum ("IPC") in the United States.

At the university level, the Group held the groundbreaking ceremony in November 2018 for the VinUniversity Project ("VinUni") located in Vinhomes Ocean Park in Gia Lam, Hanoi. During the first phase of the project, VinUni will be built on 23 hectares with VND 5 trillion of investment capital. This project is expected to become a "University City", a hub that attracts and fosters young talents.



## 10

### HEAVY INVESTMENTS IN INDUSTRIALS AND TECHNOLOGY SEGMENTS

2018 marked a transformation of Vingroup by stepping into the Industrials and Technology segments. Besides the rapid development of VinFast car and e-scooter products, Vingroup also introduced four Vsmart smartphones to the market, only six months after participating in this segment. Vingroup also announced its 10-year vision to become a technology – industrials – services group. To accomplish this goal, Vingroup established VinTech company to research and develop artificial intelligence ("AI"), software programs and next generation materials. VinTech also developed VinTech City – a hub for technology startups using the Silicon Valley model. The Group also established Vingroup Ventures investment fund, aiming for global collaboration opportunities, as well as the Vin Innovation Foundation to sponsor cutting-edge research projects.



# 2018 AWARDS AND ACCOLADES



## 01 ASIA'S TOP 50 COMPANIES

On September 6, 2018, Vingroup was ranked in **Asia's Fab 50 2018** – Forbes Asia's Top 50 companies list. This award demonstrates Forbes' recognition of Vingroup's large-scale, stable and continuous growth, as well as its multitude of segments of business activities such as property, hospitality and entertainment, retail, agriculture, education, healthcare, and industrials and technology. This is a clear recognition of Vingroup's outstanding growth, strategic vision and excellent performance over the years.

In addition, Vingroup was honored in the **Top 40 Most Valuable Brands in Vietnam** and **Top 50 Listed Companies** in 2018 by Forbes Vietnam.

## 02 SELECTED FOR NIKKEI'S ASIA 300 LIST

Nikkei Magazine of Japan chose Vingroup as one of the top 300 most dynamic companies in its **Asia 300** list of companies. This list includes the largest and fastest growing enterprises throughout Asia.

## 03 TOP 10 LARGEST ENTERPRISES IN VIETNAM

In December 2018, Vingroup became the first and only representative of the private sector that was listed in the **Top 10 Largest Enterprises in Vietnam (VNR500)**, a ranking of Vietnam Report. Vingroup's ranking jumped from 11<sup>th</sup> in 2017 to 6<sup>th</sup> in 2018, and ranked in the top 10 largest enterprises, including various sectors of the economy, including state-owned, FDI and private enterprises.

In 2018, under the Vietnam Report system, Vingroup was also honored in the **Top 10 Real Estate Developers in Vietnam**, for the third consecutive time, and ranked third in the **Top 500 Most Profitable Enterprises in Vietnam** in 2018.

## 04 TOP 10 MOST SUSTAINABLE COMPANIES

Vingroup was honored as one of the **10 Most Sustainable Companies** in 2018 by VCCI, as well as one of the **10 Enterprises with the Best Compensation and Social Welfare for Employees**, an award given by the Vietnam General Confederation of Labor.

## 05 BEST WORKPLACE AWARD BESTOWED BY ANPHABE CAREER COMMUNITY NETWORK

Vingroup was proud to be named **Best Place to Work** in the Real Estate/Architecture/Design, Retail/Wholesale/Commerce, Travel/Restaurant/Hotel, and Healthcare categories surveyed by the Anphabe Career Community Network in collaboration with Nielsen Market Research Company.

## 06 BEST INITIAL EQUITY OFFERING IN ASIA AND VIETNAM

Thanks to the successful listing on the HOSE stock exchange with a record trading value of nearly USD 1.4 billion, Vinhomes was honored as **Best IPO in Asia** and **Best Vietnam Deal** by Finance Asia.

In addition, Vinhomes was honored by two of Asia's other leading magazines in the finance and banking sector – The Asset and IFR Asia – under the categories of **Best IPO in Vietnam** and **Frontier Markets Equity Issue**.

## 07 BEST M&A DEAL AND MOST IMPRESSIVE SHARE ISSUANCE IN VIETNAM

In 2018, Vingroup impressed the international capital market with its successful issuance of 84 million preference shares via private placement to Hanwha Asset Management Co. Ltd. The total issuance volume was over VND 9.3 trillion (approximately USD 400 million). Hanwha Asset Management Co. Ltd. is an affiliate of Hanwha Group, one of the 10 largest corporations in Korea and one of the 500 biggest conglomerates in the world.

This deal was rated by The Asset as the **Best M&A in Vietnam**. These ratings validated the appeal of VIC stock and affirmed a high level of trust among international investors.

## 08 VINGROUP WAS HONORED WITH INTERNATIONAL PROPERTY AWARDS

In early December, at the ceremony of International Property Awards, Vinhomes Riverside was honored as **World's Best Property** in 2018. This is the first time that a Vietnamese project has earned the world's most prestigious annual property award.

In addition, Vingroup was honored in 2018 with two property awards from Euromoney magazine: **Best Retail Developer** and **Best Hospitality Developer in Vietnam**. These awards denote Vingroup's stature as a leading property developer in Vietnam.

## 09 VINPEARL HONORED AS A LEADING RESORT AND TOURISM ENTERPRISE IN VIETNAM

In July 2018, Vinpearl was recognized six times under the most renowned category of the **Vietnam Tourism Awards 2018**. It is a prominent award organized by the Vietnam National Administration of Tourism.

As part of the award, Vinpearl was honored in three categories: **Top Ten Five-Star Hotels in Vietnam** (three awards, for Vinpearl Resort & Spa Ha Long Bay, Vinpearl Resort & Spa Nha Trang Bay, and Vinpearl Resort & Spa Phu Quoc), **Vietnam Top Resort** (two awards, for Vinpearl Nha Trang and Vinpearl Phu Quoc), and **Best Hospitality Developer in Vietnam**.

## 10 VINFAST HONORED WITH "A STAR IS BORN" AWARD AT PARIS MOTOR SHOW

On October 3, 2018, at the Paris Motor Show Exhibition, VinFast won the award **A Star is Born** by AUTOBEST. The award highlighted VinFast's spirited and aspirational debut. VinFast launched its first car model after only 12 months since the groundbreaking ceremony while completing its leading modern automobile manufacturing complex in the region. This demonstrated VinFast's capability for effective implementation and innovation in Vietnam and international markets.

# MESSAGE FROM THE CEO

## Dear Valued Shareholders,

In 2018, Vingroup enjoyed a successful year with many achievements.

### 2018 – A BREAKTHROUGH YEAR

**In business activities and operations,** total revenue reached VND 122 trillion, an increase of 36% over 2017. After-tax profit was nearly VND 6.2 trillion. Vingroup became the first non-state owned enterprise to be ranked in the **Top 10 Largest Enterprises in Vietnam**, a group that includes both state-owned corporations and key FDI enterprises. Vingroup remained the largest listed company on the Vietnamese stock exchange with a market capitalization larger

than USD 15 billion in February 2019, an increase of nearly 45% year-on-year. The Group also has two subsidiaries that are listed on the stock exchange.

All of the Group's business segments, *Property, Consumer Retail, Healthcare, Education and Agriculture*, achieved outstanding growth in turnover, profitability, scale, and coverage.

In two new segments, *Industrial and Technology*, the Group achieved meaningful milestones. VinFast and VinSmart launched the first cars, e-scooters and four smartphones with positive public receptions. The successful launches of these three brands – VinFast, Vsmart and VinTech – demonstrated Vingroup's commitment to build sustainable platforms for manufacturing and technology, industries that will contribute to Vietnam's rise in the global value chain.

Vingroup raised a record USD 3.2 billion from international capital markets via the sale of Vinhomes shares, a syndicated loan guaranteed by Euler Hermes – the German Export Credit Agency, an equity investment from Hanwha Group (Korea), and other bond and syndicated loan transactions.

**In human resources,** the Group recruited leading experts in many fields, including domestic and international scientists, overseas Vietnamese and other international specialists, all of whom share the vision of contributing to the development of the Group and to Vietnam.

### Ladies and Gentlemen,

In August 2018 Vingroup announced a shift in strategy towards a focus on technology. Vingroup's eight business segments will now be organized into three divisions – *Services, Industrials, and Technology*. The *Industrials and Technology divisions* will create innovative high-value industrial and technology products. They will also foster improvements in the delivery and quality of products and services in the *Services* division.

### 2019 – PIONEERING NEW SEGMENTS

**In terms of business operation,** the Vingroup ecosystem of products and services will continue to expand nationwide. Every P&L will extend its number one leadership position in each industry. All Group brands will emphasize improvements toward international standards.

New technologies will be gradually deployed throughout the Group with to make Vingroup the leading technology company in Vietnam. The Group and its subsidiaries will widely implement technology applications in administration and governance in order to help the system operate more efficiently.

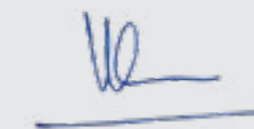
During 2019 VinFast will introduce nine new car models catering to different customer segments. VinSmart plans to develop several smartphones catering to a variety of customer segments. VinSmart will also introduce other smart electronic devices such as a SmartTV, Smart air-conditioners and other consumer

devices. VinTech will conduct research on new technologies to strengthen the ecosystem that supports the Group's products and services.

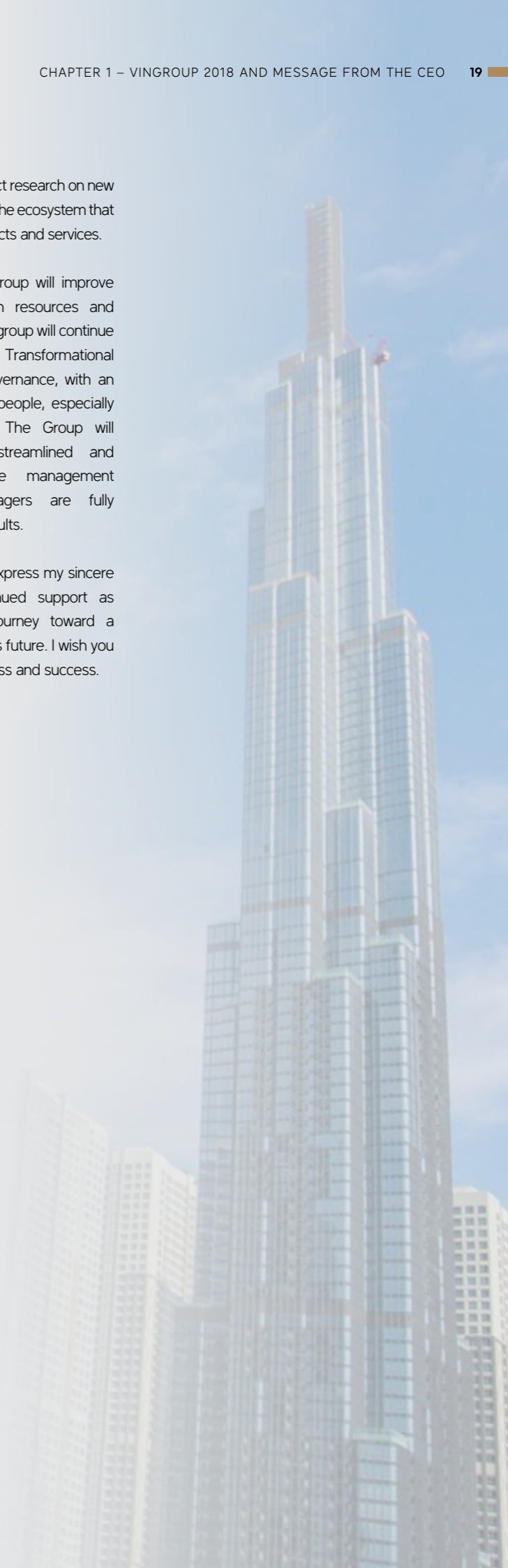
To achieve its goals, Vingroup will improve the quality of its human resources and management systems. Vingroup will continue to implement the Five Transformational Principles in corporate governance, with an emphasis on the role of people, especially leaders, in the system. The Group will also develop simple, streamlined and comprehensive corporate management models so that managers are fully empowered to achieve results.

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

Yours sincerely,



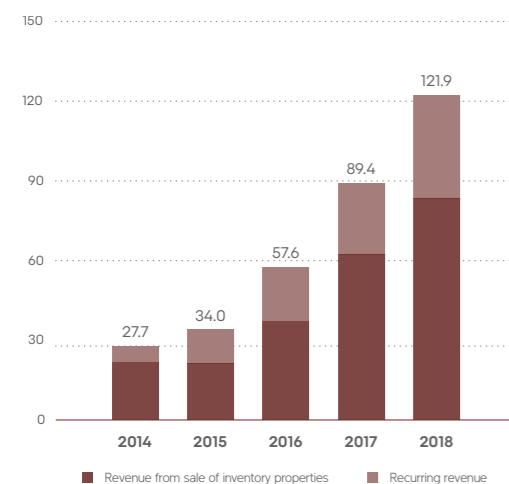
**Nguyen Viet Quang**  
Vice Chairman  
and Chief Executive Officer



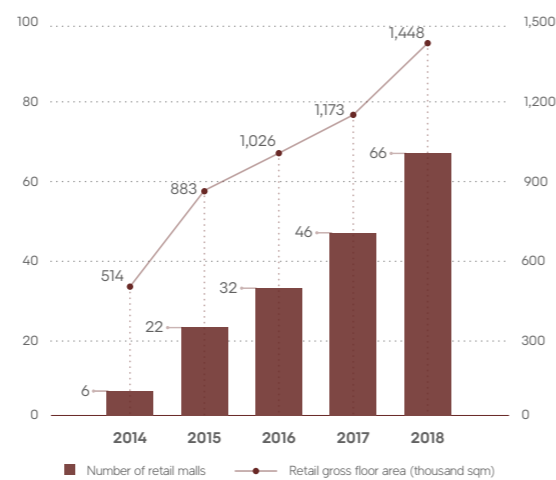
# 2014 – 2018 FINANCIAL AND OPERATIONAL HIGHLIGHTS

## NET REVENUE

(Trillion VND)

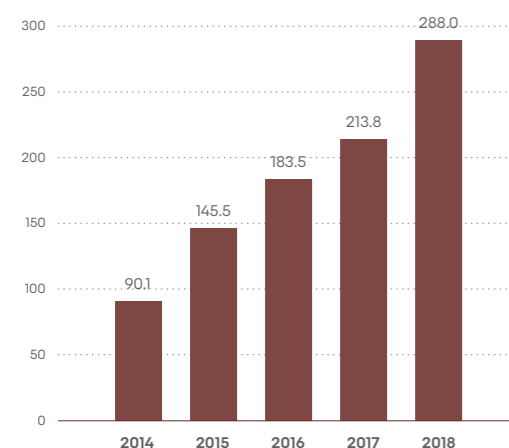


## VINCOM RETAIL MALL NETWORK



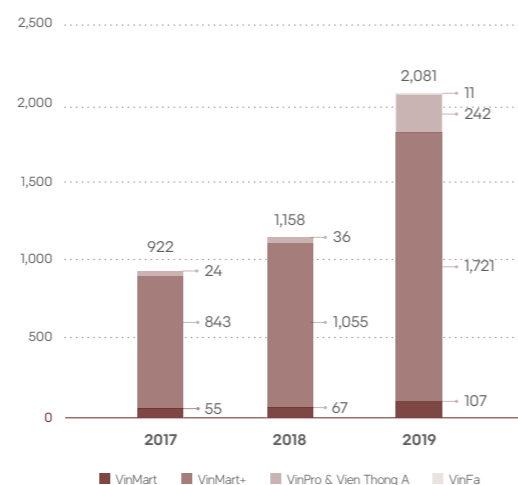
## TOTAL ASSETS

(Trillion VND)



## VINCOMMERCE RETAIL NETWORK

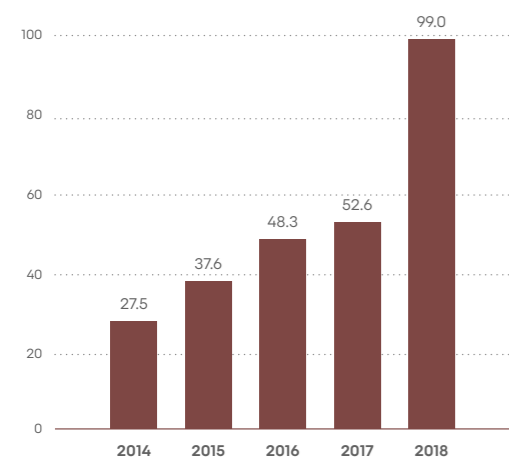
(Stores)<sup>(\*)</sup>



(\*) As of February 28 of each year

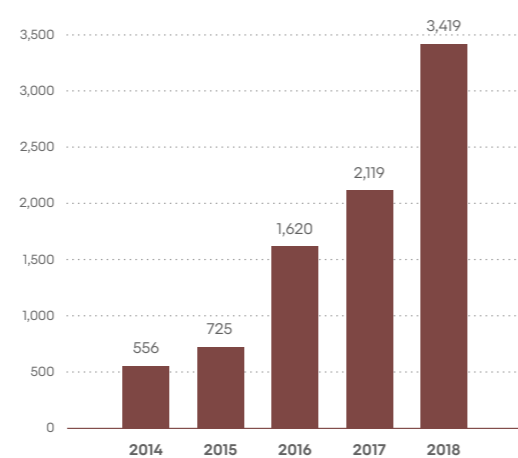
## OWNERS' EQUITY

(Trillion VND)



## VINPEARL HOTELS & RESORTS NETWORK

(Thousand guest nights sold)



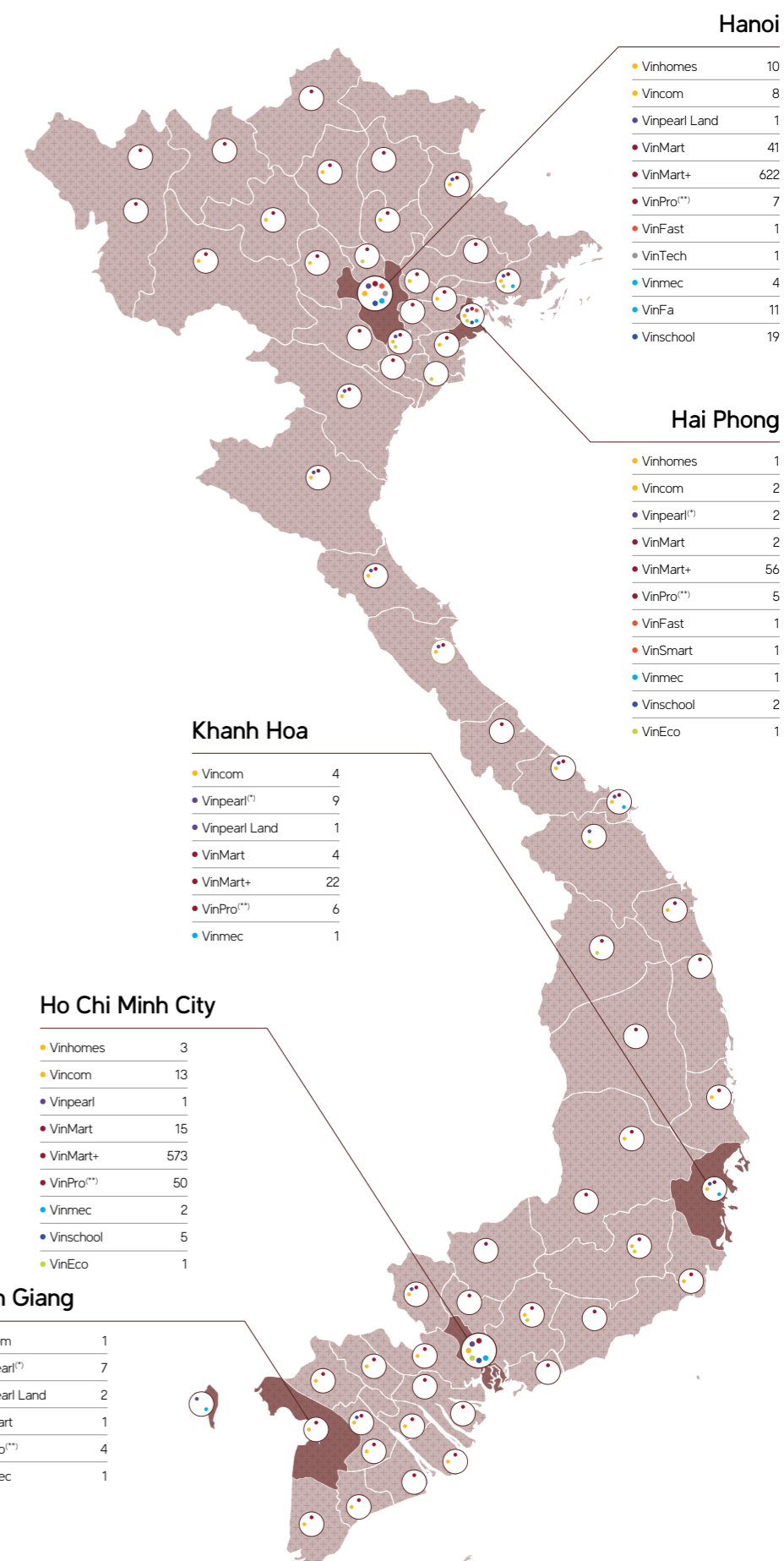
# Key locations

## Network

Vingroup's extensive network of business operations cover prime locations throughout Vietnam. As of February 28, 2019, Vingroup and its subsidiary companies conduct operations in 62 of Vietnam's cities and provinces.

Each of our business units headquartered in Hanoi, Ho Chi Minh City and Khanh Hoa contributed more than 10% of the Group's recurring revenue during 2018.

- Property
- Hospitality and Entertainment
- Consumer Retail
- Industrials
- Technology
- Healthcare
- Education
- Agriculture



(\*) Includes Vinpearl Golf

(\*\*) Includes Vien Thong A ICT stores

CHAPTER

# 02

ANNUAL  
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## ABOUT VINGROUP

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# VINGROUP PROFILE

COMPANY NAME	VINGROUP JSC		
TICKER	VIC		
CHARTER CAPITAL	VND 32,756,212,300,000 <i>(as of December 31, 2018)</i>		
BUSINESS REGISTRATION NUMBER AND TAX CODE	0101245486		
HEADQUARTERS	No. 7, Bang Lang 1, Vinhomes Riverside Ecological Urban Area, Viet Hung Ward, Long Bien District, Hanoi, Vietnam		
CONTACT	TEL (84-24) 3974 9999	FAX (84-24) 3974 8888	WEBSITE www.vingroup.net

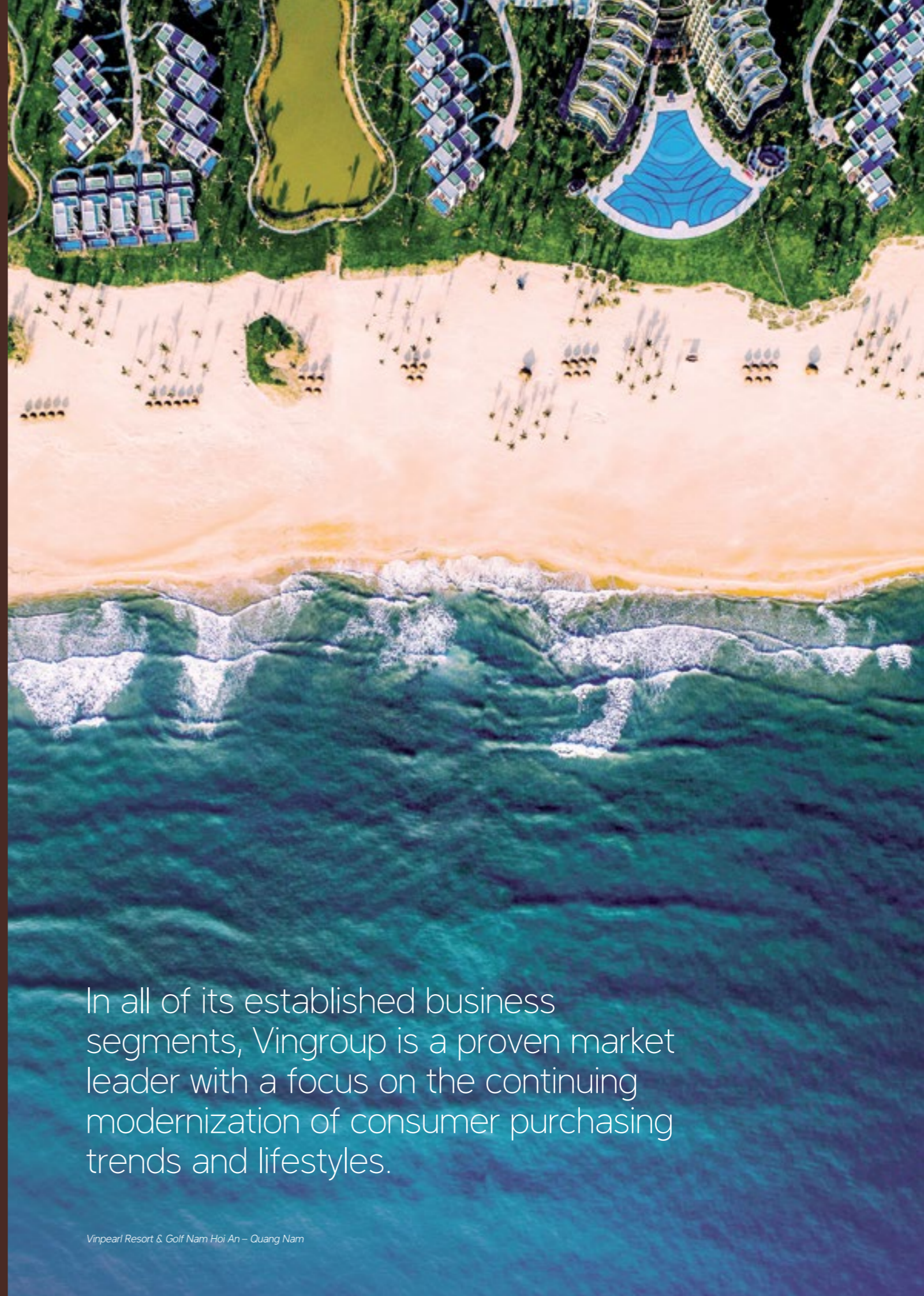


Vingroup Joint Stock Company ("Vingroup" or "the Group"), is Vietnam's largest non-state owned enterprise<sup>(\*)</sup> and is the largest listed companies in Vietnam as measured by market capitalization.

Initially focused on developing hospitality, commercial and residential properties under the Vinpearl and Vincom brands, Vingroup has constantly developed and expanded other business segments. Today, Vingroup competes in eight business segments:

- Property
- Hospitality and Entertainment
- Consumer Retail
- Industrials
- Technology
- Healthcare
- Education
- Agriculture

<sup>(\*)</sup> According to VNR500's ranking in 2018



In all of its established business segments, Vingroup is a proven market leader with a focus on the continuing modernization of consumer purchasing trends and lifestyles.

Vinpearl Resort & Golf Nam Hoi An – Quang Nam

# VINGROUP ECOSYSTEM

## 01

### PROPERTY

- **VINHOMES**  
Premium Integrated Offerings of Apartments, Villas and Shophouses
- **HAPPY TOWN**  
Affordable Housing Solutions
- **VINCOM RETAIL**  
Your All-in-One Shopping Paradise
- **VINOFFICE**  
Premium Offices for Lease

## 02

### HOSPITALITY AND ENTERTAINMENT

- **VINPEARL**  
Premium Resorts and Hotels
- **VINPEARL LAND**  
High-End Amusement Parks
- **VINPEARL GOLF**  
World-Class Golf Courses

## 03

### CONSUMER RETAIL

- **VINMART**  
Supermarkets
- **VINMART+**  
Mini-Marts and Convenience Stores
- **VINPRO**  
Electronics and Appliance Stores
- **ADAYROI**  
Comprehensive E-Commerce Platform

## 04

### INDUSTRIALS

- **VINFAST**  
International-Standard Motorcycles and Automobiles
- **VINSMART**  
Smart Devices by a Vietnamese Brand

## 05

### TECHNOLOGY

- **VINTECH**  
Scientific Research and Application of Technologies

## 06

### HEALTHCARE

- **VINMEC**  
International General Hospitals
- **VINFA**  
Pharmaceutical Products and Dietary Supplements Produced to International Standards

## 07

### EDUCATION

- **VINSCHOOL**  
High-Quality K-12 School System
- **VINUNIVERSITY ("VINUNI")**  
Advanced Higher Education

## 08

### AGRICULTURE

- **VINECO**  
High-Technology Agricultural Production



# CORPORATE MILESTONES

## 2001

- Vinpearl JSC (formerly Hon Tre Tourism and Trading Limited Liability Company) was established on July 25



## 2002

- Vincom JSC (formerly Vietnam General Commercial JSC) founded on May 3



## 2003

- Five-star resort Vinpearl Nha Trang Resort commenced operation



## 2004

- Vincom Center Ba Trieu launched. As the first modern retail mall in Hanoi, Vincom Center Ba Trieu introduced a new shopping experience to customers



## 2006

- Vinpearl Land Nha Trang opened, turning formerly arid Hon Tre Island into a luxury tourist destination, and symbolizing the rapid growth of tourism in Nha Trang



## 2007

- Vinpearl cable car, with a total of 3,320 meters in length, connected Hon Tre Island with the main land. Vinpearl Nha Trang Resort opened an additional tower, raising the total number of five-star guest rooms to 485.
- Vincom listed its shares on the Ho Chi Minh City Stock Exchange with ticker symbol VIC



## 2008

- Vingroup became the first real estate company in Vietnam to be selected by Russell Investments for the Russell Global Index



## 2009

- Vincom became the first Vietnamese company to issue USD 100 million of convertible bonds on the Singapore Exchange ("SGX")



## 2010

- Vincom Center Dong Khoi opened in Ho Chi Minh City
- The Group commenced pre-sales of apartments in the Vinhomes Royal City project in Hanoi

## 2011

- Vinpearl Luxury Nha Trang, a five-star resort, and Vinpearl Golf Nha Trang opened simultaneously
- Vinpearl Da Nang Resort & Villas was opened

## 2012

- Vincom JSC merged with Vinpearl JSC and increased total charter capital to VND 5.5 trillion. The Group began operating under the new name Vingroup Joint Stock Company
- Vingroup introduced the Vinmec brand and opened the Vinmec International Hospital in Vinhomes Times City

## 2013

- Vingroup became a Foundation Member of the World Economic Forum
- Vinschool was established and launched education offering ranging from kindergarten to high school
- A consortium led by Warburg Pincus invested USD 200 million in a strategic partnership with Vincom Retail. Warburg Pincus invested an additional USD 100 million in Vincom Retail in June 2015, raising the total investment to USD 300 million
- Vincom Mega Mall Royal City opened as Asia's largest underground retail complex
- Vingroup successfully issued USD 200 million of international senior unsecured bonds

## 2014

- Vinhomes Central Park, a modern, luxurious integrated project, broke ground in Ho Chi Minh City. The Landmark 81 Tower, with 81 floors and a height of 461 meters, set the record as the tallest building in Vietnam
- VinMart and VinMart+ began operations
- Vinpearl Phu Quoc Resort opened after ten months of construction, setting a new record for on-time completion

## 2015

- Vingroup achieved major progress in its property business segment by preselling 14,000 apartments, villas, and shophouses
- By year-end, the Group operated 15 additional retail malls and three more hotels
- VinEco – high-technology agricultural production
- VinPro – electronics and appliance stores
- Vingroup also commenced operations at Vietnam's first wildlife safari park with more than 3,000 animals representing 150 rare species

## 2016

- The Group opened 10 new retail malls to bring its total to 32 malls in 15 cities and provinces throughout Vietnam as of February 28, 2017
- The retail store network was expanded to 1,000 outlets nationwide
- Vingroup introduced the Vingroup Loyalty Program – VinID
- Vingroup raised its hotel room count to more than 6,000 rooms and introduced a high-end city hotel brand, Vinpearl City Hotel, with the opening of a Vinpearl City Hotel in Can Tho
- Vingroup converted Vinmec and Vinschool into social enterprises and committed to reinvest all profits generated from these two businesses to meet social targets

## 2017

- Vincom Retail opened 15 new retail malls for a total of 46 in 24 cities and provinces throughout Vietnam as of February 28, 2018. It was listed on Ho Chi Minh City Stock Exchange in November 2017
- The retail store network was expanded to 1,200 stores nationwide
- Vinpearl launched eight new hotels and resorts, bringing its total room count to over 10,000 rooms
- VinFast automobile and electric scooter brand was announced
- The Vincom Center for Contemporary Art ("VCCA") and VinTaTa Animation Studio were introduced

## 2018

- Listed Vinhomes shares on HOSE
- Introduced the first two mega projects and launched Vinhomes Sapphire mid-end product line (formerly known as VinCity)
- Launched and operated 20 new retail malls, raising the total number of malls to 66 in 38 provinces<sup>(\*)</sup>
- Continued to expand the consumer retail segment significantly in terms of coverage with over 2,080 stores across the country
- Opened 14 new hotels and resorts, bringing the total room count to over 16,400<sup>(\*)</sup>
- Launched the first three car models and Klara smart electric scooters
- Announced plans to become a technology-focused company and established VinTech. Began to produce smart electronic devices with four models of Vsmart smartphones introduced to the market
- Entered the higher education segment with the ground breaking of VinUni. Entered the pharmaceutical field with the launch of VinFa pharmacy chain

(\*) As of February 28, 2019

## BUSINESSES

### Property

Vinhomes

Where happiness lives

Premium Integrated Offerings of Apartments, Villas and Shophouses

15,400

APARTMENTS, VILLAS,  
SHOPHOUSES AND BEACH VILLAS  
HANDLED OVER DURING 2018

17

PROJECTS MANAGED



Vinhomes is the leading real estate developer in Vietnam. Vinhomes develops, leases and manages mixed-use residential property projects that target the mid- to high-end market segments with three product lines: Vinhomes Sapphire (formerly known as VinCity), Vinhomes Ruby and Vinhomes Diamond. Vinhomes projects are in prime locations in Vietnam's most populous cities and provinces. Vinhomes introduces the appropriate product line in each project to suit its location and size. For mega projects, Vinhomes will launch all three product lines consecutively, providing

more options for the customers in the mid-end segment, offering a premium living standard, suitable for the lifestyle of each individual. In addition, in 2018, Vinhomes launched Happy Town – affordable housing for low-income people. These projects will be located near industrial parks with a high density of blue-collar workers and low-income earners, aiming at solving the pressing issue of housing for blue-collar workers and low-income earners.

Vinhomes now manages 17 projects with over 46,800 apartments, villas and

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

#### Vinhomes properties include

##### Hanoi

- Vincom Ba Trieu
- Vinhomes Riverside
- Vinhomes Riverside – The Harmony
- Vinhomes Times City & Vinhomes Times City – Park Hill
- Vinhomes Royal City
- Vinhomes Nguyen Chi Thanh
- Vinhomes Gardenia
- Vinhomes Thang Long
- Vinhomes Green Bay
- Vinhomes Metropolis

##### Ho Chi Minh City

- Vincom Dong Khoi
- Vinhomes Central Park
- Vinhomes Golden River

##### Quang Ninh

- Vinhomes Dragon Bay

##### Hai Phong

- Vinhomes Imperia

##### Bac Ninh

- Vinhomes Bac Ninh

##### Ha Tinh

- Vinhomes Ha Tinh



## Vincom Retail

Your All-in-One Shopping Paradise

**66**  
RETAIL MALLS

**1.5** MILLION M<sup>2</sup>  
OF RETAIL GROSS FLOOR AREA



As a leading operator of retail malls, Vincom Retail operates four distinct formats: Vincom Center, Vincom Mega Mall, Vincom Plaza, and Vincom+. In combination, these formats give Vincom Retail a presence throughout Vietnam with differentiated offerings for each customer group. Vincom Retail malls combine shopping, entertainment, dining, as well as cultural and recreation experiences. This combination of services has set a new standard for Vietnamese retail and entertainment, establishing Vincom Retail as the market leader in modern retail property investment and management.

### Vincom Centers

*For the shopping elite*

Vincom Centers are located in prime locations in the central business districts of major cities, with a wide range of leading domestic and international brands. There are currently six Vincom Center malls in Hanoi and Ho Chi Minh City.

### Vincom Mega Malls

*For the modern lifestyle*

Vincom Mega Malls are large lifestyle malls located in the center of integrated developments or densely populated areas in key cities. They are “fortress malls” and contain thousands of retail, entertainment, family-friendly facilities and culinary options, targeted at addressing the lifestyle needs of families and younger middle income consumers. There are currently three Vincom Mega Malls located in Hanoi and Ho Chi Minh City.

### Vincom Plazas

*The family favorite*

Vincom Plazas are designed for families living in and around smaller cities and outside the central core of large cities like Hanoi and Ho Chi Minh City. Vincom Retail currently operates 45 Vincom Plaza malls in 34 cities and provinces throughout Vietnam.

### Vincom+

*Transforming retail behavior*

The Vincom+ network of community retail malls are in medium-density non-central locations in Hanoi and Ho Chi Minh City, as well as the central core of towns and provinces with population of more than 30,000 people. There are currently 12 Vincom+ retail malls in 10 provinces throughout Vietnam.



Vincom Center Dong Khoi – Ho Chi Minh City

## VinOffice

Premium Offices for Lease

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

### VinOffices include

- VinOffice Times City, Hanoi
- VinOffice Dong Khoi, Ho Chi Minh City

# Hospitality and Entertainment

## Vinpearl

Premium Resorts and Hotels

OVER  
**16,400**  
ROOMS

**31**  
HOTELS, RESORTS AND VILLAS

**4**  
GOLF COURSES

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

After 15 years of development, which started with Vinpearl Nha Trang Resort, Vinpearl now owns a network of luxurious hotels and resorts across Vietnam with six key brands and a high-class golf course system.

- Vinpearl Luxury  
*Luxury defined by Vietnam*
- Vinpearl Resorts  
*Capture authentic delights*
- Vinpearl Discovery  
*Explore. Experience. Enjoy*
- Vinpearl Condotel  
*Elegant living, convenient exploring*
- Vinpearl Hotels  
*World-class hospitality. Authentic Vietnam*
- VinOasis  
*The inspirational Oasis*
- Vinpearl Golf  
*Passion – Joy – Perfection*



Skyview Bar – Vinpearl City Hotel – Ha Tinh

Vinpearl currently operates 31 hotels and resorts with a total of more than 16,400 rooms, mainly located in popular tourist destinations such as:

Ha Long Bay, Thanh Hoa, Nghe An, Ha Tinh, Hue, Da Nang, Nha Trang, Cam Ranh, Can Tho and Phu Quoc.



Vinpearl City Hotel – Ha Tinh

### Vinpearl Luxury include

- Vinpearl Luxury Da Nang
- Vinpearl Luxury Nha Trang

### Vinpearl Resorts include

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

### Vinpearl Discovery include

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

### Vinpearl Condotels include

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

### Vinpearl Hotels include

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

### VinOasis include

- VinOasis Phu Quoc

### Vinpearl Golf include

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

## Vinpearl Land

Immersive inspiration,  
whimsical delight

**4.9** MILLION  
VISITORS IN 2018

## High-End Amusement Parks

Vinpearl Land is Vingroup's entertainment brand, offering high-quality amusement parks, conservation parks and family entertainment centers. Located in Vingroup's resorts and mixed-use developments

throughout the country, these facilities are large-scale complexes comparable to the leading global theme parks.

### Vinpearl Land facilities include

Outdoor amusement parks:

- Vinpearl Land Nam Hoi An
- Vinpearl Land Nha Trang
- Vinpearl Land Phu Quoc

Indoor entertainment center:

- Vinpearl Land Times City

### Vinpearl safari and conservation park includes

- Vinpearl Safari Phu Quoc



Vinpearl Land Nha Trang

## Consumer Retail

VinCommerce

A Leading Modern Retail Network



VinCommerce is the umbrella brand for the Group's consumer retail offerings – VinMart, VinMart+, VinPro, and Adayroi. VinCommerce operates a comprehensive and market-leading network of retail stores in all major retail formats throughout Vietnam, where customers can experience the convenience of modern retail both in brick-and-mortar stores and online.



OVER  
**2,080**  
RETAIL STORES<sup>(\*)</sup>

NEARLY  
**137** MILLION  
RETAIL PURCHASES DURING 2018

(\*) Includes 11 VinFa pharmacies

### VinMart Supermarkets and VinMart+ Mini-Marts and Convenience Stores

*Worry-free shopping*

VinMart supermarkets and VinMart+ mini-marts and convenience stores win customers' trust by providing high quality products from trusted suppliers and supported by exceptional service. Currently, the Group operates 107 VinMart supermarkets and 1,721 VinMart+ mini-marts and convenience stores in Hanoi, Ho Chi Minh City, and many other provinces.

### VinPro Electronics and Appliance Stores

*Smart technology world*

VinPro is the Group's retail brand for electronics, smartphones, tablets, laptops and home appliances. With the acquisition of Vien Thong A, VinPro now operates 57 VinPro stores in Vincom Retail malls and 185 electronic device retail stores at prime retail locations across the country.

### Adayroi E-Commerce

*"All-in-one" online marketplace*

Adayroi is Vietnam's leading e-commerce website. Its mission is to bring modern and convenient online shopping to Vietnamese families. Adayroi's distinct advantages are product quality and authenticity. Adayroi has one of the most diversified product ranges in the e-commerce market, including fresh food, automobiles & motorcycles, services such as hospitality and entertainment and healthcare packages, besides popular products such as mobile phones & tablets, electronics and technology, health & beauty, fashion, household appliances, mom & baby. The connection with Vingroup's comprehensive ecosystem of products and services is also unique to Adayroi, allowing this platform to deliver a seamless, personalized experience.



## Industrials

### VinFast

International-Standard Automobiles and Motorcycles

**335** HECTARES

PRODUCTION COMPLEX PROJECT IN DINH VU – CAT HAI ECONOMIC ZONE, HAI PHONG

**250** THOUSAND CARS PER ANNUM

PRODUCTION CAPACITY IN PHASE 1

**250** THOUSAND E-SCOOTERS PER ANNUM

PRODUCTION CAPACITY IN PHASE 1



Body Shop – VinFast manufacturing complex – Hai Phong

VinFast stands for “**Vietnam – Style – Safety – Innovation – Pioneer**”, which aims to produce Vietnamese cars to international standards. The goal of VinFast is to become the leading automobile manufacturer in Southeast Asia. Its main products will be automobile engines, internal combustion engines, electric engines, and environment-friendly electric buses and scooters. VinFast’s business of manufacturing cars and electric vehicles also aims to become a catalyst in developing a domestic automobile industry, and to create a knock-on effect on other industries.

VinFast is partnering with world-class car designers and manufacturers including BMW, General Motors, Bosch, Siemens, Pininfarina, Italdesign, Magna Steyr, AVL, ABB, Schuler, Eissenmann, Durr, Grob, MAG, and Maruka. These partnerships began with VinFast’s founding in 2017. Vingroup showcased its models at the 2018 Paris Motor Show in October 2018, one of the world’s largest auto shows, with around 8 million online viewers in Vietnam and overseas. At the end of November 2018, VinFast began pre-orders of three car models and sold two versions of its

electric scooter – Klara. The launch of these products attracted a great deal of consumer interest. What followed, on March 6, 2019, was the completion of the trial production of the first cars at the VinFast manufacturing complex in Hai Phong – only 18 months after the construction commencement of the factory.

### VinSmart

Connect intelligence

### Smart Devices by a Vietnamese Brand

VinSmart was established in June 2018 with the charter capital of VND 2 trillion, and the mission of manufacturing smart electronic devices, started with the smartphone brand called Vsmart. The VinSmart factory was built at the VinFast manufacturing complex in the Dinh Vu – Cat Hai economic zone in Hai Phong.

In mid-December 2018, VinSmart launched four Vsmart smartphone models in the mass and mid-end market segments. All phone models are equipped with state-of-the-art technology that will give them competitive advantage over popular leading brands in the market.



# Technology

## VinTech

### Scientific Research and Application of Technologies

VinTech was established to research and develop new technology, focusing on artificial intelligence ("AI"), automation, and next generation materials. By the end of 2018, VinTech had launched three new research institutes – Big Data Institute, AI Research Institute and Next Generation Materials Research Institute – under the leadership of renowned professors and scientists.

At the same time, VinTech also established subsidiary companies in technology under the leadership of seasoned international industry experts. VinTech's subsidiaries and research institutes form a comprehensive technology ecosystem, which include providing infrastructure services, implementing business solutions, distributing hardware, product development, and research of future advanced technologies.



# Healthcare

## Vinmec

Great connection – great care

**7**  
INTERNATIONAL GENERAL HOSPITALS

**4**  
INTERNATIONAL CLINICS

**1,650**  
BEDS

**2,600**  
HEALTHCARE PROFESSIONALS



## International General Hospitals

Vinmec is a leading Vietnamese healthcare system that adheres to international standards. It is an established pioneer in applying advanced technology to people's healthcare needs.

By employing the most highly skilled medical experts, and by using medical equipment imported from the United States, Canada, Europe, and Japan, Vinmec has grown rapidly in just five years in both quality and its range of services.

Two hospitals – Vinmec Times City and Vinmec Central Park – have been awarded the JCI accreditation, the highest recognition for international quality standards for patient care and organization management.

### Vinmec healthcare facilities include

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



## VinFa

Dedicated to community health

### Pharmaceutical Products and Dietary Supplements Produced to International Standards

**11**  
PHARMACIES IN HANOI

VinFa was established in January 2018 as Vingroup's pharmaceutical brand. Its motto is "**dedicated to community health**". VinFa's vision is to become an international pharmaceutical enterprise.

The VinFa Center of Pharmaceutical Research and Production is located in the Gia Binh District of Bac Ninh Province. VinFa was established in July 2018 with an investment of VND 2.2 trillion. The Center's first phase, encompassing 10 hectares, was developed in accordance with international standards using segregated R&D, manufacturing, and logistics zones, as well as ancillary buildings. VinFa's R&D

and manufacturing programs incorporate the collection and preservation of essential aspects of traditional Vietnamese medicine, combined with advanced elements of modern pharma strengthened by collaboration with leading partners from the US, Europe, Australia, Japan, and South Korea through consultation, technology transfer, and imports of materials and finished products.

VinFa's products will be distributed to consumers through its nationwide pharmacy network. In November 2018, VinFa launched its retail network with the opening of 11 pharmacies in Hanoi.

# Education

## Vinschool

An incubator of talent

26

KINDERGARTENS, ELEMENTARY, SECONDARY AND HIGH SCHOOLS

23,000

STUDENTS ENROLLED

## High-Quality K-12 School System

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

All schools in the Vinschool system are equipped with advanced educational facilities.

Vinschool has made substantial investments in highly qualified teachers and progressive curricula. This dynamic environment prepares students to take full advantage of both domestic and international opportunities while remaining grounded in Vietnamese culture and values.

### Vinschool facilities include

#### Hanoi

- Five Vinschool Kindergartens at Vinhomes Times City
- Two Vinschool Kindergartens at Vinhomes Royal City
- Vinschool Kindergarten at Vinhomes Riverside
- Vinschool Kindergarten at Vinhomes The Harmony
- Vinschool Kindergarten at Vinhomes Nguyen Chi Thanh
- Vinschool Kindergarten at Vinhomes Gardenia
- Vinschool Kindergarten at Vinhomes Thang Long
- Vinschool Kindergarten at Vinhomes Green Bay
- Vinschool Kindergarten at Vinhomes Metropolis
- Vinschool Elementary School at Vinhomes Gardenia
- Vinschool Elementary School at Vinhomes Green Bay
- Vinschool Elementary, Secondary, and High School at Vinhomes Times City
- Vinschool Elementary, Secondary, and High School at Vinhomes The Harmony
- Vinschool Elementary, Secondary, and High School at Vinhomes Thang Long

#### Ho Chi Minh City

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

#### Hai Phong

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

## Advanced Higher Education

VinUni was established in March 2018 with the aim of achieving a breakthrough in educational quality at the university level in Vietnam. To realize this ambition, Vingroup

will develop VinUni to reach the highest standards of research and teaching as, for example, set by Quacquarelli Symonds ("QS") and Times Higher Education rankings.

## VinUni



## Agriculture

VinEco

High-Technology  
Agricultural Production

14

FARMS

3,300 HECTARES

OF ARABLE LAND BANK

VinEco was launched in 2015 to provide consumers with a trusted source of clean and safe agricultural products. VinEco has catalyzed the expansion of sustainable farming.

By using the most advanced large-scale greenhouse technology from Japan and Israel, VinEco has achieved VietGAP standard. At the end of 2018, VinEco had 14 farms throughout Vietnam with 3,300 hectares of arable land bank. VinEco products include clean and safe vegetables, fruits, and flowers.

VinEco collaborates with leading domestic producers and farming households to help them diversify their product offerings, enhance productivity, and improve the quality of the products available on the market.



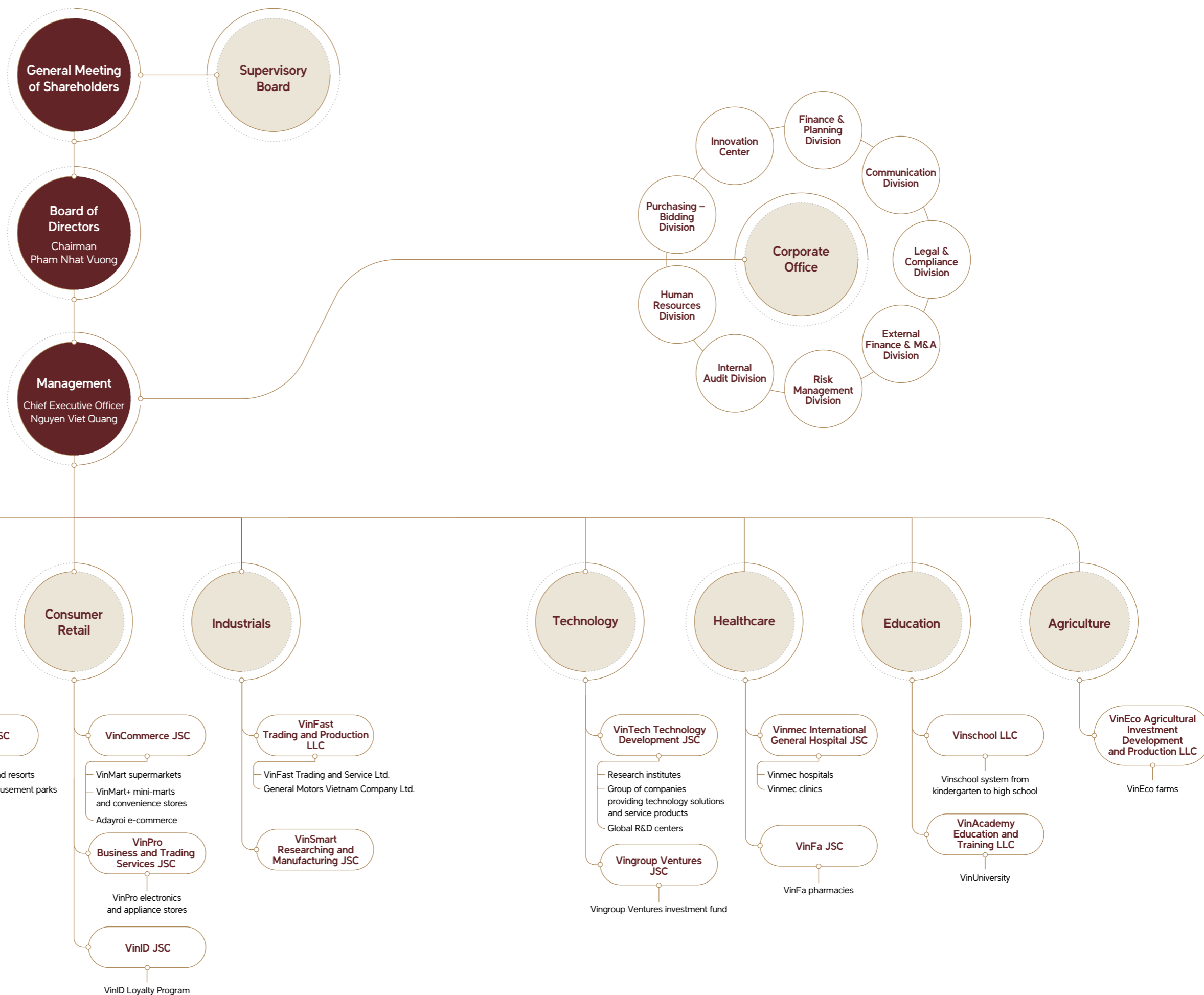


# CORPORATE STRUCTURE

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

The corporate divisions in Vingroup JSC, the parent company, provide support, supervision, and operational direction to the P&Ls. They also play a leading role in the committees and working groups that meet to assess, monitor, and make decisions regarding the Group and its business units.

Vingroup's governance structure is as follows:



# BOARD OF DIRECTORS

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

NAME	POSITION
Mr. Pham Nhat Vuong	Chairman
Ms. Pham Thuy Hang	Vice Chairwoman
Ms. Pham Thu Huong	Vice Chairwoman
Mr. Le Khac Hiep	Vice Chairman and Independent Board Member
Ms. Nguyen Dieu Linh	Vice Chairwoman and Authorized Spokesperson
Mr. Nguyen Viet Quang	Vice Chairman and Chief Executive Officer
Mr. Joseph Raymond Gagnon	Board Member
Mr. Marc Villiers Townsend	Independent Board Member
Mr. Ling Chung Yee Roy	Independent Board Member

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

## Board Members

### Mr. Pham Nhat Vuong CHAIRMAN

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

### Ms. Pham Thuy Hang VICE CHAIRWOMAN

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

### Ms. Pham Thu Huong VICE CHAIRWOMAN

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

### Mr. Le Khac Hiep VICE CHAIRMAN AND INDEPENDENT BOARD MEMBER

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

### Ms. Nguyen Dieu Linh VICE CHAIRWOMAN AND AUTHORIZED SPOKESPERSON

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

### Mr. Nguyen Viet Quang VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

### Mr. Joseph Raymond Gagnon BOARD MEMBER

Mr. Gagnon was elected to the Board in 2013. He is currently a Managing Director at Warburg Pincus Asia and leads its real estate investment business in North Asia. He is also a member of the Board of Directors of Vincom Retail, a subsidiary of Vingroup. He was a Director at Warburg Pincus Asia in Hong Kong from 2008 to 2011 and a Director of Business Development at GE Capital in Tokyo, Japan from 2003 to 2005. Mr. Gagnon graduated from Wake Forest University, USA.

### Mr. Marc Villiers Townsend INDEPENDENT BOARD MEMBER

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

### Mr. Ling Chung Yee Roy INDEPENDENT BOARD MEMBER

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

# MANAGEMENT

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

## Members

### 1. Mr. Nguyen Viet Quang

**VICE CHAIRMAN  
AND CHIEF EXECUTIVE OFFICER**

*Further details can be found in Chapter 2: About Vingroup – Board of Directors – Page 50.*

### 2. Ms. Mai Huong Noi

**DEPUTY CEO**

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

### 3. Mr. Pham Van Khuong

**DEPUTY CEO**

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

### 4. Ms. Nguyen Thi Diu

**DEPUTY CEO**

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

### 5. Ms. Duong Thi Hoan

**DEPUTY CEO**

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

### 6. Ms. Nguyen Thi Thu Hien

**CHIEF ACCOUNTANT**

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



# THE SUPERVISORY BOARD

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

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

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

## Supervisory Board Members

### Mr. Nguyen The Anh

#### HEAD OF THE SUPERVISORY BOARD

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

### Mr. Dinh Ngoc Lan

#### BOARD MEMBER

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

### Ms. Do Thi Hong Van

#### INDEPENDENT BOARD MEMBER

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

# CORPORATE STRATEGY

2018 is the 25<sup>th</sup> anniversary of the establishment of Technocom – the forerunner of Vingroup. To date, Vingroup has become the largest non-state owned enterprise in Vietnam. Vingroup has achieved numerous milestones, setting records in both stature and scale, and become a powerful source of inspiration for entrepreneurial startup, honoring Vietnamese brands in the international arena.

## Performance results over 10 years

In the past 10 years, Vingroup has constantly grown in size. Vingroup's market capitalization has grown by approximately six times since 2012, the year when Vincom and Vinpearl were merged to establish Vingroup.

During this time, the initial equity offerings of Vincom Retail and Vinhomes on the Ho Chi Minh Stock Exchange ("HOSE") successfully crystalized value for shareholders, and garnered prestigious international awards including **Best IPO in Asia and Best Vietnam Deal** by Finance Asia, **Frontier Markets Equity Issue** by IFR Asia, and **Best IPO in Vietnam** by The Asset.

During the last decade, Vingroup has become a leading enterprise in various fields, from Property to Consumer retail, to Hospitality and Entertainment, to Healthcare and Education, with notable scale and high coverage across the country. Moreover, Vingroup is a pioneer in introducing new and leading business models and products such as an integrated mixed-use urban complex in residential property, or four distinct formats of retail malls in retail property.

The business segments of Vingroup created a diverse ecosystem that supports each other, where residents in Vinhomes urban areas are customers at retail malls, supermarkets, mini-marts and convenience stores, and their children can study at Vinschool. Amenities such as schools, hospitals and retailers

have created a convenience that attracts customers to move into Vinhomes residential projects as soon as their units are ready for handover. In addition, VinID, the largest customer loyalty program in Vietnam with more than 6.3 million members, provides connectivity to all of the products and services in the Vingroup ecosystem and will bring great potential benefits such as becoming a payment tool, and a source for research on artificial intelligence and big data, to serve the needs of Vingroup's various business segments.

To date, Vingroup has a strong nationwide network, present in 62 of 63 cities and provinces, with 17 operational Vinhomes projects, 66 retail malls, 31 Vinpearl hotels and resorts, 11 Vinmec hospitals and clinics, 26 Vinschool facilities, and over 2,080 retail locations.

The relentless efforts and persistence have helped Vingroup earn the affection of customers and the community, reflected in VinCommerce's No. 1 ranking among **The Top 10 Retail Developers** in 2018 surveyed by VNR, and its award of **Most Favorite Vietnamese Supermarket Brands** in 2019 from the Saigon Giai Phong ("SGGP") magazine. In Hospitality and Entertainment, Vinpearl is **The Most Favored Hotel and Resort Brand** according to SGGP survey. These accomplishments are the direct result of a concerted effort in all Vingroup business segments to fulfill its mission to create a better life for the Vietnamese people.

With its industry-leading scale and position, Vingroup laid the foundation for more

breakthroughs in the next 10 years, with its participation in the Industrials and Technology segments. In 2017, Vingroup launched the VinFast automobile and scooter factory. In 2018, the Group built VinSmart smartphone factory, and brought four phone models to the market within the year.

In 2018, Vingroup also announced its vision to become a technology-focused company during the next decade and took significant steps toward achieving this goal. VinTech Technology Development JSC was established in August 2018 to undertake technology research and development, focusing on artificial intelligence, automation and next generation materials.

VinTech's research institutes are the first of their kind that are non-state owned in Vietnam. Supported by Vingroup and its extensive ecosystem, nationwide coverage, and invaluable experience, VinTech has an effective experimenting environment for product development at its research institutes and technology companies.



## Corporate Strategy for the 2019 – 2023 Period

### Business Strategy

#### Property

- Leverage the large land bank and comprehensive ecosystem to continue developing mega projects located near important infrastructure axes or those that are being built or already built
- Diversify products, bring fresh and premium experience to a wide range of customer groups at each project
- Continue to seek and expand land bank nationwide
- Develop and diversify sources of foreign customers which have great potential
- Increase revenue from serviced apartments, villas and offices, create stable revenues and enhance brand value for Vinhomes.

#### Retail Property

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

*Further details can be found in Annual Report 2018 – Vincom Retail Joint Stock Company.*

#### Hospitality and Entertainment

- Become Asia's leading hospitality and entertainment brand, with a diverse portfolio of brands and products, to bring a new hospitality and entertainment

culture to the middle class in Vietnam, and introduce Vietnamese cultural quintessence to international visitors.

- Continue to develop integrated hospitality and entertainment model, while promoting the expansion of services, including F&B, shopping and healthcare.
- Improve and upgrade the quality of products and services, develop signature products for each product line, diversify customer sources through developing major markets and expanding distribution to new markets, and increase sales of MICE products.
- Strengthen governance capacity through the application of information technology and digitalization.

#### Consumer Retail

- Maintain its leading position as "Best Retail Developer" voted by the consumers.
- Continue to invest and expand aggressively, extending the leading position in terms of scale and coverage nationwide, and become the retailer with the best Q2Q experience.
- Enhance customer experience and convenience with digitizing and integrating supply chain between physical store network and the e-commerce channel.
- Improve the quality of products and services, diversify product categories, and broaden the private label brand portfolio which currently includes VinEco, VinMart Cook, VinMart Good and VinMart Home.

#### Industrials

- Develop motorcycles and cars of Vietnamese origin and international standards
- Start commercial production of Fadil in the second quarter, Lux A and Lux SA in the third quarter of 2019
- Continue to launch new car models in most segments
- Develop environment-friendly electric vehicle, including electric buses
- Continue to launch new models of electric scooters catering to different customer segments, continuously improve the models that were launched in the market

- Complete distribution network and after-sales services in the domestic and international markets, optimize costs

- Form an ecosystem of smart products, starting with smartphones, smart TVs, smart air-conditioners and other smart products.

#### Technology

- The group of technology companies plays a role in providing information technology ("IT") services, management solutions, network security solutions, data analytics solutions, digitalization for businesses, including Vingroup and its P&Ls.
- The group of research institutes will use technology to solve big data problems, such as genetic decoding, image processing and voice recognition (Big Data Institute); focusing on AI research with the goal of elevating Vietnam's AI studies to the world level (AI Research Institute); researching next generation materials, such as next generation batteries (Next Generation Materials Institute), aiming to be proactive in technology. In addition, the research institutes also manage the Vin Innovation Foundation, supporting scientific research projects of Vietnamese and foreign researchers, bringing new scientific research environment in Vietnam.
- Vingroup Ventures investment fund will invest in startups globally with three investment theses: The first thesis is technology companies specialized in addressing big global issues; the second one is companies and funds that can leverage on the Vingroup ecosystem to grow themselves faster and stronger; and the third thesis is companies that can support the growth of Vingroup and P&Ls.

#### Healthcare, Education, Agriculture

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

### Governance and Human Resource Development

The Group maintains its governance and human capital strategies, in which Vingroup will continue to develop its subsidiaries in to independent P&Ls and promote greater autonomy and decentralization. P&Ls will operate with support and supervision from the Corporate Office, so that they can leverage off each other to continue growing cohesively.

#### The Five Transformational Principles

"Elevate – Standardize – Simplify – Automate – Share"

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

Vingroup will regulate existing procedures and deliverable standards, in order to create a lean and more effective organizational structure that will improve productivity. After processes and deliverables are standardized, over the time, the Group will be able to automate many procedures using advanced technology to deliver performance breakthroughs. Last, subsidiaries and P&Ls will cooperate with one another closely to share resources, opportunities and operations to the greatest possible extent to maximize our efficiency and capacity.

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

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

#### Governance

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



CHAPTER

# 03

ANNUAL  
REPORT  
2018

## MANAGEMENT REPORT ON 2018 BUSINESS PERFORMANCE AND 2019 PLAN OF ACTION

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# 2018 ECONOMY AND 2019 MACROECONOMIC OUTLOOK

## 2018 Economic Conditions

### Vietnam's Economic Growth Rate was the Highest in 10 Years

In 2018, despite a slowdown in the world economy, Vietnam's economy grew remarkably fast. According to the National Financial Supervisory Commission of Vietnam ("NFSC"), the world economy is estimated to have grown 3.7% in 2018, lower than the peak in 2017. Global trade grew more slowly than expected after the US changed its strategy to focus on bilateral negotiations rather than multilateral talks. The US – China trade conflict was complicated and added more uncertainty, which is likely to last for awhile. Meanwhile, global inflation rose in 2018, in part because of the increase in energy prices, especially oil. As a result, the US and European central banks tightened monetary policy to address inflation concerns.

Contrary to the backdrop of the world economy last year, Vietnam had a vibrant year in terms of economic growth. According to figures from the General Statistics Office of Vietnam ("GSO"), the nation's GDP growth reached nearly 7.1% in 2018, exceeding the government's 6.7% target. This was the highest rate since 2008, thanks to improvements in most economic sectors. The value of the industrials and construction sector increased by 8.9%, which contributed 48.6% of the overall GDP growth, and the service sector increased by more than 7.0%, contributing 42.7%. Notably, in the industrials and construction sector, the processing and manufacturing segment continued to be at the fore front, with a growth of nearly 13.0%. And the economy's reliance on mining and other natural resources declined when 2018 was the third consecutive year in which the mining industry shrank.

### Basic Industries Continued to Grow During 2018

In 2018, Vietnam had among the highest economic growth rates in the region, with growth in all major sectors.

The real estate sector was one of them. According to CBRE, there were 56,841 apartment transactions in Ho Chi Minh City and Hanoi during 2018. In Hanoi, the supply of properties in the mid-end segment started to increase strongly while in Ho Chi Minh City, the supply still mainly came in the high-end and luxury segments. Sale prices in both Hanoi and Ho Chi Minh City primary markets were stable or slightly higher in mid to high-end segments, while decreased in the luxury segment. Mortgage interest remained low (about 7.5% on average in the first year), giving homebuyers favorable access to capital.

Meanwhile, analysts have long viewed the consumer retail sector as having high growth potential. The GSO reported that Vietnam's total consumer retail revenue in 2018 was VND 3.3 quadrillion or USD 142 billion, up 12.4% from 2017. Forbes Vietnam reported that consumer retail revenue has been growing steadily since 1990. Vietnamese retail companies leveraged this strong growth to expand coverage across the nation.

A series of major international brands have recently entered the Vietnamese market, anticipating the growing middle class's new shopping habits. H&M and Zara entered Vietnam in 2016 and 2017, respectively, locating in major retail malls, diversifying quality choices. In 2018, other top brands

such as Superdry, OVS and Tucano followed by expanding into the Vietnamese market. With the participation of international brands, retail malls have become very vibrant in both Hanoi and Ho Chi Minh City. Although the supply increased last year, occupancy rates and average rental rates were stable in the central areas of Ho Chi Minh City and Hanoi.

In addition to the fashion and entertainment sectors, the fast-moving consumer goods sector also witnessed a spectacular rate of growth. According to Economist Intelligence Unit ("EIU"), the modern retail segment only accounts for 5.1% of the total size of the retail market in Vietnam. This shows, among other things, that the nation has plenty of potential for supermarket chains and convenience stores to expand in the future. Nielsen calls our economy of more than 90 million people, with a young population and fast-growing GDP, "the pearl of Southeast Asia". Nielsen also reported that modern retail channels went through sweeping changes in 2018. Accordingly, although the traditional channel including traditional markets are still dominant in Vietnam, the modern retail channel has achieved many notable achievements. Since 2012, the number of convenience stores has almost quadrupled. Sales of fast-moving consumer goods through modern retail channels in urban areas grew 11.3% in 2018, surpassing traditional channels' growth of only 1.6%. This sector is attracting the attention of many large domestic and foreign enterprises. This is an important signal, predicting the speed of shifting shopping habits from traditional channels to modern retail channels.

The tourism sector of Vietnam performed strongly during 2018, with nearly 15.5 million international arrivals, a growth rate

of approximately 19.9% over the prior year. Domestic tourism also rose 9.3% to a total of 80 million visitors. Total revenue from tourism was estimated at VND 620 trillion, an increase of 21.4% from 2017. A report by the UN World Tourism Organization listed Vietnam in third place among the ten fastest growth tourism destinations world-wide with 29.1%.

Vietnam's automobile market recovered strongly in 2018 after a gloomy 2017. More than 352,000 cars were sold, up 16% from 2017. Domestic car models surpassed imported ones, with sales of nearly 226,000 units, up 24%, while sales of imported cars fell 6.2%. The imported-car market encountered unfavorable condition with Decree 166, issued at the end of 2017, which tightened conditions for importing cars, such as certification from the country of origin, design certification from the exporting country, and customs checks for imported vehicles. Sedans and SUVs continue to be the two most popular vehicle types, accounting for 70% of sales. SUV sales had the strongest growth, reaching 19% in 2018, compared to the growth average of 14% of the automobile market.

In 2018, Vietnam set a new record for motorcycles sold – nearly 3.4 million – up 3.5% from 2017. Honda Vietnam sold 2.6 million vehicles, or 76% of the market, while Yamaha's sales decreased slightly from 2017, to nearly 800,000 vehicles. However, these big brands have not paid attention to the electric-scooter market. Currently, such scooters are mostly imported or assembled using imported parts coming from China. They are often sold at low prices and mainly marketed to students and the elderly. But the debut of the Vietnamese-made high-quality Klara electric scooter at the end of

2018 opened up a path for targeting various different customer segments.

2018 was a big year for startups in Vietnam, especially in technology. The Law on Support for Small and Medium-Sized Enterprises in 2017 began to take effect. The new law's Articles 18 and 19 set preferential policies for small and medium-sized businesses, including startups. Topica Founder Institute ("TFI") reported that total investment in Vietnamese startups in 2018 was USD 889 million, three times higher than the previous year. The Fintech sector received the most capital in 2018, with a total of USD 117 million, twice the amount in 2017, proving its attractiveness to investors. As part of the wave of investment in these technology startups, in 2018 Vingroup launched its investment fund to support startups, leveraging Vingroup's existing ecosystem to help these companies to grow.

WORLD ECONOMY GREW

**3.7%**

GDP VIETNAM GREW BY ALMOST

**7.1%**

**15.5** MILLION INTERNATIONAL VISITORS AN INCREASE OF 19.9%

**80** MILLION DOMESTIC VISITORS AN INCREASE OF 9.3%

TOTAL REVENUE FROM THE TOURISM INDUSTRY WAS APPROX. VND **620** TRILLION AN INCREASE OF 21.4%

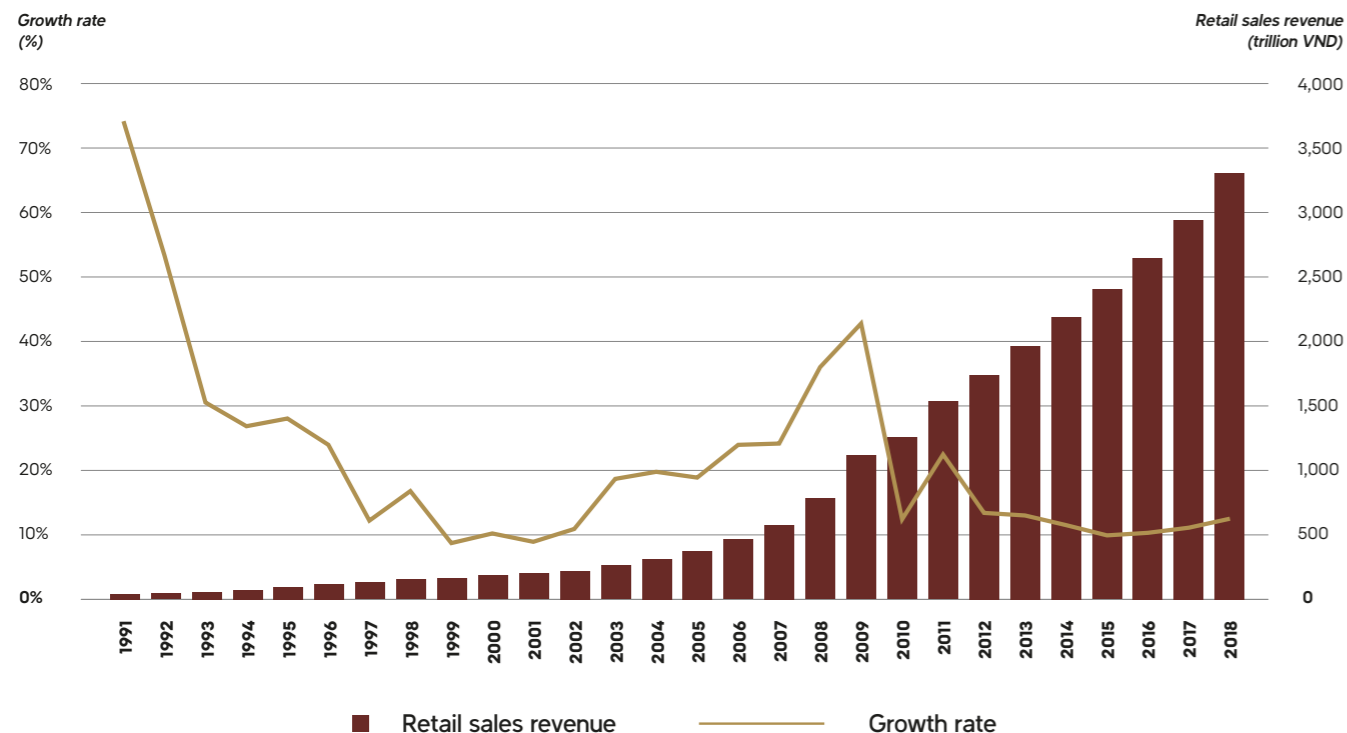
VIETNAM TOTAL REVENUE IN THE CONSUMER RETAIL INDUSTRY WAS VND **3.3** QUADRILLION AN INCREASE OF 12.4%

NUMBER OF CARS SOLD IN VIETNAM WAS **352,000** UNITS AN INCREASE OF 16%

TOTAL INVESTMENT IN STARTUPS IN VIETNAM WAS UP TO USD **889** MILLION 3 TIMES HIGHER THAN 2017

Source: NFSC, GSO, Vietnam National Administration of Tourism, VAMA, TFI

Retail Sales Revenue and Retail Sales Growth Rate for 1991 – 2018



Source: GSO



Vinpearl Condotel Beachfront – Nha Trang



## Macroeconomic Outlook for 2019

GDP GROWTH OF VIETNAM IS FORECASTED TO REACH APPROXIMATELY

**7%**

POPULATION IN THE 25 – 44 AGE GROUP/TOTAL POPULATION

**32.8%**

VIETNAM URBAN POPULATION IS FORECASTED TO GROW AT A RATE OF

**3.5%** PER ANNUM

EQUIVALENT TO POTENTIAL DEMAND OF UP TO

**800,000** HOUSING UNITS PER ANNUM

VIETNAM IS EXPECTED TO WELCOME AROUND

**18** MILLION INTERNATIONAL VISITORS AN INCREASE OF 16.1%

**85** MILLION DOMESTIC VISITORS AN INCREASE OF 6.3%

A TOTAL REVENUE OF VND **700** TRILLION AN INCREASE OF 12.9% COMPARED WITH 2018

VIETNAM AUTOMOBILE MARKET IS EXPECTED TO GROW

**10.5%** PER ANNUM

THE SIZE OF VIETNAMESE FINTECH MARKET IS FORECASTED TO REACH

USD **7.8** BILLION IN 2020

Source: NFSC, CBRE, JLL, Vietnam National Administration of Tourism, BCG, Solidiance

## 2019 – Sustaining High Economic Growth Despite a Slowing Global Economy

According to the World Bank's Global Economic Perspective report in January 2019, the global economic growth rate in 2019 is expected to slow to 3.5% due to concerns about the impact of US – China trade negotiations, the risk of Britain leaving the E.U. without an orderly agreement, and concerns about China's economic slowdown. In addition, there are worries about spending cuts in Germany and Italy. Thus growth in developed economies is expected to fall to 2% in 2019. Meanwhile, the Japanese economy is expected to increase its growth to 1.1%, thanks to government efforts to stimulate the economy through fiscal policies. Growth in emerging markets and developing economies is expected to reach 4.5%. The growth rate of East Asia – Pacific region is expected to decrease to 6.3% from 6.5% in 2018 because of new U.S tariffs on some Chinese products.

### Vietnam's GDP growth in 2019 is expected to reach 7%.

Source: NFSC

However, according to NFSC, Vietnam's GDP growth in 2019 could still reach 7%, as a result of improved and sustaining internal economic factors. In addition, the nation's economy could benefit from such international factors as manufacturing being shifted to Vietnam due to the impacts of trade conflicts and the prospects of new trade agreements, such as CPTPP. Increased food prices and production costs may boost inflation in 2019. However, pressure on the nation's Consumer Price Index ("CPI") should be modest this year because world commodity prices are expected to only increase slightly. Average inflation in 2019 is forecasted to be below 3.6%.



Vinhomes Golden River – Ho Chi Minh City



## 2019 – Golden Demographic Structure and Infrastructure Investment Considered Keys to Economic Development

According to forecasts by JLL, Vietnam's middle class will account for 83.1% of all households by 2020, up from 79.9% in 2017. From 2018 to 2025, the urban population of Vietnam is projected to grow at an annual rate of 3.5%, the fastest growth expected in Southeast Asia. This urban shift is expected to result in demand for up to 800,000 new housing units each year in the period of 2018 – 2022, according to CBRE estimates. With 32.8% of the population in the 25- to 44-year-old age cohort, Vietnam ranks highest in Southeast Asia in this "golden age" segment of the population. All of these factors suggest that Vietnam will be a leader in housing demand and growth prospects, according to the 2018 Asia Pacific Real Estate Outlook published by JLL. Although Vietnam's economy is the sixth largest among ASEAN member nations (after Singapore, Malaysia, Philippines, Indonesia, and Thailand), it is projected to be among Top 3 fastest GDP growth with over 6% in ASEAN in 2019, besides Cambodia and Myanmar.

Therefore, the real estate market is projected to maintain strong growth on the basis of overall economic growth and the growth of the middle class. CBRE has forecasted a shift in market trend to satellite cities near Hanoi and Ho Chi Minh City. These areas benefit from the expectation of

significant investment in infrastructure and public transport facilities.

Vietnam is expected to continue to be an attractive destination for domestic and foreign tourists in the coming years. The Vietnamese National Administration of Tourism forecasts that the nation's tourism industry will welcome about 18 million international visitors and 85 million domestic tourists in 2019, increases of 16% and 6.3%, respectively, from 2018, reaching a total revenue of VND 700 trillion in 2019. To capture the growth of the tourism industry, investment in infrastructure, especially in airports, is paid special attention. In addition to the new Long Thanh airport, the Airports Corporation of Vietnam ("ACV") will upgrade and renovate 16 other airports nationwide. ACV also has a project, expected to start this year, to build new passenger terminals at Cat Bi, Vinh and Phu Bai airports, raising the capacity to double the current one. In 2019, according to ACV, the number of passengers passing through airports is projected to reach 112 million, up 8.2% from the previous year. Thanks to the tourism industry, the hospitality segment will continue to grow as an attractive segment for investors in 2019, not only in such major tourist destinations as Phu Quoc, Nha Trang and Da Nang, but also in other destinations, such as Cua Lo, in Nghe An Province, and Hoi An, in Quang Nam Province.

As living standards improve, the retail industry will continue to benefit from rising per-capita income. Although the majority of Vietnam's market is still traditional retail, modern retail channels are experiencing very strong growth, making up a larger proportion of the whole industry.

Multi-channel shopping and non-cash payments are also developing rapidly. The retail market in 2019 is expected to continue to grow strongly, with intense competition, as retailers deploy customer-targeted strategies. The trend of the industry is to put more and more customer services online and use large data-analysis tools to better forecast customer needs and preferences, improving interaction and service quality.

The Vietnamese automobile market is said to be one of the most promising markets in the region as car-ownership rates are still low, with only 13 cars per 1,000 people on average. According to BCG's forecast, by 2029, the whole market will consume nearly 1.1 million cars a year, equivalent to an average growth of 10.5% a year. The growth of the middle class, along with the constantly ungraded transport infrastructure, will be the two main drivers of expansion in the automotive industry in the coming years. Infrastructure development paves the way for the expansion of provinces and cities, and creation of satellite communities 10 – 15km away from the center of the two largest cities – Hanoi and Ho Chi Minh City. Cars, which were once luxury products in Vietnam, are gradually becoming essential for families. Thus the government supports the domestic automotive industry with Decree 166, which has tightened conditions for automobile imports, and Decree 125, regarding tax incentives for automotive components. These conditions are expected to boost the domestic automobile market in the coming years.

Replacing vehicles running on internal-combustion engines with electric vehicles is an inevitable trend in countries around

the world. Electric vehicles are not only environmentally friendly, but also becoming cheaper and more efficient. Therefore, the potential of the electric motorcycle market is very large. According to the National Traffic Safety Department, Vietnam has about 52 million motorcycles in circulation. About 1/10 of these motorcycles are expected to be replaced by electric scooters in the next five years, with the total number of electric vehicles bought expected to reach 1 million vehicles a year.

In the telecommunications equipment market, upgrading equipment will be central, in line with Industry 4.0. It is forecasted that the domestic smartphone market will grow 2% in 2019 while sales of basic cell phones continue to decline. In recent years, the telecommunications infrastructure in Vietnam has undergone a dramatic transition from 3G to 4G, and the government has set a plan to deploy the 5G telecommunications infrastructure system. Accordingly, it is expected that 5G technology will be tested in 2019 and commercialized in 2020. Thus, 5G will play a pivotal role in the future of thousands of connected ecosystems ("IoT"). With the support of the new infrastructure network, mobile phones will become the central devices of smart ecosystems in Industry 4.0.

Technology will continue to be a bright spot in the startups ecosystem in Vietnam, attracting both domestic and international investments. According to the World Bank, only 31% of adults in Vietnam have bank accounts and about half of the population use smartphones, with that number continuing to increase, creating a strong foundation for the development of Fintech. According to a research by Solidiance consulting firm, the market size of Fintech in Vietnam is forecast to increase from USD 4.4 billion in 2017 to USD 7.8 billion in 2020. Once completed, VinTech City will be a hub for Vietnamese startups, especially technology-focused startups, becoming an environment in which entrepreneurs can interact with other startups as well as a place in which they can collaborate with firms in the Vingroup ecosystem.



Vinhomes Skylake – Hanoi

# VINGROUP OPERATIONS AND FINANCIAL PERFORMANCE IN 2018

## Business Performance

### Property

# 15,400

APARTMENTS, VILLAS, SHOPHOUSES,  
AND BEACH VILLAS  
HANDED OVER DURING 2018

#### Residential Property

2018 marked the strategic transformation of the residential property business. After focusing on the high-end segment, Vingroup began to develop Vinhomes mega projects, targeting more diverse customers from the middle to high-end segment with three product lines:

- **Vinhomes Sapphire (formerly known as VinCity)** are modern apartment units catered for young and savvy home-buyers.
- **Vinhomes Ruby** are high-end apartments for young affluent families looking for a modern, well-equipped and quality living environment. Vinhomes Ruby is the most popular Vinhomes products today.
- **Vinhomes Diamond** are luxury apartment units that offer the most privileged living standard.

This strategy allows Vinhomes to diversify from the high-end segment in prime locations in Hanoi, Ho Chi Minh City and big cities to the fast-growing mid-end segment. Each mega project has hundreds of hectares, located at the gateways of Hanoi and Ho Chi Minh City. Vinhomes mega projects bring customers many amenities, such as the first salt-water lagoon in Vietnam, the largest sports park in South East Asia and the first smart city model in Vietnam. The expansion of customer groups and development of three product lines will be the main factors in the strategy to hold the leading position in the Group's real estate market. The first two mega projects in Hanoi are Vinhomes Ocean

Park and Vinhomes Sportia, launched in the fourth quarter of 2018.

In 2018, Vingroup delivered nearly 15,400 apartments, villas, shophouses and beach villas, launched six new Vinhomes projects, and continued to consolidate its dominant position. By the end of February 2019, Vingroup manage 17 residential property projects under the Vinhomes brand, with nearly 46,800 apartments, villas and shophouses, bringing the joy of new homes to hundreds of thousands of residents.

On May 17, 2018, Vinhomes' stock (Ticker: VHM) were listed on the stock market at VND 110,500/share, bringing Vinhomes' market capitalization to over VND 296 trillion, equivalent to USD 13 billion. Vinhomes debuted as the second largest company in terms of market capitalization. VHM shares also received wide attention from domestic and foreign investment organizations, with an average trading value of up to hundreds of billions of dong per session.

### Progress of Development Projects

Vingroup's competitive advantage lies in its speed of development and project deliveries to customers. Projects undertaken by the Group in 2018 will continue to be handed over on time or ahead of schedule, in line with our past track record.

Among the projects completed and delivered during 2018 were Landmark 81 (Vinhomes Central Park), Vinhomes Golden

River, Vinhomes The Harmony, Vinhomes Green Bay, Vinhomes Metropolis, Vinhomes Imperia, and several beach villa projects.

Other projects are being developed by Vingroup and leading contractors with the highest level of quality and attention to deadlines. These projects include Vinhomes Skylake, Vinhomes Star City, Vinhomes Ocean Park and Vinhomes Sportia.





Vincom Center Ba Trieu – Hanoi

66

RETAIL MALLS  
UNDER OPERATION

160 MILLION

VISITS IN 2018

### Retail Malls

Vincom Retail develops, owns and operates Vietnam's largest and fastest-growing network of retail malls. In 2018, Vincom Retail opened a record number of 20 malls, raising the total number of its retail malls to 66, with a presence in 38 provinces and cities nationwide, with total GFA of up to 1.5 million square meters. The occupancy rate of the network reached 89.9%, up 2.3 percentage point from 2017.

In 2018, the Vincom retail mall network reached a new record of nearly 160 million visitors to its shopping, entertainment and recreation facilities, up nearly 40% from 2017. Innovative and professional story-based marketing activities not only brought record growth in the number of customers to Vincom Retail malls but also enhanced social cohesion and educational values, making Vincom malls a cultural destination that connects customers of all ages.

Among the new retail malls in 2018, Vincom Retail especially welcomed the opening of Vincom Center Landmark 81 – the first component in this tallest building in Vietnam. Vincom Center Landmark 81 attracted 300,000 visitors in the first week and nearly a million visitors in the first month of operation.

Vincom Retail malls have been successful in attracting the world's most popular brands. In 2018, Vincom Retail continued to attract more international tenants, bringing new experiences to customers. For the first time, international brands in fashion and F&B such as CC Double O, Lyn Around, Jelly Bunny, Peach Garden, Marukame Udon, El Gaucho, San Fu Lou, Dojo Sushi, Holly Crab, Landmark 81 Food Hall have entered Vincom retail mall network. Additionally, attractive entertainment

experiences such as the biggest iMax cinema in Vietnam (at Vincom Center Landmark 81) and in Hanoi (at Vincom Center Metropolis), also provide customers with exciting choices.

Since its launching in 2016, Vincom+ is now operating in 10 provinces with 12 malls. At the same time, malls across the three other formats are still being developed with six Vincom Centers, 45 Vincom Plazas, and three Vincom Mega Malls, extending Vincom Retail's expansion trajectory.

## Hospitality and Entertainment

### Business Performance

Vinpearl is one of the Group's first two lines of business. Today it is the largest resort operator in Vietnam, with more than 16,400 rooms in 31 resorts across the nation. In the first half of 2018, Vinpearl upgraded the entire system to five-star international standards and restructured the brand, dividing it into six product lines – Vinpearl Luxury, Vinpearl Resorts, Vinpearl Discovery, Vinpearl Condotel, Vinpearl Hotels and VinOasis – to serve different needs.

Since the start of 2018, Vinpearl has opened a total of 14 facilities, of which there are 10 city hotels – Vinpearl Hotel Lang Son, Vinpearl Hotel Hue, Vinpearl Hotel Thanh Hoa, Vinpearl Hotel Quang Binh, Vinpearl Condotel Phu Ly, Vinpearl Hotel Tay Ninh, Vinpearl Hotel Imperia Hai Phong, Vinpearl Condotel Empire Nha Trang, Vinpearl Condotel Beachfront Nha Trang and Vinpearl Condotel Riverfront Da Nang.

Vinpearl's business performance set record results in 2018. Vietnamese visitors accounted for nearly 33% of all guest nights. Among the 67% of all guest night stays by foreign visitors, the three largest sources are China, Korea, and Russia. The total number of guest night stays was 3.4 million, an increase of 60% over 2017. Our Nha Trang properties recorded the most guest night stays, followed by Phu Quoc, and Da Nang resorts.

In 2018, Vinpearl Land also maintained a high growth rate with revenue increasing by 26% over 2017. Our network of amusement parks and safari had more than 4.9 million customer visits. Vinpearl Land properties in Nam Hoi An, although it has only been opened since April 2018, hosted over 550,000 customer visits.

Vinpearl has adopted an "Elevate" strategy in human resources management and governance to improve efficiency and maintain its leadership position amidst increasing competition from other operators of resort properties. The Elevate strategy focuses on human resources



Vinpearl Land Nam Hoi An - Quang Nam

training to build the next generation of young, talented, and dynamic leaders. This training includes GM30, GM70, HOD100 & HOD300 programs, through which potential general managers ("GM") and heads of departments ("HOD") are trained by the general managers and heads of departments with extensive operational experience of international five-star hotels. During 2018, Vinpearl implemented three major information technology projects related to the Management Reporting System, SAP system and management system with partners, and 17 projects to overhaul the quality of customer service, creating a premise for service improvement campaign. These projects are aimed at reaching international five-star service standards in all Vinpearl properties.

**3.4** MILLION  
HOTEL GUEST NIGHTS SOLD IN 2018

**>60%**  
OVER THE NUMBER OF GUEST NIGHTS IN 2017

**67%**  
FOREIGN VISITORS

### Progress of Development Projects

During 2018, Vinpearl launched several new projects, including Vinpearl Nam Hoi An resort complex with over 800 hotel and villa rooms and many amenities, such as the 18-hole Vinpearl Golf golf course, 62.4-hectare Vinpearl Land amusement park, Vinpearl River Safari, and 12.4-hectare VinEco high-tech agricultural and eco-tourism area.

The goal of Vinpearl's expansion is to increase brand coverage in important tourist destinations, large cities and, eventually, throughout the nation. Vinpearl also aims to conduct advanced surveys, research and field studies in order to add facilities and services to its resorts that will

improve customer satisfaction in Vinpearl resorts, Vinpearl Land, Safari Golf, and Spas. Vinpearl's suite of offerings include amusement parks, safaris, golf and fine dining, whose improvements will help to strengthen its position as Vietnam's vacation leader.



## Consumer Retail

### Business Performance

The Consumer Retail business is central to Vingroup's strategy to derive a greater proportion of the Group's revenue from businesses with stable recurring revenue and profit. VinCommerce continued to execute on its long term goal and strategy, with an expansion of its store count to 107 VinMart supermarkets, 1,721 VinMart+ mini-marts and convenience stores, 57 VinPro electronics and appliance stores, 185 Vien Thong A ICT stores, and increased transactions through its e-commerce site – adayroi.com – and Vietnam's largest loyalty program – VinID, with 6.3 million members by the end of February 2019.

### VinMart Supermarkets and VinMart+ Mini-Marts and Convenience Stores

With the goal of becoming a reliable source of quality products for consumers, since its introduction, VinMart and VinMart+ have grown rapidly and become one of the retail chains that contributed positively to the development of modern retail in Vietnam. To date, the VinMart and VinMart+ network of supermarkets, mini-marts and convenience stores is the only one that has nationwide coverage. Not only in Hanoi, Ho Chi Minh City, and Da Nang, VinMart is also actively spreading to smaller cities through Vincom Plaza and Vincom+. During 2018, VinMart and VinMart+ served nearly 33 million and 103 million orders respectively, which is up 22% and 92% respectively over 2017.

The synergy from Vingroup ecosystem is the key selling point where VinEco-branded clean and fresh vegetables has become the highlight of VinMart and VinMart+ system. Products under VinMart Cook brand are gradually welcomed by homemakers and office workers, enriching and enhancing the meal quality for Vietnamese families. In addition to VinMart Cook, VinMart and VinMart+ launched various products under the VinMart Good brand, such as dried seaweed and dried fruits, particularly targeting heavy demand by young customers. In 2018, VinCommerce built 11 new testing rooms, increasing the number of testing facilities to 36 units nationwide. The testing rooms tested and monitored nearly 90,400 samples from VinMart and other subsidiaries of Vingroup.

### Vien Thong A – VinPro Electronics and Appliance Stores

As of February 2019, after the merger with Vien Thong A chain, VinPro was operating 57 electronic and appliance stores in Vincom retail malls and 185 ICT stores. While VinPro benefits from its strategy of accompanying Vincom malls system with favorable locations and large population in the cities such as Hanoi, Ho Chi Minh City, Da Nang, Hai Phong, Bien Hoa and Can Tho, Vien Thong A system helps to expand VinPro's network in provinces and cities nationwide, especially in the tier-1 and tier-2 cities.

### Adayroi E-Commerce and VinID Loyalty Program

Although a late comer, Adayroi became a familiar address to the new generation of consumers in Vietnam. Three years after launch, Adayroi reached 62.3 million visits in 2018. According to the Vietnamese E-commerce map by iPrice – a large e-commerce portal across seven ASEAN countries – Adayroi is among five largest e-commerce platforms in terms of number of visits. In 2018, Adayroi's products were diversified with more affordable prices and improved product quality. At the same time, Adayroi team also facilitated the promotion of attractive bundles and increased interactions with users.

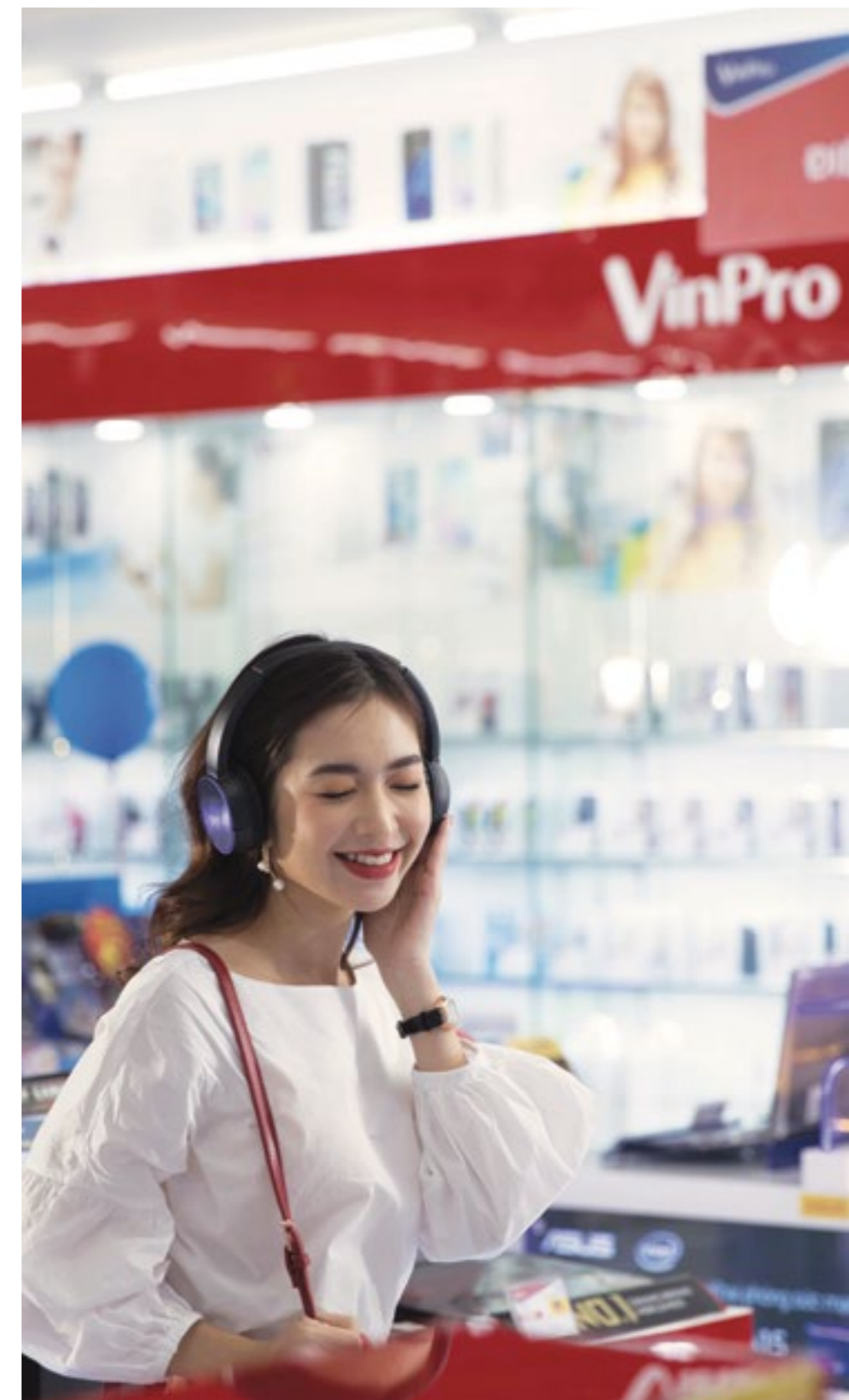
With 6.3 million members as of the end of February 2019, VinID loyalty system is the largest of its kind in Vietnam, including in frequency of online/offline interaction with customers. VinID provides connectivity to all of the products and services in the Vingroup ecosystem. VinID also has become a leading platform for collecting and analyzing consumption in Vietnam, using a comprehensive database. This lets it provide marketing, sales, and after-sales service support and feedback for the whole Vingroup ecosystem. Moreover, starting in 2019, this platform will also provide convenient payment and consumer finance solutions.

OVER  
**2,080**  
RETAIL STORES<sup>(\*)</sup>

NEARLY  
**137** MILLION  
CUSTOMER PURCHASES

**92%**  
INCREASE IN THE NUMBER OF  
PURCHASES AT VINMART+ OVER 2017

(\*) Include VinMart, VinMart+, VinPro, Vien Thong A and VinFa



## Industrials

### Business Performance

The launch of three key products – VinFast cars, Klara e-scooter and Vsmart smartphones marked the initial success of Vingroup after just more than a year since its entrance into the Industrials segment.



### Cars and motorcycles manufacturing

In June 2018, VinFast signed a strategic cooperation agreement with General Motors to take over the entire GM production factory in Hanoi, acquire a patent for A-car models and gain exclusive distribution rights for Chevrolet models in Vietnam.

By November 2018, VinFast commenced operation of its electric motorcycle factory and started selling Klara electric motorcycles in two versions with lithium-ion and lead-acid batteries, thus pioneering the untapped high quality Vietnamese electric motorcycle market.

Meanwhile, after their impressive debut at the Paris Motorshow 2018, two models of SUV and sedan, along with a third model of CUV Fadil, were launched in Vietnam in various cities and provinces.

VinFast also focuses on developing an authorized-dealer system. VinFast's sales network currently consists of 16 showrooms and 27 authorized e-scooter dealers in 21 cities and provinces and targets to include 150 authorized e-scooter dealers across the country. In addition, VinFast inherits a portfolio of 20 authorized dealers for GM Vietnam nationwide via the strategic collaboration agreement with General Motors.

To continue to develop new models in the future, in early 2019, VinFast held a contest to select seven most favorite premium car designs from 35 designs by world-famous design houses such as Ital Design, Torino Design and Pininfarina.

Smartphone Production

4

SMARTPHONE MODELS WERE LAUNCHED IN 2018

PRODUCTION CAPACITY

5

MILLION DEVICES PER ANNUM

In June 2018, VinSmart was established with the mission of building an ecosystem of smart electronic devices with international standard components and capability under a Vietnamese brand-name. VinSmart devices will be managed and operated with the Industry 4.0 in mind.

After only six months after its inception, three months after its groundbreaking, VinSmart had completed the construction of the smartphone factory at the VinFast manufacturing complex in the Dinh Vu – Cat Hai Economic Zone in Hai Phong, with a design capacity of 5 million devices a year. Vingroup has also acquired a 51% share of BQ, a Spanish company, in order to capitalize on the most advanced European technology and a team of senior experts in developing mobile phones.

On December 14, 2018, at Landmark 81 tower, VinSmart officially launched the first four smartphone models under the Vsmart brands named Active 1, Active 1+, Joy 1 and Joy 1+ targeting the middle and mass market. All Vsmart products must

pass nearly 2,500 standard tests (including hardware, mechanical and software tests) at BQ's laboratory in Spain and VinSmart factory. In addition, VinSmart sends its products for testing at Qualcomm, the world's best performing semiconductor chip provider.

VinSmart has also expanded distribution channels throughout the country, with more than 5,000 stores offering its products. Vsmart products will, in turn, be brought to more than 3,000 stores of major retail chains such as VinPro, Vien Thong A, Mobile World, FPTshop, Viettel Store, Nguyen Kim, and to more than 1,500 outlets and online distribution channels. VinSmart has also set up over 500 warranty collection points, along with three big customer-care centers – in Hanoi, Da Nang and Ho Chi Minh City – and a major repair center at the factory with the aim of delivering the best after-sales service.



Technology

In August of 2018, VinTech Technology Development Joint Stock Company was established to research and develop new technology, focusing on artificial intelligence ("AI"), automation, and next generation materials.

VinTech has already launched three new research institutes – Big Data Institute, AI Research Institute and Next Generation Materials Research Institute – under the leadership of top professors and scientists. VinTech has also established subsidiary companies in technology under the leadership of seasoned international industry experts, while setting up a science advisory council for the Group with distinguished Vietnamese professors from top international institutions such as Professor Ngo Bao Chau, Professor Duong Nguyen Vu, and Professor Do Ngoc Minh.

Also in August of 2018, VinTech signed

cooperation and training agreements with more than 50 leading universities in the country, committed to recruiting about 100,000 graduates in the Information Technology field over the next 10 years. The Group also signed a memorandum of understanding with two international universities – Singapore Management University ("SMU") and University Technology of Sydney ("UTS") – to help make VinTech a major player in technology.

In 2018, VinTech established the Vin Innovation Foundation and called for research topics from Vietnamese Ph.D. students. At the same time, VinTech invests in domestic and international technology startups through Vingroup Ventures Investment fund.

In particular, VinTech City – a hub for technology startups using the Silicon Valley model – is being built in Dong Anh district (Hanoi). This will be a center of innovation

with a comprehensive ecosystem to support domestic and international technology corporations and startups. The ecosystem developed by VinTech City will include platforms for scientific, technological and industrial activities: facilities such as offices, training and research centers and living spaces, and such supporting services as finance and investment, human resources, information technology platform, legal assistance and all startup support activities.



## Healthcare

### Vinmec Hospital and Clinic Network

#### Business Performance

In 2018, Vinmec Hai Phong International Hospital, the seventh hospital in the Vinmec network, was launched into operation. Vinmec also opened an additional clinic – Vinmec Gardenia – in Hanoi. With a total investment of over VND 1.9 trillion, mainly focusing on such specialties as Obstetrics, Pediatrics, Cardiology, Gastroenterology, Orthopedic, Urology, Imaging and Rehabilitation, and including 181 hospital beds, Vinmec Hai Phong has the most modern medical-equipment system as well as highly qualified specialist and primary-care physicians.

In 2018, over 7,000 newborns were delivered to over 7,000 expectant families at Vinmec hospitals. Vinmec has also achieved an average score of 4.2 – 4.8 in the 83-hospital-quality-criteria test in 2018. Most hospitals in the Vinmec system are ranked first or second in their locality, whilst Vinmec Times City has the highest score in the entire country. The satisfaction rate of patients at our hospitals also reached an impressive 95%.

Regarding research activities, Professor Nguyen Thanh Liem, Director of the Vinmec Research Institute of Stem Cell and Gene Technology, became the first scientist in Vietnam to be awarded the Asian Nikkei Prize for his outstanding contributions to improving the lives of Asians. Professor Liem and his colleagues also announced the successful treatment of pulmonary fibrosis, in two cases of premature twins, by allograft transplantation of umbilical cord tissue – derived mesenchymal stem cells. Their ground-breaking research and award clearly demonstrated the passion and pioneering mindset of Vinmec doctors and staff.

In June of 2018, the Vinmec Times City International Hospital received the Joint Commission International ("JCI") accreditation for the second time. Both Vinmec hospitals in Hanoi and Ho Chi Minh City are JCI-accredited. The JCI accreditation, a global

standard in healthcare, reaffirms the hospital's international quality and service standards.

The total number of patients in 2018 increased by 40% over 2017, which boosted revenue by 46% from VND 1.9 trillion in 2017 to VND 2.6 trillion in 2018.

#### Strategic Alliances and Partnerships

On April 3, 2018, Vingroup has signed a strategic collaboration agreement with two of the world's leading higher education institutions, Cornell University ("Cornell") and the University of Pennsylvania ("Penn"). Under this agreement, Penn will closely collaborate with VinUni and Vinmec in developing their accredited programs in health sciences, including medical doctor programs, residencies, and nursing programs, which meet the highest international standards of professional competency. Penn will work with Vinmec to develop and train clinical educators, improve quality and expand specialty services.

On May 30, 2018, Vinmec healthcare system and the 108 Military Central Hospital signed a memorandum of understanding under which the parties will jointly support training and technical transfer in organ transplantation, nuclear medicine, pathology, thoracic surgery, liver and hepatology, and reconstructive microsurgery. The two systems will also coordinate the referral and other cooperation in medical examinations and treatment to bring the highest quality of treatment to customers.

On December 18, 2018, the National Institute of Hematology – Blood Transfusion and Vinmec Times City International Hospital signed a cooperation agreement on training, technical transfer and medical support for 2019 – 2021. This event marked a new stage for Vinmec in the field of hematology, and a milestone in technical transfer with another major institute.

#### Progress of Development Projects

Vinmec completed the Vinmec Hai Phong project and put it into operation in July. Meanwhile, Vinmec Can Tho commenced construction and will open soon.

Vinmec will continue to research and develop hospital and clinic projects to expand its network, complementing the full live-work-play ecosystem at Vinhomes communities.

1,650

HOSPITAL BEDS

VND 2.6 TRILLION

REVENUE

42%

INCREASE IN REVENUE OVER 2017



### VinFa Pharmacy System

In January 2018, VinFa JSC was established with the motto **"Dedicated to community health"** and the vision to become an international pharmaceutical enterprise.

In July 2018, the construction of the VinFa Center of Pharmaceutical Research and Production commenced in Gia Binh district, Bac Ninh province, with a total investment of VND 2.2 trillion. The Center's first phase, encompassing 10 hectares, was developed in accordance with international standards using segregated R&D, manufacturing, and logistics zones, as well as ancillary buildings.

In order to complete its healthcare value chain, VinFa started to deploy its retail pharmacy network with the opening of 11 pharmacies in Hanoi, with the goal of becoming the largest pharmacy chain in Vietnam.

After a year of operation, VinFa has successfully researched, and transformed the processing techniques using modern technology for six Vietnamese traditional medicine products and completed SAP system for operation.

11

VINFA PHARMACIES IN HANOI

## Education

# 26

KINDERGARTENS, ELEMENTARY,  
SECONDARY AND HIGH SCHOOLS

# 23,000

STUDENTS ENROLLED

# 21%

INCREASE IN NUMBER  
OF STUDENTS OVER 2017



### Vinschool – A Comprehensive K–12 Educational System

#### Business Performance

Established in 2013, after more than five years of operation, Vinschool has become the largest education system in Vietnam, with 26 facilities nationwide, in Hanoi, Ho Chi Minh City, Hai Phong, and 23,000 students. Particularly, Vinschool has taken on a pioneer position in reforming high school education in Vietnam, both in curriculum and philosophy.

2018 was a turning point for Vinschool. The whole system embarked on a transformation in curriculum and philosophy with 80% of the curriculum selected from international curricular or exclusively designed for Vinschool. Also, the preschool educational program is adapted from the International Preschool Curriculum ("IPC") in the United States. Vinschool was the first Vietnamese school that has been authorized by the Ministry of Education and Training to implement new educational programs other than the national standard curriculum.

In 2018, Vinschool established the Gifted and Talented Education ("GATE") Center. The

GATE center provides every gifted student with a personalized education program in an environment that motivates students to reach their highest potential. These programs are fully funded by Vingroup.

Vinschool also pays great attention to student creativity and potential to innovate. In 2018, Vinschool established Innovation Centers and Maker Spaces to promote student creativity while creating an environment that nurtures a passion for science and technology.

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



VinUniversity ("VinUni") Project – Vinhomes Ocean Park – Hanoi

### VinUniversity ("VinUni") Project

#### Progress of Development Projects

Vinschool continued to expand its school system based on the strategy of accompanying Vinhomes urban areas. Although having been only recently opened, Vinschool facilities at Vinhomes Green Bay, Vinhomes The Harmony, and Vinhomes Imperia have attracted a large number of students due to Vinschool's reputation for quality. Other facilities in residential communities such as Vinhomes Golden River, Vinhomes Metropolis and Vinhomes Skylake are being completed for the 2019 – 2020 school year.

VinUni was established in March 2018 with the aim of achieving a breakthrough in educational quality at the university level in Vietnam. To realize this ambition, Vingroup will develop VinUni to reach the highest standards of research and teaching as, for example, set by Quacquarelli Symonds ("QS") and Times Higher Education rankings.

Immediately after the project announcement, Vingroup signed strategic collaboration agreements with two of the world's Top 20 universities – Cornell University and the University of Pennsylvania. Cornell will assist VinUni in auditing its infrastructure, hiring faculty and staff, developing curricula, conducting research and evaluating quality of first undergraduates from VinUni's Business School and Technology School.

On November 14, 2018, Vingroup broke ground on construction of VinUni, which will be located in the Vinhomes Ocean Park mega project in Gia Lam, Hanoi. The first phase will be constructed on 23 hectares with an investment of nearly VND 5 trillion, including

the main campus building, dormitory, sports complex, stadium, and technical and ancillary area. VinUni expects to become a "University City" – a "one-in-all" destination for teachers and students. All the infrastructure and facilities will meet the QS five-star rating standards by the world-leading accredited organization Quacquarelli Symonds. All landscape and interior design will be focused on creating an optimal learner-centered environment. Advanced technologies will enable the most advanced teaching and learning methods, such as team-based learning ("TBL"), project-based learning ("PBL"), action-based learning ("ABL"), and simulation-based learning.

## Agriculture

### Business Performance

By the end of 2018, VinEco had built a network of 14 farms and four central processing facilities, with a total area of 3,300 hectares of arable land bank and a network of more than 800 affiliated farmers and farming households, contributing about 245 varieties of fruits and vegetables to the market with an average monthly output of more than 2,500 tons. Total sales of agricultural products in 2018 increased by 17% over 2017.

VinEco staff are young, highly skilled and passionate about their work, and 68% hold university degrees or above. VinEco has also promoted the use of local labor, with a monthly average of about 2,400 local workers employed on VinEco farms during 2018.

In addition to promoting the concept of producing clean agricultural products to farmers, gradually influencing others to join this movement, and improving quality of the supply chain for Vietnamese agriculture, VinEco continues to promote the **1,000 Affiliated Farmers Program**. As of December 31, 2018, after three years of implementation, the program has received over 3,000 applications from farmers across the country. In 2018, VinEco conducted quality assessment and officially signed cooperation contracts with over 800 farmers and farming households in 22 provinces and 49 districts. Amongst them, about 400 farmers supply farm produce regularly to VinEco for onward distribution through our network of VinMart supermarkets and VinMart+ mini-marts and convenience stores. VinEco held nearly 100 training sessions with more than 3,000 participants covering technical standards, crop rotation, VietGAP standards, and pesticide use.

Regarding operation and management, during the year, VinEco continues to update production standards, develop a standardized and stable database platform, fine-tune SAP management software system, and improve management quality.

14

FARMS

4

CENTRAL PROCESSING  
CENTERS

&gt; 800

AFFILIATED FARMERS  
AND FARMING HOUSEHOLDS

&gt; 30,700 TONS

OF PRODUCTS SUPPLIED  
TO THE MARKET

3,300 HECTARES

OF ARABLE LAND BANK

245

VARIETIES OF FRUITS  
AND VEGETABLES

By the end of 2018, VinEco has been granted the HACCP Standard Certificate – International standard for safety in preliminary food processing, packaging and distribution for Cu Chi, Long Thanh processing facilities and is moving toward obtaining HACCP Standard Certificates for the remaining processing facilities in the system.

### Progress of Development Projects

VinEco Nam Hoi An, which was launched in April 2018, is the only farm in the country that has multi-layer hydroponics technology, associated with superior productivity. VinEco has also successfully implemented a project to optimize crops in greenhouses at 14 farms across the country and has launched a pilot project for central irrigation-control systems.



## 2018 Financial Performance

### Key Financial Indicators

INDICATORS	2018		% CHANGE
	(VND trillion)	(VND trillion)	
Current assets	135.3	100.2	35%
Non-current assets	152.7	113.5	34%
Total assets	288.0	213.8	35%
Total liabilities	189.0	161.2	17%
<i>Of which, total debt (short-term and long-term)</i>	91.1	49.4	85%
Statutory obligations	15.5	4.9	215%
Owners' equity	99.0	52.6	88%
Net revenue	121.9	89.4	36%
Cost of goods sold	93.0	62.8	48%
Operating profit	13.6	9.4	44%
Other profit (loss)	0.3	-0.3	-
Profit before tax	13.9	9.1	52%
Profit after tax	6.2	5.7	9%

Source: Vingroup JSC audited consolidated financial statements for the year ended 2017 and 2018

## Discussion and Analysis of the Consolidated Income Statements for the Year Ended December 31, 2018

ITEM	2018		2017	
	Value (VND trillion)	% Total	Value (VND trillion)	% Total
Sale of inventory properties	83.3	68.3%	62.5	69.9%
Leasing activities and rendering related services	5.6	4.6%	4.4	4.9%
Rendering of hotel, amusement park, and related services	7.4	6.0%	5.5	6.1%
Rendering hospital and related services	2.6	2.2%	1.9	2.1%
Sale of goods in supermarkets, convenience stores, and retail outlets	19.3	15.9%	13.1	14.6%
Rendering education and related services	1.5	1.2%	1.0	1.1%
Manufacturing activities	0.6	0.5%	-	0.0%
Others	1.7	1.4%	1.1	1.2%
<b>TOTAL</b>	<b>121.9</b>	<b>100.0%</b>	<b>89.4</b>	<b>100.0%</b>

Source: Vingroup JSC audited consolidated financial statements for the year ended 2017 and 2018

Net revenue reached VND 121.9 trillion, increased by VND 32.5 trillion, or 36% year-on-year, mainly thanks to sale of inventory properties. Other business segments also record healthy revenue growth, especially in consumer retail. More specifically,

Revenue from sale of inventory properties grew by 33% year-on-year, from VND 62.5 trillion to VND 83.3 trillion in 2018, due to the handover of various key projects in Hanoi and Ho Chi Minh City, including Vinhomes Central Park (Landmark 81), Vinhomes Golden River, Vinhomes The Harmony, Vinhomes Green Bay, Vinhomes Metropolis; projects in other big cities including Vinhomes Imperia; condotels and beach villas in Nha Trang, Phu Quoc, Da Nang, and other shop-house projects throughout Vietnam.

Revenue from leasing activities and related services rose by 26% year-on-year, from VND 4.4 trillion to VND 5.6 trillion in 2018. The increase was driven by the Group's expanding retail mall network across the country. Through its subsidiary, Vincom Retail, Vingroup currently owns and operates 66 retail malls in four different formats.

Revenue from rendering of hotel, amusement park and related services increased to VND 7.4 trillion in 2018, an increase of 35% year-on-year, thanks to the growth in the number of visitors and expansion of capacity to over 16,400 hotel and villa rooms managed across the nation.

Revenue from sale of goods in supermarkets, convenience stores, and retail outlets

increased by 48% year-on-year, from VND 13.1 trillion to VND 19.3 trillion in 2018, thanks to a larger footprint coupled with a strong growth in revenue per square meter as VinMart, VinMart+ and VinPro's gain in popularity.

Revenue from manufacturing activities reached VND 556 billion, due to sales of e-scooters and smartphones in the last few months of 2018.

Vingroup's Profit after tax rose by 9% from VND 5.7 trillion in 2017 to VND 6.2 trillion in 2018.

In 2018, a stable foreign exchange rate and reasonable borrowing costs helped limit the impacts of foreign exchange risk on the Group's financial performance.



## Discussion and Analysis of the Balance Sheet as at December 31, 2018

*Current assets* increased by VND 35.0 trillion from VND 100.2 trillion to VND 135.3 trillion in 2018, mainly due to movement in *Current accounts receivable* that is mainly attributed to *Advances to suppliers* for project development of VinFast and deposit for the development of Vinhomes mega projects.

*Non-current assets* rose by 34% year-on-year, reaching VND 152.7 trillion as of December 31, 2018. *Fixed assets*, *Investment properties*, and *Construction in progress* all rose due to an increase in the number of operating facilities and investment projects.

*Fixed assets* rose to VND 49.4 trillion at the end of 2018 from VND 35.7 trillion at the beginning of the year, or an increase of 38% year-on-year, due to the robust developments mentioned above.

In 2018, *Investment properties* balance increased by VND 8.5 trillion from VND 18.2 trillion to VND 26.7 trillion at year-end 2018 as Vincom Retail expanded its network with the opening of 20 new retail malls nationwide.

*Construction in progress* rose by VND 21.0 trillion to VND 58.5 trillion at the end of 2018, as a result of the construction of VinFast factory in Hai Phong and various real estate projects. Other long-term assets recorded a decrease by VND 3.5 trillion compared to 2017, mainly because the Group reduced the deposit for the purpose of developing real estate projects.

*Total liabilities* as of year-end 2018 was VND 189.0 trillion. *Long-term debt* increased as the Group raised more capital to finance the development of real estate projects as well as manufacturing activities.

The Group's *Total debt* increased to VND 91.1 trillion in 2018. Debts include corporate bonds, which accounts for 48% of *Total debt*, syndicated loans (30%) and exchangeable bonds (11%).

*Statutory obligations* increased from VND 4.9 trillion as of year-end 2017 to VND 15.5 trillion as of year-end 2018, due to payment of land use fees and land lease fees relating to the real estate projects under development by the Group. In 2018, the Group has paid VND 17.3 trillion in tax and statutory obligations.

*Owners' equity* increased by 88% from VND 52.6 trillion to VND 99.0 trillion at the end of 2018 mainly because Vingroup issued preference shares and increased contributed capital from non-controlling shareholders.

## Key Financial Indicators

INDICATORS	2018	2017
<b>Liquidity ratios (times)</b>		
Current ratio	1.2	0.8
Quick ratio	0.7	0.4
<b>Capital structure (times)</b>		
Total liabilities <sup>(*)</sup> /Total assets	0.7	0.8
Total liabilities <sup>(*)</sup> /Owners' equity	1.9	3.1
<b>Leverage (times)</b>		
Total debt/Total assets	0.3	0.2
<b>Operating capacity (times)</b>		
Asset turnover	0.4	0.4
Inventory turnover	1.7	1.1
<b>Profitability (%)</b>		
Profit after tax margin	5.1%	6.3%
Return on Equity	6.3%	10.8%
Return on Assets	2.1%	2.6%
Operating income margin	11.1%	10.6%
Operating income/Total assets	4.7%	4.4%

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

At the end of the fiscal year ended December 31, 2018, Vingroup's *Liquidity ratios* trended upward versus 2017 due to the double effect of *Current assets* increase and *Current liabilities* decrease. Specifically, *Current ratio* increased sharply, from 0.8 times to 1.2 times, and *Quick ratio* increased from 0.4 times to 0.7 times. The decrease in *Current liabilities* balance was due to a sharp decrease in *Short-term advances from customers* as a result of the delivery

of various completed residential inventory properties during the year.

Due to the strong increase in *Owners' equity*, and a slower increase in *Total liabilities* as explained above, *Total liabilities* accounted for a lower portion of *Total assets*. On the other hand, *Leverage ratios* increased as a result of domestic and international debt raising activities during the year.

The *Profitability ratios*, calculated based on *Operating income* were improved compared to 2017. However, *Profitability ratios* related to *Profit after tax* decreased, mainly due to the impact of large *Current corporate income tax expense*. This was because from the financial consolidation perspective, profits and losses of subsidiaries are not allowed to be netted off for the purpose of calculating *Corporate income tax*.

## BLUEPRINT FOR 2019

### Plans for Business Development and Human Resources Management in 2019

During 2019, the Group will continue to implement the decentralized P&L model at its subsidiaries with emphasis on efficiency and accountability.

Vingroup continues to implement the Five Transformational Principles: Elevate – Standardize – Simplify – Automate – Share in order to build a streamlined, versatile, and flexible management system.

- **The role of the Group's business development system** is to diversify the products and services of each business segment with the aim of delivering products of the highest quality to Vietnamese consumers. The ultimate goal is to diversify revenue sources and encourage consumers to use products from the entire Vingroup ecosystem. Vingroup will simultaneously continue its strategy of raising standards toward the international five-star level.
- Vingroup will diversify its **sources of investment capital** both domestically and internationally and will match the availability of capital in the short-term, mid-term, and long-term with appropriate uses.
- The Group will promote the **role of leaders while building its leadership pool** from within its ranks. During 2019, Management plans to take steps to improve the material and spiritual life of employees, and to maintain an attractive, professional and friendly work environment.



Vincom Center Nguyen Chi Thanh – Hanoi



## Business Strategy

### Property

Vinhomes will continue to maintain its dominant position in the property market, leveraging on its core strengths in delivery progress, product quality and the full ecosystem of live-work-play products and services. In 2019, Vinhomes will continue to diversify its product portfolio to reach customers from mid- to high-end.

In retail property, Vincom Retail will continue to increase its coverage throughout Vietnam and plan to open about 13 new retail malls during 2019. Vincom Retail will continue to serve the mid- to high-end consumer segments by enabling well-known international retailers to enter Vietnam through our extensive network of retail malls. During 2019, Vincom Retail will continue to research and develop retail mall formats, diversify its dining and entertainment options to attract more customers of all ages.

### Hospitality and Entertainment

After two years of expansion, Vinpearl will focus in 2019 on improving its service quality to raise the number of visitors served by each facility. The Group will promote a wide range of attractive hospitality packages to meet its growth targets for the domestic market and to expand its share among international travelers. In addition, Vinpearl will build a service culture for each product line tailored to the needs and preferences of each customer segment. Vinpearl will also implement 4.0 technology with 21 new technology projects.

Vinpearl Land is making major investments in 2019 to further its development. Not only have new areas been constructed, but many other items at amusement parks have been designed and refurbished to introduce a whole new look to ensure attraction to visitors.

### Consumer Retail

VinMart, VinMart+ and VinPro stores will expand in 2019 by adding about 1,300 stores across the country. High-quality products, traceable origins and food safety continue to be the top priorities of VinMart and VinMart+. In order to create unique shopping experience, provide convenience and meet customer expectations, VinMart, VinMart+ and VinPro have plans to implement new technologies to digitize the shopping experience at our supermarkets and stores, and enhance online shopping features.

Adayroi e-commerce continues its steady steps to become a strategic retail channel to complement and promote the Vingroup ecosystem. In 2019, Adayroi plans to maintain its market-leading position in terms of product and service variety in such categories as fresh foods, automobiles, hospitality, and healthcare. The focus will be on product value while minimizing costs. The Group will leverage the VinID's customer base of over 6.3 million members and applying technology to better understand customers' shopping behavior to optimize the shopping experience and deliver exceptional value. Last but not least, VinID will also expand non-cash payment methods via additional services/benefits for card users.

## Industrials

Having made major strides during 2018, VinFast aims to meet important development milestones for 2019, including completing the installation of manufacturing machines and beginning trials for mass production of three models: CUV Fadil, SUV Lux SA 2.0, and Sedan Lux A2.0. VinFast will also expand its distribution network and improve its after-sales service while continue developing new automobile models.

VinSmart will build on its 2018 success, leveraging on its people, technology, and manufacturing facilities. In 2019, VinSmart plans to launch ten new smartphone models ranging from affordable to mid and high-end segments.

## Technology

With the strategy of increasing focus on the technology segment, in 2019, VinTech will continue to develop its ecosystem of research institutes and domestic and international subsidiaries, focus on researching key technology areas of the future, develop software, develop VinTech City and support domestic and international startups.

## Healthcare

Vinmec will focus in 2019 on investing in its strongest capabilities: cardiology, oncology, robot-assisted surgery, and regenerative medicine. Vinmec will also deploy the application of 4.0 technology in fields such as MUSA electrocardiography and PACS, strengthen the capabilities of specialized professionals, expand international cooperation, and implement virtual care and home care services.

## Education

Vinschool plans to open six new kindergartens and schools in Hanoi and Ho Chi Minh City during 2019. The IPC kindergarten program and the Cambridge curriculum for primary, secondary and high schools will be used to improve education program depth and breadth. Core curricula will be digitized to support e-learning so that students can access the learning program anytime, anywhere.

## Agriculture

In the field of agriculture, VinEco continues to strengthen its production and purchasing activities with our affiliated producers to meet increasing demand from customers. Besides VinMart and VinMart+, VinEco will develop the Horeca channel and look for potential export markets.





CHAPTER

# 04

ANNUAL  
REPORT  
2018

## CORPORATE GORVENANCE

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# VINGROUP GOVERNANCE STRUCTURE

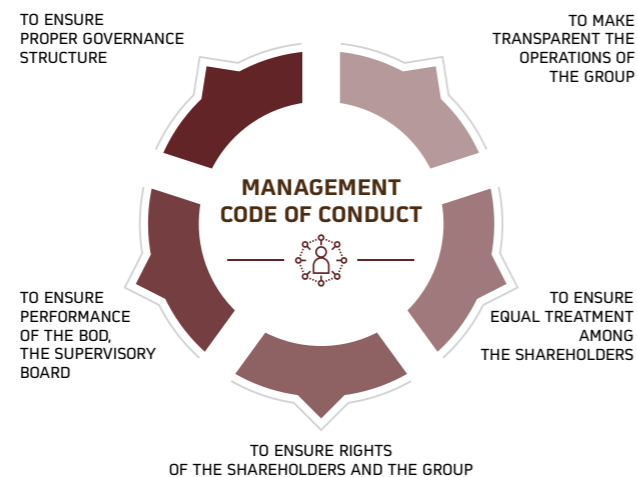
Over the years, Vingroup launched a number of initiatives to strengthen its management and governance procedures. These initiatives were aimed at applying best practices in accordance with the Group's core values and aligning individual total compensation with business results.

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

## Role of the Management Systems in Vingroup's Development

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

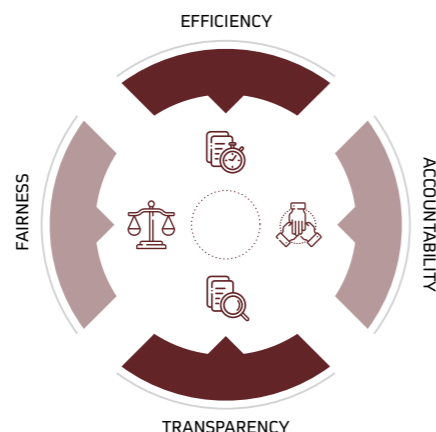
## Principles of the Management Code of Conduct



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

## Core Values of Vingroup's Management Models

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



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

## Vingroup Management and Governance Structure 2018

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

### Components of the Vingroup Management Structure

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

**The Board of Directors ("BOD")** is the Group's management body, elected by the General Meeting of Shareholders and entrusted with the authority to make business decisions for the Group, and exercise rights and responsibilities that do not fall within the jurisdiction of the General Meeting of Shareholders. The Board consists of nine members, with three independent directors to ensure transparency and in accordance with prevailing laws and international standards.

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

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

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

**The Management** includes the CEO and Deputy CEOs who are appointed by the Board of Directors.

The Management is responsible for overseeing the Group's business operations by managing and supervising the heads of Divisions in the corporate office and the senior executives at each P&L. The CEO is the legal representative of the Group and has the highest authority in managing the daily operations of the Group.

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

The Corporate Office also carries out such functions as brand-building, corporate advertising, capital allocation, fund raising, mergers and acquisitions, investments – all aimed at maximizing benefits for shareholders. Other corporate management functions assigned to the Corporate Office include internal auditing, setting information technology management policies, and project management. During 2018, the responsibilities, roles, and objectives of Divisions within the Corporate Office have been recalibrated to reduce overlap with the P&Ls and duplication of effort, and to ensure effective supervision of business units.

**The P&Ls** are responsible for implementing Group decisions, resolving issues not reserved under the jurisdiction of the Management and Corporate Office, running

the day-to-day operations of the business units, and reporting to the Group as required and requested. The P&Ls are also responsible for escalating issues to the Group on matters that affect shareholder interests.

### Relationship Between the Corporate Office and P&Ls

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

When projects require coordination between multiple business units, they are managed under the terms of Vingroup's responsibility matrix based on the RASCI framework (Responsible, Approver, Support, Consulted, and Informed). This framework is used to clarify responsibility, facilitate cooperation and promote transparency.

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

Vingroup's business units are directed to cooperate with each other for mutual long-term benefit under arm's length principles.

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

# REPORT OF THE BOARD OF DIRECTORS

## Evaluation of the Board of Directors on Management and Business Performance in 2018

In 2018, the Board believes that the Group and Management have put in significant amount of efforts in organizing and launching business operations, and maintaining good corporate governance practices.

### Approach

In compliance with provisions in the Group Charter, internal regulations and prevailing law, the Board of Directors has completed the following governance and supervisory activities during 2018:

- Supervised Vingroup development projects
- Administered capital-raising programs to finance project development
- Led, directed, and successfully organized the 2018 Annual General Meeting of Shareholders (“GMS”) on May 31, 2018
- Ensured the 2018 financial report, quarterly and semi-annual financial reports, and annual report provided a timely and comprehensive update of the Group’s business performance and financial state on the reporting date
- Supervised the implementation of the GMS and BOD Resolutions, oversaw and reviewed management operations
- Presided over information disclosure to stakeholders, to ensure timely and transparent reporting
- Maintained oversight on activities in order to improve operational performance and meet business targets

### 2018 Report

In 2018, the Board believes that the Group and Management have put in a significant amount of effort in organizing and launching business operations, and maintaining good corporate governance practices. 2018 revenue reached VND 121.9 trillion, representing 102% of the budget approved by the GMS. Although Management fell short of the GMS’s after-tax profit goal (attaining 73% of the budgeted VND 8.5 trillion), each business sector demonstrated significant improvement, setting a foundation for continued success in future development projects.

The Property business of Vingroup continued to maintain a responsive and effective business strategy and a flexible sales policy in all product segments. Vinhomes delivered a record of nearly 15,400 apartments, villas, shophouses and beach villas all over the country. Retail mall leasing, consumer retail, hospitality and entertainment showed strong year-over-year growth geographic expansion.

The Industrials segment achieved early success, with well-received launches of smartphones and electric motorcycles, earning positive feedback from the market. In 2019, VinFast cars will launched for commercial

sale in 2019, well in line with the target. Last but not least, we also announced the addition of Technology as a new business segment. This division of Vingroup is entrusted with researching and applying new technologies to foster and develop the Group’s existing businesses, as well as investing in pioneering endeavors, for implementation in Vietnam.

Besides outstanding business results, Vingroup also made investments in healthcare, education, sports and culture, and implemented campaigns to raise service quality throughout its operations.

Multi-sector business operations in different locations and rapid expansion led to the increase in the total number of employees as well as the complexity and diversity of the work. Therefore, by complying with the Management Code of Conduct, streamlining business operation and opening new business units based on existing human capital and infrastructure, Vingroup has successfully maintained efficiency and stability in its business operations. This reflects significant contribution from Management, leaders and managers of the Group.

During 2018, Vingroup has continued to build community awareness and has carried out a number of community service programs in the fields of Agriculture, Healthcare, and Education. In Agriculture, the Group supported programs to improve animal breeding and husbandry techniques for poor families. In Education, Vingroup built new schools and soup kitchens for students in upland areas, and public road lighting for poor villages and remote areas. In Healthcare, the Group provided free medical care, infrastructure development, and financial assistance to the poor and near-poor and those suffering from incurable diseases, besides regular and ad-hoc programs.

### Activities of the Board of Directors During 2018

#### Introduction of the Board of Directors

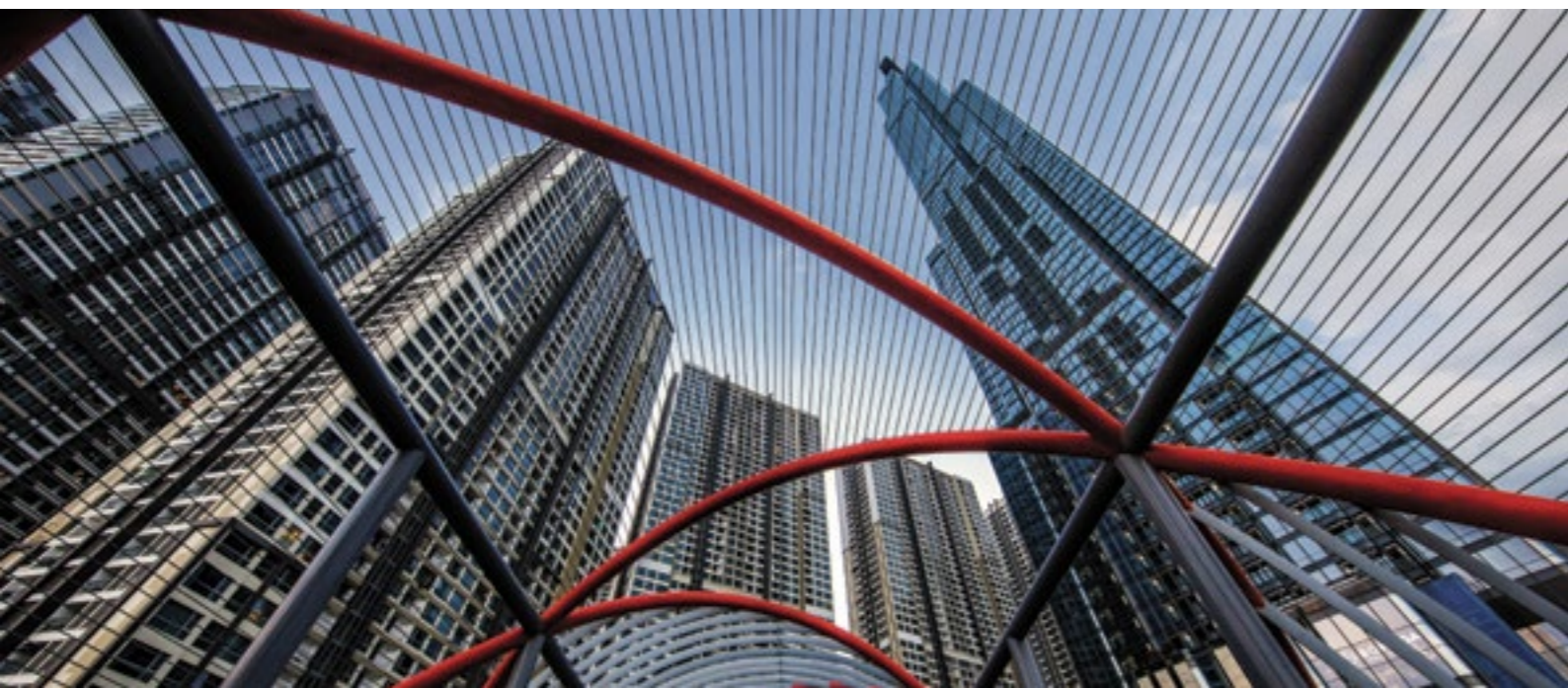
The Board of Directors consists of nine members, including a Chairman and three independent directors.

*Further details can be found in Chapter 2: About Vingroup – Board of Directors – Page 50.*

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

During 2018, the Board held a total of 10 meetings with a member participation rate of 100%. The Board issued 75 resolutions, approving important policies that impacted the Group’s operations and prospects. The resolutions can be summarized as follows:

CONTENT	NO.
Reorganizing the corporate management and operational structure, establishing the P&Ls, making executive appointments at the Group and P&L levels	51
Fund raising, issuance of corporate bonds, pledging of assets	24
<b>TOTAL</b>	<b>75</b>





Vinhomes Riverside - The Harmony - Hanoi

## Participation of Board Members in Corporate Governance Programs

During 2018, members of the Board (except for the three independent members who are located overseas) attended all seminars and training sessions on corporate management and governance.

## Corporate Management and Governance Plans for 2019

During 2017, the Group announced the Five Transformational Principles of governance: **“Elevate – Standardize – Simplify – Automate – Share”**. In 2019, two years from the launch of this initiative, the Group will continue to implement this program vigorously in all of P&Ls and for all levels of employees.

“Elevate” is The Principle of People-First in the System to Ensure the Long-Term Sustainable Development of the Group

“Elevate” refers to the Group’s emphasis on the importance of individual responsibility and accountability, as the individual is the nucleus of all activities. Human resource investments are aimed at developing all employees to be highly competent, professional, and efficient. Team leaders have to set the example, especially in the company value of **“Dare to Try, Dare to Do”**. That means management are tasked with clear mission and KPIs and have full accountability for their work. Besides, as part of succession planning, managers are assigned to train the next generation of leaders. Vingroup’s top management has also formulate and implement talent pool training programs to prepare the next generation of highly qualified leaders.

### Standardize – Simplify – Automate – Share”

The principles of **“Standardize – Simplify – Automate – Share”** are intended to formalize all operational standards, and subsequently to make them clear and simple. With simplification and automation, the Corporate office and P&Ls will be able to automate or increase the level of collaboration and sharing of resources

especially in standardized procedures, such as those in our hotels, hospitals or supermarkets.

The benefits of **“Standardize – Simplify – Automate”** are to ensure the management process is coherent and simplified to the greatest degree possible, so as to alleviate stress from our people. A clear operational framework also ensure that the growth in number of facilities and staff grows is not constrained because our staff can access a comprehensive informational database and rely on seamless processes. Lastly, **“Share”** helps our companies to increase staff productivity and the quality of work by maximizing the use of resources, thereby increasing workers’ income.

During 2019, the Board of Directors has set the following four governance directions: first, Vingroup, the parent company, will continue to become a holding company and each P&L will be more independent; second, the Group will continue to pursue growth in both breadth and depth; third, the Five Transformational Principles will continue to be emphasized in management, and sales and marketing activities will be emphasized to generate higher business volumes; and fourth, Vingroup will prioritize internal training to ensure an adequate supply of well-trained staff members.

Transformation is not a small challenge, since it places heavy responsibility on every individual to depart from old habits. However, if it is well executed, Transformation will ensure continued breakthroughs.

# REPORT OF THE SUPERVISORY BOARD

## Activities of the Supervisory Board During 2018

In 2018, the Supervisory Board promoted control and supervisory activities, and collaborated with the Board of Directors and Management to monitor issuance and implementation, and to assess the results of GMS and BOD resolutions. In performing the functions and tasks as specified in the Charter and internal regulations, the Supervisory Board also tracked audits by the Internal Audit Division and the Group's external audit reports, in order to screen for risks arising from ongoing operations and provide advice on improving business performance.

The Supervisory Board carried out these functions during the year:

- Oversaw the implementation of last year's GMS resolutions, to optimize and reorganize the organizational model of the Group and P&Ls.
- Supervised and evaluated execution of business plans and progress of achieving revenue targets,
- Ensured accuracy of quarterly and annual

financial statements in accordance with Vietnamese Accounting Standards and current fiscal policies,

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

The Supervisory Board has not reported any unusual changes in business, investment, or finance during 2018.

During 2018, the Supervisory Board held four quarterly meetings and several additional meetings as follows:

NO.	DATE	NUMBER OF ATTENDEES	CONTENT	RESULT
1	February 9, 2018	3/3	Assess the impacts and results of the Board of Directors' Resolutions on reorganizing subsidiaries, including Vinhomes and Vinpearl	Restructuring process was carried out in a serious and timely manner to ensure compliance with required legal procedures while not impacting business operations of the restructuring entities
			Review the implementation of resolutions of the Board of Directors from the beginning of the year to the time of the meeting	Strictly implemented by the departments and subsidiaries, meeting requirements
2	May 23, 2018	2/3	Evaluate and review the implementation of resolutions issued by the Board of Directors during the second quarter	BOD Resolutions in the second quarter were meticulously executed without any delay.
			Review figures and financial statements related to the preparation of records for the Annual General Meeting of Shareholders	Matched data prepared by the Chief Accountant and Management

NO.	DATE	NUMBER OF ATTENDEES	CONTENT	RESULT
3	July 4, 2018	3/3	Review the implementation of BOD Resolutions as it relates to capital contribution and establishment of a number of subsidiaries in new segments	The Management and related departments quickly implemented and ensured the progress and completion of relevant procedures. Newly-established companies already started to complete their organizational structures and began operations early
			Review and opine on the dividend payment plan and increasing capital of the Group and several subsidiaries	Helped review the proposal and agreed with the Management's report
4	October 12, 2018	3/3	Review the implementation process and regulatory compliance as it pertains to the public issuance of bonds of the Group and its subsidiaries	The implementation was carefully coordinated by all parties involved to ensure efficacy, progress and timeliness, as well as full compliance with relevant laws and regulations
			Review data and financial performance of several new subsidiaries such as VinFast and VinTech, as well as progress in implementing new projects	Despite being recently incorporated, the Board of Management, the Chief Accountants of these subsidiaries, strictly carried out the Decisions of the Board of Directors, organized a transparent finance and accounting system, and provided sufficient data that accurately reflects the business. Projects are on track

In 2018, the Supervisory Board also actively worked with the Group's Finance & Planning Division, as well as the Legal and Compliance Division, regarding new orientations of legal and financial aspects within the framework of Vietnamese laws. The Supervisory Board met a number of Management Members, Chief Financial Officers and Project Development Directors in some subsidiaries to investigate corporate management, financial control and the implementation of new projects, to collect more sophisticated data and update the operations of the entire Group.

## 2019 Plan of Action of the Supervisory Board

During 2019, the Supervisory Board will continue to carry out its mandated functions and responsibilities with a strong focus on increasing overall compliance and transparency.

- Monitor the suitability and legality of the Group's business activities and impacts of implementing the resolutions of the GMS and BOD,
- Periodically and on a provisional basis review quarterly and annual financial statements of the Group and those P&Ls that accounted for a high proportion of the Group's net revenue and expenses, as well as new companies and business segments,
- Provide various advice, including ways to enhance capital efficiency, improve asset utilization and maximize cost savings, and
- Coordinate activities among the Supervisory Board, the Board, Management and the business segments to conduct regular and ad hoc inspections of specific business area with potential risks.

# GOVERNANCE REPORT

## 2018 Governance Report

During 2018, Vingroup remained in full compliance with regulations on corporate governance. The Group disclosed to investors and stakeholders all information on business operations within the required time period and in a transparent manner.

After achieving a positive outcome from the 2017 restructuring, Vingroup continued to streamline its administrative processes and optimize resource allocation in order to maximize contributions and enhance the supervisory functions of the Board, as well as ensure a system-wide implementation of the principles and fortify the relationships between the Group and related parties.

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

*Further details can be found in Chapter 4: Corporate Governance – Shareholders and Investor Relations – Page 119.*

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

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

### Remuneration Policies

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

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

During 2018, there were nine members of the Board and three members of the Supervisory Board.

The GMS in May 2018 set the amount of remuneration for members of the Board and the Supervisory Board as a percentage of the Group's after-tax profit:

- Remuneration of the Board may not exceed 0.4% of 2018 after-tax profit,
- Remuneration of the Supervisory Board may not exceed 0.1% of 2018 after-tax profit,
- 2018 remunerations of the Board and the Supervisory Board were VND 17.5 billion and VND 3.2 billion, respectively,
- These amounts were equal to 0.28% and 0.05%, of 2018 after-tax profit, respectively.

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 Board, the Supervisory Board, and Management

- **Regular health check-up:** Full reimbursement is provided for the actual cost of annual health examinations at any Vinmec International Hospital or another medical facility selected by the Group.
- **Health insurance:** In addition to social and medical insurance required by law, members of the Board, the Supervisory Board and Management and their immediate families are provided with health insurance.
- **Company telephone:** Members of the Board, the Supervisory Board and Management are supplied with a mobile phone with services plus reimbursement for usage costs.
- **Discounts when using Group services:** Members of the Board, the Supervisory

Board, and Management receive discounts for certain Group products and services. Such discounts are applicable for services at Vinmec International Hospitals, Vinpearl Hotels and Resorts, Vinpearl Land amusement parks, and Vinschool. VinID Cards are also given to members of the Board, the Supervisory Board, and Management so that they can earn loyalty points when using Group services.

- **Business-related expenses:** Actual expenses for business trips are reimbursed for members of the Board, the Supervisory Board, and Management as follows: Business class tickets for air, rail, water or road travel both domestically and internationally. Group hotels for business-related travel, or 4- or 5-star hotels if Group hotels are not available. Other business expenses are reimbursed based on actual costs.

### Changes in Membership of the Board, the Supervisory Board, and Management

Appointment of Mr. Nguyen Viet Quang as CEO, effective from February 25, 2018

Resignation of Ms. Duong Thi Mai Hoa as CEO, effective from February 25, 2018

### Changes in the List of Related Parties of a Public Company

No change



Vinhomes Times City – Hanoi



Vinhomes Imperia – Hải Phòng

## INTERNAL AUDIT REPORT

During 2018, the Internal Audit Division reviewed and evaluated the business and compliance activities of the Corporate Office and the P&Ls, as described below:

- Inspected and evaluated the quality of products sold to customers, focusing on strict control of food safety and hygiene. Also evaluated customer service to ensure full compliance with the law and terms of sale
- Evaluated returns on the Group's assets by benchmarking financial metrics for the Group's business segments against those at other leading regional companies in the same industries
- Followed up on customer feedback and suggestions for improvements in service
- Coordinated with the Finance and Planning Division to evaluate the adequacy, reliability, timeliness, and transparency of financial and non-financial information in each P&L in order to provide maximum support for the Corporate Office
- Monitored relationships between the P&Ls and their vendors to ensure that business partners were treated with fairness, transparency, timeliness and in the spirit of mutual benefit
- The Internal Audit Division stays current on relevant developments in audit practices, serving as an independent, specialized organization to monitor business operations and the financial condition of the P&Ls. During 2019, the Internal Audit Division will strengthen its advisory role to provide greater assistance to the P&Ls in achieving their targets.
- Inspected work environments, employee compensation and benefits, training programs, and evaluated incentives and employee development opportunities
- Coordinated with Vincom Security to control fire and explosion risks at all business locations
- Together with the Legal and Compliance Division, evaluated adherence to all legal and administrative requirements
- Collaborated with the Information Technology Department to oversee network security, data security, updates to the data room, and the maintenance of IT systems throughout the Group

## RISK MANAGEMENT

### The Aims of Risk Management

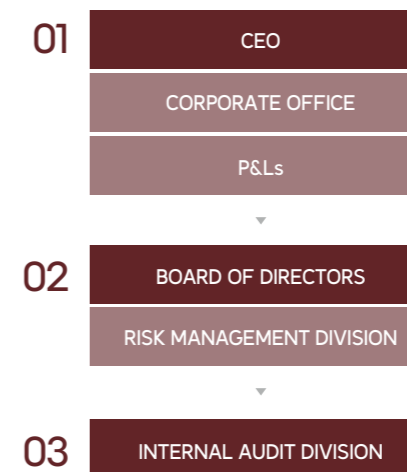
Vingroup has built a risk management framework in accordance with international rules and standards (ISO 31000), while ensuring that it is suitable to the Group's corporate structure and the business environment in Vietnam. Risk management at Vingroup is based on these principles:

- A comprehensive risk management framework, coupled with effective risk management tools, should support the Group's business development strategies.
- Vingroup will clearly allocate responsibilities and ownership in risk management and establish regular supervision and reporting mechanisms.
- Risk management should identify risks in a timely manner and help maximize the outcome of favorable opportunities.
- We will establish a common language in order to strengthen the risk management culture at Vingroup.

The Group recognizes that risk management is not only about threats but also about opportunities. Therefore, risk management is not risk minimization at all costs, but is about optimizing the correlation between risks and opportunities, and accepting risks within a pre-defined risk appetite. Vingroup is prepared to take risks in a prudent manner for justifiable business rationales.

### Risk Management Structure

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



- The first line of defense** is responsible for risk ownership and management in its operations. The first line of defense includes the CEO, Divisions of the Corporate Office and the lines of business.
- The second line of defense** is responsible for building policies, procedures and risk management tools, supporting the implementation of risk management activities at the Corporate Office and P&Ls. The second line of defense consists of the Board and the Risk Management Division.
- The third line of defense** is responsible for assessing the effectiveness and efficiency of risk management activities in the Group. The third line of defense is the Internal Audit Division.

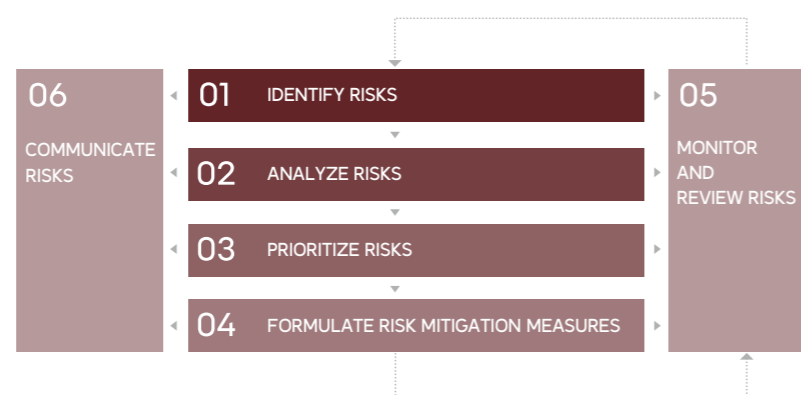
Based on the three lines of defense, the risk management responsibilities are assigned to the Board, Management and the Divisions as follows:

RESPONSIBLE PARTY	RISK MANAGEMENT RESPONSIBILITY
Board of Directors	Issues regulations, strategies and policies on risk management, and determines the organization structure, functions and responsibilities of the risk management
CEO	Supervises and ensures that risk management activities are carried out in line with strategies and policies on risk management
The Risk Management Division, Internal Audit Division, and Risk Management departments at the P&Ls	Coordinate with other Divisions to manage risks with approved tools, limits, procedures appropriate for the Corporate Office and P&Ls

The model of risk management operates throughout the Group, from the Parent Company to P&Ls, to ensure coherent and continuous management of risk.

## Risk Management Process

The Group uses a risk management process consisting of six components. This process provides a logical and systematic approach to identify, analyze, assess the level of severity, formulate the risk mitigation measures, monitor and review, and communicate risks to provide information for Management to use for decision-making and timely response to both risks and opportunities. This risk management system is constructed based on the principles and guidelines of ISO 31000 standards as well as best risk management practices in the industry. The CEO and Head of the Risk Management Division submit risk management policies to the Board for approval at least annually, and the major risk factors of the Group are reviewed and assessed at least quarterly.



### 01 IDENTIFY RISKS

The first component of risk management is to identify all of the risks that may affect the Group's goals, including the sources and potential impacts of all risk factors. Each business area is studied in detail to identify risk factors and the Group's risk portfolio is regularly updated.

### 02 ANALYZE RISKS

The sources, impacts and likelihood of each risk factor are analyzed both quantitatively and qualitatively.

### 03 PRIORITIZE RISKS

All risk factors are ranked and weighed based on quantitative and qualitative pre-determined criteria.

### 04 FORMULATE RISK MITIGATION MEASURES

Risk mitigation strategies and plans are identified. Then, risk management measures are assessed and implemented to capture opportunities while offsetting the negative impacts of each identified risk factor.

### 05 MONITOR AND REVIEW RISKS

Risk mitigation measures are continuously monitored to ensure that they remain relevant and effective, in order to improve the Group's risk profile where possible, to adopt new and appropriate mitigation techniques, if needed, and to forecast and respond to risk events, if any.

### 06 COMMUNICATE RISKS

Risks and risk management processes are widely communicated with employees to raise awareness and vigilance. Risk owners solicit and consider the opinions of the various parties involved to ensure that all stakeholders are fully aware of the role and responsibility of risk management.

## Risk Management Activities in 2018

Vingroup continued to strengthen its risk management systems throughout the year. During significant transactions, periods of market volatility, and changes in the legal environment, the Corporate Office and P&Ls consult the Risk Management, Legal and Compliance, Finance and Planning Division, in accordance with procedures set up for timely assessment and resolution. During 2018, the Group frequently arranged seminars to disseminate information about risks and legal developments for all members of Management and staff.

## Managing Material Risks in 2018

**In 2018, the following risks are considered having a major impact on the Group's operations and prospects, and are regularly monitored and managed:**

### 01

#### MACROECONOMIC RISKS

In the property business, performance tends to fluctuate with macroeconomic conditions. Important macroeconomic factors include growth rates, inflation, credit growth, exchange rates, consumer indexes, savings rates, investments, and unemployment rates. All of these factors can influence Vingroup's operations and results. The Group frequently innovates and diversifies its real estate products. An example is its recent launch of Vinhomes mega projects, which comprise the Vinhomes Sapphire product line targeting the mid-end segment, which is less affected by economic fluctuations than the high-end market segments. Specialized divisions monitor the macroeconomic environment and consult with Management and P&Ls to forecast future trends and their potential impact on business developments. This analysis helps Management to prepare appropriate strategies and policies.

### 02

#### FINANCIAL RISKS

Financial risks for Vingroup include risks related to liquidity, interest rates and foreign currencies. Quarterly, the Finance and Planning Division and External Finance and M&A Division assess conditions in the capital and financial markets to proactively manage the debt portfolio and other commitments of the Group. The Finance and Planning Division and External Finance and M&A Division consult with local and external banking and finance experts to propose and implement risk management solutions, such as using derivatives, especially ahead of large transactions or transactions in foreign currencies. In order to manage liquidity risks, Vingroup actively manages our debt maturity profile and ensures that cashflows are carefully controlled.

### 03

#### COMPETITION RISKS

Vingroup's Property, Consumer Retail and Industrials are highly competitive. Competitors include multinational groups and domestic rivals offering products similar to Vingroup's. To respond, the Group innovates frequently to launch attractive new products of high quality. Vingroup's loyalty program, VinID Card, has succeeded in attracting over 6.3 million members by the end of 2018. The loyalty program joins Vingroup's ecosystem of products and services, enhancing value for customers and positioning Vingroup ahead of the competition.





04

INVESTMENT RISKS

Investments in new projects are implemented based on business strategies that are defined at the beginning of the year. Every investment has to be financially viable compared to the average cost of capital of the relevant P&Ls, or be important to the Group's strategy. Before an investment is made in a new project, risks such as market, legal, licensing, tax or operational risks have to be carefully assessed, and mitigating solutions proposed if necessary. The Group frequently consults with financial, legal and tax advisers and follows rigorous due diligence and mergers & acquisitions processes for potential acquisitions.

05

PROJECT DEVELOPMENT RISKS

Vingroup maintains a thorough project management system comprising several components for budgeting, cost management, quality control, regulatory compliance and speed of execution. There are stringent procedures to select well-qualified vendors for projects based on criteria such as experience and reputation. We also emphasize close supervision of our contractors. Senior executives in the Construction Supervisory Division are experienced practitioners from the design and engineering industries, well equipped to evaluate the quality of external contractors.

06

PERSONNEL RISKS

There is a shortage of experienced managers in the domestic labor market, particularly in senior roles. The Group's compensation framework is competitive and is based on results, rather than seniority, to attract and motivate talent.

Vingroup has successfully created a strong cultural environment, turning the Group into a Common Home for all employees as a way to promote long-term commitments. These steps are aimed at building a leadership pipeline and strong management bench to support the Group's growth plans. On a regular basis, Vingroup organizes large-scale training programs for its employees. In addition, the Group emphasizes developing younger employees to prepare them for future roles as managers.

07

ENVIRONMENTAL RISKS

Construction projects may cause air, noise, or water pollution. Large-scale mixed-use projects may impact their ecological, economic, and social environments. The Group pays close attention to the potential environmental impact of each project. All projects undertaken by Vingroup undergo rigorous social and environmental analyses before development begins. The Group also follows the strictest standards in design and material selection in all projects.

# SHARE INFORMATION AND INVESTOR RELATIONS

## Vingroup Share Price During 2018

Ticker

**VIC**

Outstanding shares (as of 31 December 2018)

**3,191,621,230**

ordinary shares

**84,000,000**

preference shares (unlisted)

Market capitalization (as of 28 February 2019)

**VND 363,844,820,220,000**

PRICE			TRADING		
Share Price <sup>(*)</sup>	Date	Price (VND/share)		Date	Volume (thousand shares)
Closing	Dec 28, 2018	95,300	Closing	Dec 28, 2018	381
Low	Feb 9, 2018	64,628	Low	Dec 17, 2018	206
High	Aug 6, 2018	111,500	High	Apr 24, 2018	10,550
<b>Volume-weighted average price (**)</b>		<b>91,683</b>	<b>Average daily trading volume</b>		<b>2,038</b>

(\*) : Calculated based on adjusted share price. In 2018, Vingroup paid stock dividends at a ratio of 21.0%, resulting in a diluted market value.

(\*\*) : Calculated using the weighted average closing price, weighted by the daily trading volume in 2018 (248 days)

Source: Ho Chi Minh Stock Exchange and Bloomberg

## 2018 Share Price Performance

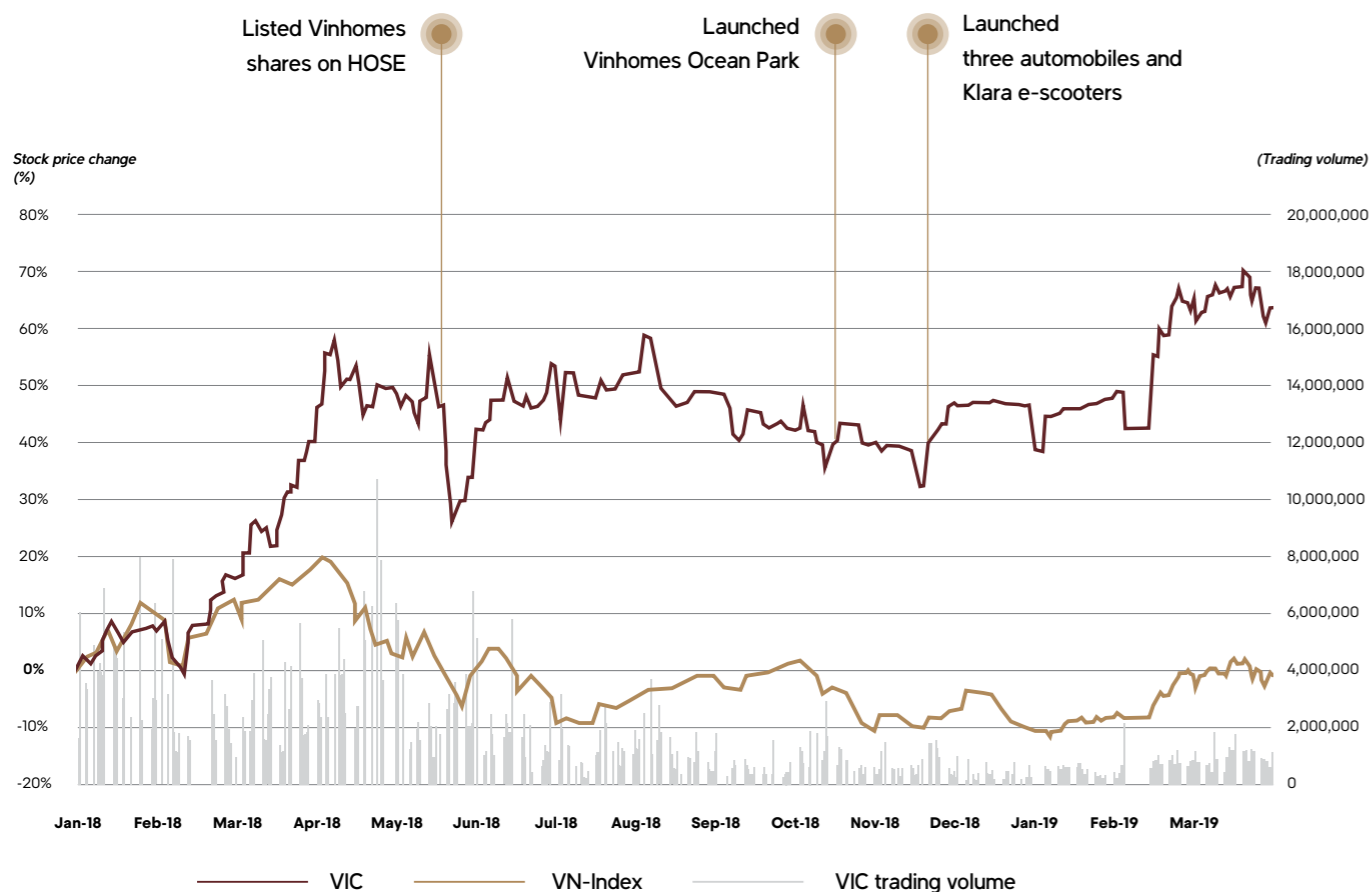
In the first four months of 2018, Vingroup stock ("VIC") fluctuated in the same direction with VN-Index with a solid increase of up to 73% compared with at the beginning of the year. Meanwhile, VN-Index also rose continuously and reached its peak of 1,200 points – the highest since inception.

Then, however, VN-Index fell sharply due to negative impacts from macro market, such as FED's decision on continuous increase of interest rate and escalating tension in US – China trade relations, which in turn affected sentiments across global markets.

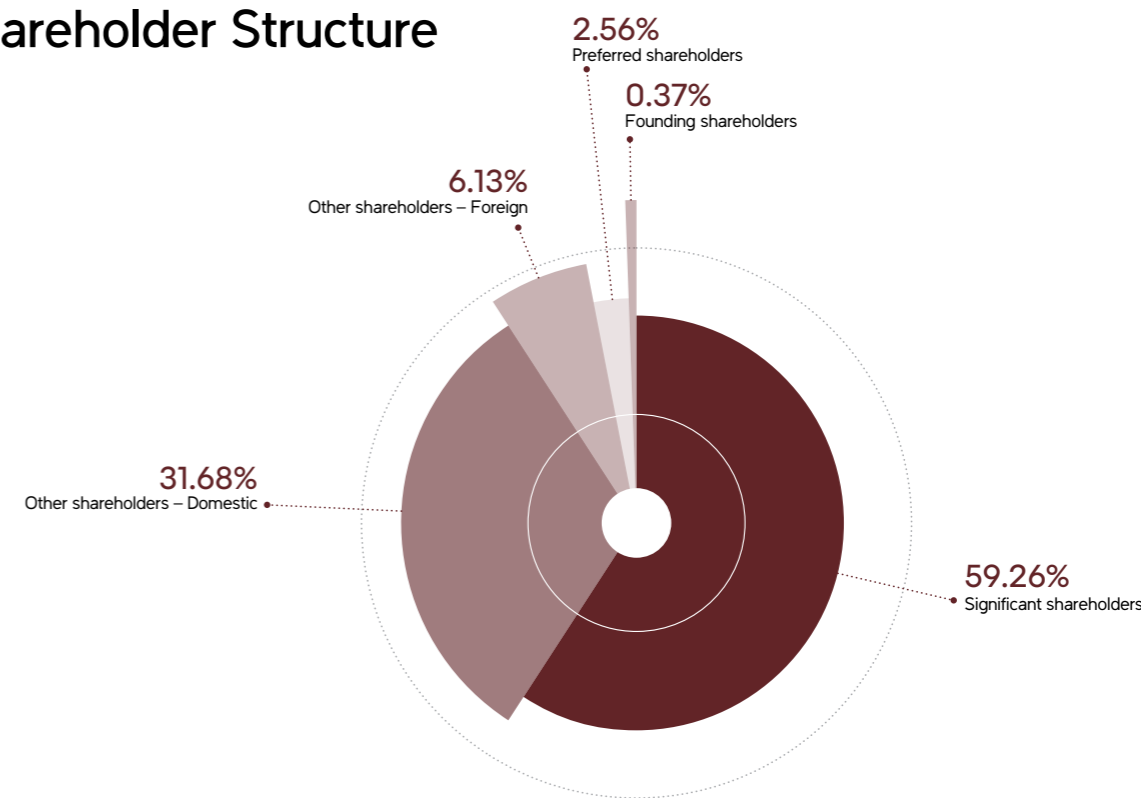
During the last eight months of 2018, VN-Index could not regain the growth momentum in the prior months, dropping 10.4% compared to the start of the year.

Market liquidity also decreased significantly due to subdued activities from foreign investors. In that context, VIC stock, after reaching its peak in April, went through strong gyrations in May. But thanks to positive news about business operations, network expansion, as well as new product launches, VIC shares moved sideways until the end of the year.

As of December 28, 2018, VIC's share price reached VND 95,300 per share, an increase of 47% compared to the closing price as of January 2, 2018. During the same period, VIC's share price outperformed the VN-Index and VN30 index which declined by 10.4% and increased by 13.9% respectively in the same period.



## Shareholder Structure



NO.	SHAREHOLDER	NUMBER OF SHARES HELD	OWNERSHIP PERCENTAGE (%)	NUMBER OF SHAREHOLDERS
1	<b>Founding shareholders</b>	<b>12,131,115</b>	<b>0.37</b>	<b>1</b>
	• Domestic	12,131,115	0.37	1
	• Foreign	0	0	1
2	<b>Significant shareholders (holding above 5%)</b>	<b>1,941,015,517</b>	<b>59.26</b>	<b>2</b>
	• Domestic	1,941,015,517	59.26	2
	• Foreign	0	0	0
3	<b>Other shareholders</b>	<b>1,238,474,598</b>	<b>37.81</b>	<b>16,187</b>
	• Domestic	1,037,582,245	31.68	14,480
	• Foreign	200,892,353	6.13	1,717
4	<b>Preferred shareholder</b>	<b>84,000,000</b>	<b>2.56</b>	<b>1</b>
	• Domestic	0	0	0
	• Foreign	84,000,000	2.56	1
5	<b>TOTAL</b>	<b>3,275,621,230</b>	<b>100.00</b>	<b>16,200</b>
	• Domestic	2,990,728,877	91.30	14,483
	• Foreign	284,892,353	8.70	1,717

## Significant Shareholders Holding Above 5%

NAME	NUMBER OF SHARES HELD	OWNERSHIP PERCENTAGE (%)
Vietnam Investment Group JSC	1,065,012,866	32.51
Mr. Pham Nhat Vuong	876,002,651	26.74
<b>TOTAL</b>	<b>1,941,015,517</b>	<b>59.26</b>

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

## History of Charter Capital Increase (2013 – 2018)

TIME OF ISSUANCE	TRANSACTION	SHARE-HOLDER	CAPITAL BEFORE THE ISSUANCE (thousand VND)	CAPITAL MOBILIZED FROM THE ISSUANCE (thousand VND)	CAPITAL AFTER THE ISSUANCE (thousand VND)
2013	Issuance of bonus shares	(1)	7,004,620,550	2,276,481,600	9,281,102,150
	Conversion of international bonds	(2)	9,281,102,150	6,966,640	9,288,068,790
	Shares swap	(1)	9,288,068,790	7,968,000	9,296,036,790
2014	Conversion of international bonds	(2)	9,296,036,790	722,201,960	10,018,387,750
	Stock dividend	(1)	10,018,238,750	4,527,312,230	14,545,550,980
2015	Conversion of international bonds	(2)	14,545,550,980	372,690,630	14,918,241,610
	Stock dividend	(1)	14,918,241,610	3,763,639,260	18,681,880,870
2016	Conversion of international bonds	(2)	18,681,880,870	716,667,640	19,398,548,510
	Stock dividend	(1)	19,398,548,510	2,133,799,410	21,532,347,920
	Issuance of bonus shares	(1)	21,532,347,920	4,884,731,620	26,377,079,540
2018	Stock dividend	(1)	26,377,079,540	553,913,276	3,191,621,230
	Private placement of preference shares	(3)	3,191,621,230	84,000,000	3,275,621,230

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

(1) Existing shareholders

(2) International convertible bondholders

(3) New international shareholders

## Dividend Payment History (2013 – 2018)

DIVIDEND YEAR	%	FORM OF PAYMENT	TIME OF PAYMENT
2013	21.49	Cash	2014
	48.70	Share	2014
2014	14.00	Share	2015
2015	11.80	Share	2015
2016	11.00	Share	2016
	22.50	Share	2016
2018	21.00	Share	2018

## Insider Holdings

SHAREHOLDER	NAME - POSITION	NUMBER OF SHARES HELD (SHARES)	OWNERSHIP PERCENTAGE (%)
Board of Directors	Mr. Pham Nhat Vuong – Chairman	876,002,651	26.74
	Ms. Pham Thuy Hang – Vice Chairwoman	100,881,292	3.07
	Ms. Pham Thu Huong – Vice Chairwoman	151,056,477	4.61
	Ms. Nguyen Dieu Linh – Vice Chairwoman	231,742	0.007
	Mr. Le Khac Hiep – Vice Chairman	0	0
	Nguyen Viet Quang – Vice Chairman	175	0.000005
	Ling Chung Yee Roy – Board Member	0	0
	Mr. Marc Villiers Townsend – Board Member	0	0
	Mr. Joseph Raymond Gagnon – Board Member	0	0
	Management	Mr. Nguyen Viet Quang – CEO	175
Mr. Pham Van Khuong – Deputy CEO		1,882,300	0.06
Ms. Mai Huong Noi – Deputy CEO		0	0
Ms. Nguyen Thi Diu – Deputy CEO		0	0
Ms. Duong Thi Hoan – Deputy CEO		177	0.000005
Ms. Nguyen Thi Thu Hien – Chief Accountant		175	0.000005
Supervisory board	Mr. Nguyen The Anh – Head of the Supervisory Board	12,315	0.0003
	Mr. Dinh Ngoc Lan – Member of the Supervisory Board	1,733	0.00005
	Ms. Do Thi Hong Van – Member of the Supervisory Board	0	0

## Transactions by Insiders in 2018

NAME	RELATIONSHIP WITH INSIDERS	NUMBER OF SHARES HELD PRIOR TO THE TRANSACTION		NUMBER OF SHARES HELD AFTER THE TRANSACTION		RATIONALE
		Share	%	Share	%	
Ms. Mai Thu Thuy	Younger sister to Ms. Mai Huong Noi – Deputy CEO of Vingroup	23,885	0.0009	0	0	Sale of shares

## Bonds Listed in International Market

ISSUANCE	NO. OF ISSUES	TENOR	CURRENCY	TOTAL ISSUANCE VALUE (billion VND)
International exchangeable bonds	2	5 years	USD	10,460

## Domestic Bond Issuances in 2018

ISSUANCE	NO. OF ISSUES	TENOR	CURRENCY	TOTAL ISSUANCE VALUE (billion VND)
Domestic bonds	1	2.5 years	VND	1,700
Domestic bonds	1	3.0 years	VND	2,800
Domestic bonds	1	2.0 years	VND	1,500
Domestic bonds	1	2.0 years	VND	1,500
Domestic bonds	1	2.0 years	VND	1,000
Domestic bonds	1	2.0 years	VND	1,000
Domestic bonds	1	4.25 years	VND	2,000
Domestic bonds	1	3.0 years	VND	2,000
Domestic bonds	1	2.0 years	VND	5,000
Domestic bonds (*)	2	3.0 years	VND	800
Domestic bonds	1	13 months	VND	3,100
Domestic bonds	1	2.0 years	VND	1,900

Note: (\*) As of December 31, 2018, VND 192 billion has been disbursed from this loan.



## Shareholders and Investor Relations Activities in 2018

Vingroup maintains an active investor relations program to handle inquiries, disclose information, and manage communications with shareholders, investors, analysts, and other interested parties. The Group is committed to fair treatment of all shareholders, whether domestic or foreign, institutional or individual. Through its official website, the Group provides timely and accurate information to shareholders and members of the general public. Information is released in Vietnamese and English simultaneously. Investor presentations as well as news and financial releases are regularly updated and may be viewed and downloaded from the website [www.vingroup.net](http://www.vingroup.net), under Investor Relations section.

In addition to the GMS, quarterly conference calls and investor meetings following the release of financial results, Vingroup also hosts regular briefings, meetings, and site visits to keep investors and shareholders updated on the Group's projects, as well as financial and operational results. Many investor events provide access to members of the Group's senior management, who respond to questions about strategy and operations.

During 2018, Vingroup held 122 meetings, presentations, and site visits for investors, and participated in 10 domestic and foreign

investor conferences in UK, Singapore, Thailand, and Japan, meeting hundreds of interested investors. Vingroup's investor relations programs and annual reports have been recognized by winning two of the most reputable international awards, the ARC and the LACP, in 2017 and 2018, respectively. Vingroup earned a Gold award for **Best Annual Report in the Real Estate and Global Conglomerate categories** under the LACP System, a Gold award for **Best Annual Report in Real Estate Development (Various & Multi-use) category** under the ARC System. In the first quarter of 2019, Vingroup also redesigned its Investor Relations website to make it more visually attractive, intuitive and user-friendly. This has received much positive feedback from users.

During 2019, Vingroup's Investor Relations Department, a part of the External Finance and M&A Division, plans an even greater number of events for investors. We continue to strive to respond promptly to all investor and analyst inquiries. Investor Relations can be contacted via email at [ir@vingroup.net](mailto:ir@vingroup.net).

## 2018 Investor Relations Calendar

EVENT	LOCATION
Credit Suisse – 9 <sup>th</sup> Annual ASEAN Conference	Singapore
VCSC – Vietnam Access Day Conference	Ho Chi Minh City

EVENT	LOCATION
Ceremony to announce the Listing and opening of the first trading session for stock of Vinhomes JSC – a subsidiary of Vingroup	Ho Chi Minh City
2018 Annual General Meeting of Shareholders	Hanoi
Webinar updating business results in Quarter I of 2018	Hanoi
Deutsche Bank – Access Asia Conference	Singapore
VNDirect – Vietnam Opportunity Day	Thailand
Daiwa – HOSE-Daiwa Vietnam Corporate Day 2018	Tokyo

EVENT	LOCATION
Webinar updating business results in Quarter II of 2018	Hanoi
Citi – 7 <sup>th</sup> Annual Frontier Markets Symposium	London
HSC – Vietnamese Conference Day 2018	Ho Chi Minh City

EVENT	LOCATION
Webinar updating business results in Quarter III of 2018	Hanoi
SSI – SSI Gateway to Vietnam	Ho Chi Minh City
Goldman Sachs & SSI – Vietnam Corporate Day	Singapore
Morgan Stanley – Asia-Pacific Summit Singapore	Singapore

## Financial Calendar

### Financial year ending December 31, 2018

TIME	EVENT
May 31, 2018	2018 Annual General Meeting of Shareholders
April 27, 2018	Release of Quarter I, 2018 Financial Statements
July 30, 2018	Release of Quarter II, 2018 Financial Statements
October 30, 2018	Release of Quarter III, 2018 Financial Statements
January 30, 2019	Release of Quarter IV, 2018 Financial Statements

### Financial year ending December 31, 2019

TIME	EVENT
April, 2019	Proposed release of Quarter I, 2019 Financial Statements
July, 2019	Proposed release of Quarter II, 2019 Financial Statements
October, 2019	Proposed release of Quarter III, 2019 Financial Statements
January, 2020	Proposed release of Quarter IV, 2019 Financial Statements



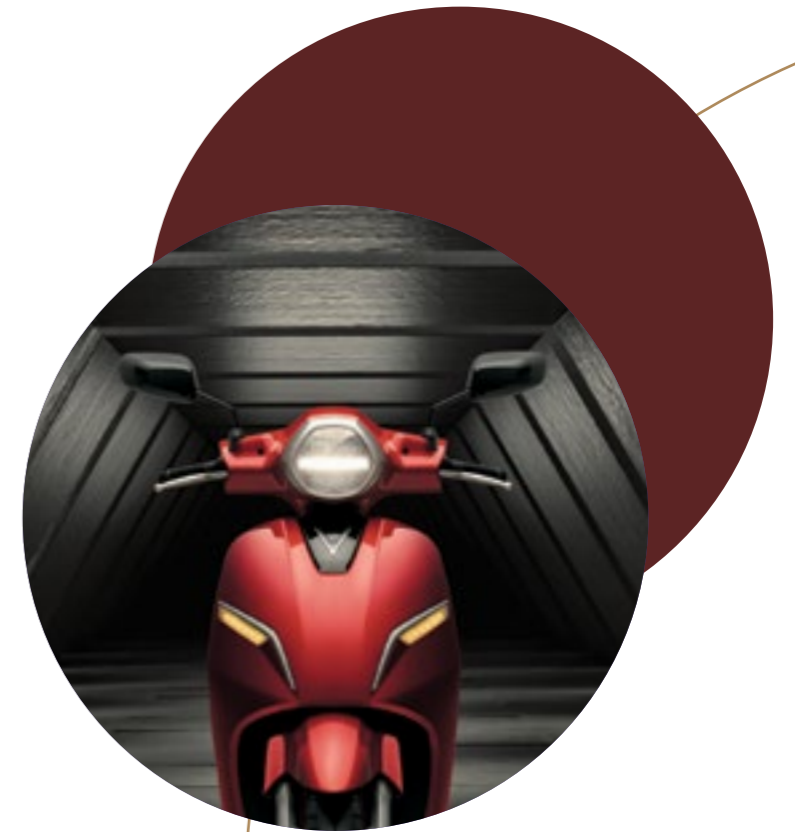
CHAPTER

# 05

ANNUAL  
REPORT  
2018

## SUSTAINABLE DEVELOPMENT

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## VINGROUP'S VISION FOR SUSTAINABILITY

Vingroup believes that a sustainable business is one that creates long-term value for its partners.

We measure success not only in revenue and profit, but also in the degree to which we serve as a catalyst for positive developments in our environment through practical, concrete actions. To achieve our goals, the Group has established a corporate culture and principles of conduct that guide corporate actions and those of each employee.

### RESPONSIBILITIES TO SOCIETY

- Demonstrate love of country and promote national pride
- Comply fully with the law
- Contribute to the best of our ability in the work place in order to build the economy and enhance the image and standing of the nation
- 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 humane, and
- Adopt outstanding human resources policies, offering excellent remuneration and growth opportunities for employees at all levels

### RESPONSIBILITIES TO CUSTOMERS

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

### RESPONSIBILITIES TO SHAREHOLDERS AND PARTNERS

- Maintain a spirit of cooperation for mutual benefit
- Uphold CREDIBILITY and commitment to sustainable partnerships and become "The Number One Companion" to our business partners and investors.





## SUSTAINABILITY BY THE NUMBERS

**TOP 10**  
**Sustainable Companies in Vietnam** in 2018, as chosen by the Vietnam Business Council for Sustainable Development ("VBCSD")

**TOP 10**  
**Best Employers** as awarded by the Vietnam General Confederation of Labor ("VGCL") in collaboration with the Ministry of Labor, Invalids and Social Affairs, Vietnam Chamber of Commerce and Industry ("VCCI") and Lao Dong Newspaper

**200**  
**KM OF ROADS WITH STREETLIGHTS**  
were built for poor villages across the country

**1.9**  
**MILLION PEOPLE**  
received mobile library service at the library trucks financed by the Kind Heart Foundation to promote community reading

**6,000**  
**UNITS OF BLOOD**  
were received to help thousands of patients in hospitals from **Sharing Is Happiness** – a blood-donation drive

**3.5**  
**MILLION HOURS OF TRAINING**  
completed by Vingroup managers and employees in 2018

**162**  
**YOUNG FOOTBALLERS**  
are being trained under the auspices of The Promotion Fund of Vietnamese Football Talent ("PVF")

**32,000**  
**IMPOVERISHED PEOPLE**  
in 41 provinces received free health checkups and medicines

**3,500**  
**IMPOVERISHED PATIENTS**  
received financial assistance for health checkups, heart surgery, and other treatments for life-threatening illnesses from the Kind Heart Foundation

**200,000**  
**TET GIFTS**  
were presented to the poor in almost every city and provinces of Vietnam

**8,000**  
**HOURS OF DOING COMMUNITY SERVICE**  
including sharing gifts, warm clothes and affection with disadvantaged children, patients, elderly people living alone, and homeless people by more than 2,000 Vinschool teachers and staff

**300,000**  
**VISITORS**  
visited the Vincom Center for Contemporary Art ("VCCA") in its first 18 months of operation, during which they could see 14 major exhibitions and 120 art-education events and other activities, bringing together over 100 well-known artists and more than 900 artworks

**30**  
**SCHOOLS AND DAY-BOARDING ACCOMMODATIONS**  
were built for students in disadvantaged mountainous border communes

**921**  
**CHARITY HOUSES**  
were built by the Kind Heart Foundation in 27 provinces

**600**  
**POOR FARMING HOUSEHOLDS**  
in five provinces were provided technical training in animal breeding



# 2018 HIGHLIGHTS



Exhibition "Diary of a Cricket – Touch the Worlds" – VCCA – Vinhomes Royal City – Hanoi

## 01

### VINGROUP INVESTED USD 4.5 MILLION IN DECODING THE VIETNAMESE GENOME

In December 2018, VinTech Technology Development JSC's Big Data Institute announced its **Building the Vietnamese Genome Data** project, considered the largest project of its kind in Southeast Asia, with a total investment of up to USD 4.5 million. Its mission is to create a database to be used within the genomic research communities in Vietnam and internationally. The project has major implications for the medical, biotechnological and anthropological fields. Genetic research aims to provide information to help guide diagnoses and therapeutic interventions that can be tailored to each individual. The project is scheduled to start this year and lasts for five years.

## 02

### HEALTH SECTOR FUNDING

The Kind Heart Foundation provided support for the healthcare sector through programs that pay for medicines, medical exams, diagnoses and treatment for 32,000 patients in poor households in 41 provinces. In addition, nearly 3,500 patients, including those from poor and near-poor households, people with other serious disadvantages and those who have contributed to the Revolution, have been treated by Vinmec International General Hospital's senior doctors, with up to 100% of the total treatment costs covered.

In 2018, 22,000 people in Hanoi were screened for free for colorectal cancer and polyps, with nearly 1,400 cases detected, under Vinmec's research project on cancer and pre-cancer. The project has greatly contributed to early detection and risk-factor identification for cancer as well as helping to establish a gene bank to identify colorectal cancer-causing genes in Vietnamese and contributing to the national cancer-prevention strategy.

## 03

### VINECO WORKS WITH FARMERS

After three years of implementation, the VinEco program has received over 3,000 applications from farmers across the country, from which over 800 farmers have been selected to sign cooperation contracts with VinEco on growing vegetables, mushrooms, rice and fruit. Amongst them, 400 farmers and cooperatives produce regularly to VinEco for onward distribution through our network of VinMart supermarkets and VinMart-mini-marts and convenience stores. By maintaining strict control over agricultural products at all stages, from cultivation to distribution, VinEco has improved the quality of products delivered to consumers while eliminating redundant intermediaries. These farmers have increased their monthly yield and product quality, while propagating clean and sustainable agriculture practices in Vietnam, thus raising the international reputation of the nation's agricultural brands.

## 04

### OVER 21,000 PEOPLE RAN TO RAISE FUNDS TO BUILD SCHOOLS AND CLASSES FOR POOR CHILDREN

In March 2018, Vinschool organized **Edurun Races – Run for Education** – in Hanoi and Ho Chi Minh City, attracting more than 21,000 participants and raising VND 3.7 billion.

Using funding raised from **Edurun 2018**, as well as from other community and charitable activities throughout 2018, Vinschool started two projects in the most disadvantaged and ethnic minority areas of Dien Bien province: construction of the Muong Dun Kindergarten facility and renovation of two classrooms at Sin Chai Primary School, in Tua Chua District. Muong Dun Kindergarten includes classrooms, staff offices, kitchen, toilets and playground.



## 05

### PVF RECEIVES CERTIFICATE OF MERIT FROM THE MINISTRY OF CULTURE, SPORTS AND TOURISM

In January 2019, the Ministry of Culture, Sports and Tourism honored PVF for its achievements in training young football talents during 2017 – 2018.

The Vingroup-funded Promotion Fund for Vietnamese Football Talent was established in 2008, with modern facilities and leading domestic and international trainers and coaches. The aim has been to develop one of the most comprehensive and advanced training center for young players in Vietnam.

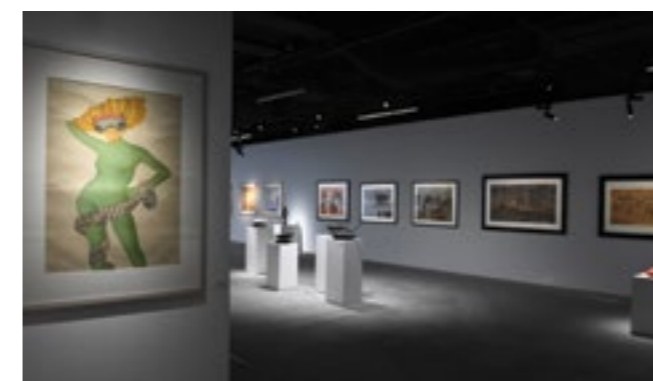
Every year, PVF's teams have performed well in the Youth National Championships, Southeast Asian Championships and other Asian competitions. PVF also sends its players and coaches to Vietnam's national youth teams.

## 06

### VINCOM CENTER FOR CONTEMPORARY ART CONTINUED TO SPREAD THE LOVE FOR ARTS IN THE COMMUNITY

In 18 months of operation, VCCA organized 14 major exhibitions and 120 art-education events and activities, bringing together over 100 leading artists, 900 exhibitions and attracting nearly 300,000 visits.

**The Exhibition of Silk Paintings and Small Sculptures** jointly organized by VCCA and the Vietnamese Ministry of Culture, Sports and Tourism, was selected to be among **Top 10 Fine Arts and Photography Events of 2018** by the Department of Fine Arts, Photography and Exhibitions.



## 07

### VINFAST ADOPTED RESPONSIBLE PRODUCTION PRACTICES

VinFast, the Group's automobile and electric motorcycle manufacturing company, is committed to complying with IFC Performance Standards on Environmental Sustainability. VinFast is mindful that it is a large-scale project, requiring sustainable investment and development for both VinFast and the local community. Thus, VinFast has built its standardized processes and report systems to become more proactive and be best able to manage sustainable development issues, such as environmental protection, contributing to the local community, improving occupational safety and strengthening workers' rights, including those of contractors' workers especially during construction and installation, within its factory.

The factory's sewage-treatment system was built to ensure compliance with standards for discharging effluent into water bodies. Meanwhile, a plan is underway to reuse treated effluent water for plant watering within the factory premises.

## 08

### VINFAST ESTABLISHED A MECHATRONICS AND MECHANICAL ENGINEERING TRAINING CENTER

On February 7, 2018, VinFast officially launched a Mechatronics and Mechanical Engineering Training Center. The first course began on September 10, 2018, with 200 students. The center will award graduates a certificate in accordance with the standards of the Association of German Chambers of Commerce and Industry, and will also be afforded the opportunity to work in VinFast manufacturing units and in nearly 50,000 German companies worldwide.

The center's opening was another step in the sustainable development plan of VinFast to build a team of highly qualified mechanical engineers to help provide high-quality vocational training in Vietnam.



# 2018 SUSTAINABILITY REPORT



In 2018, Vingroup continued to raise capital in various forms, such as via strategic partnerships, bond issuance and syndicated loans, under Vingroup itself and through some of its subsidiaries, including Vinhomes, VinFast and Vinpearl. Vingroup also issued 84 million preference shares, priced at USD 400 million, to Hanwha Asset Management (a Hanwha Group affiliated company) by private placement. And VinFast secured a USD 950 million facility guaranteed by Euler Hermes – the German government export credit agency for machinery and other equipment import. This is the first transaction that Euler Hermes has guaranteed for a Vietnamese private-sector company. Vingroup’s outstanding capital-raising capability, especially in the context of 2018’s volatile financial markets, affirmed its stature in the global capital market.

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

Vingroup sustains its leading position in the real estate sector thanks to its strong value chain, which produces attractive, highly saleable products. In turn, this strong value chain is grounded in the Group’s service and product ecosystem. Because this ecosystem would be difficult for another competitor to replicate, it has contributed to Vingroup’s success, not only in real estate but also in other businesses.

*Further details can be found in Chapter 3: Report of Management on 2018 Business Performance and 2019 Plan of Action – Vingroup Operations and Financial Performance in 2018 – Page 68.*

## Sustainable Contributions to the Vietnamese Economy

Vingroup’s growth is reflected in its commitment to corporate social responsibility.

Vingroup continued to be among the **Top 100 Taxpayers** listed by the Vietnam General Department of Taxation in 2017, as announced in August 2018. Vingroup was honored by the Vietnam Report as the **Largest Private Enterprise** in 2018, **Top 10 Largest Enterprises in Vietnam**, and ranked among **Top 50 Outstanding Companies of 2018**, and included in **Forbes Asia’s Fab 50 Companies**.

## Economic Optimization for Sustainable Growth

In 2018, the Group continued to implement concrete programs and action plans in pursuit of Vingroup’s sustainability strategy for 2020.

*Further details about sustainability strategy can be found in Chapter 5: Sustainable Development – Managing Sustainability – Page 148.*

## Ensuring Economic Efficiency by Maximizing Stable Sources of Revenue and Profit

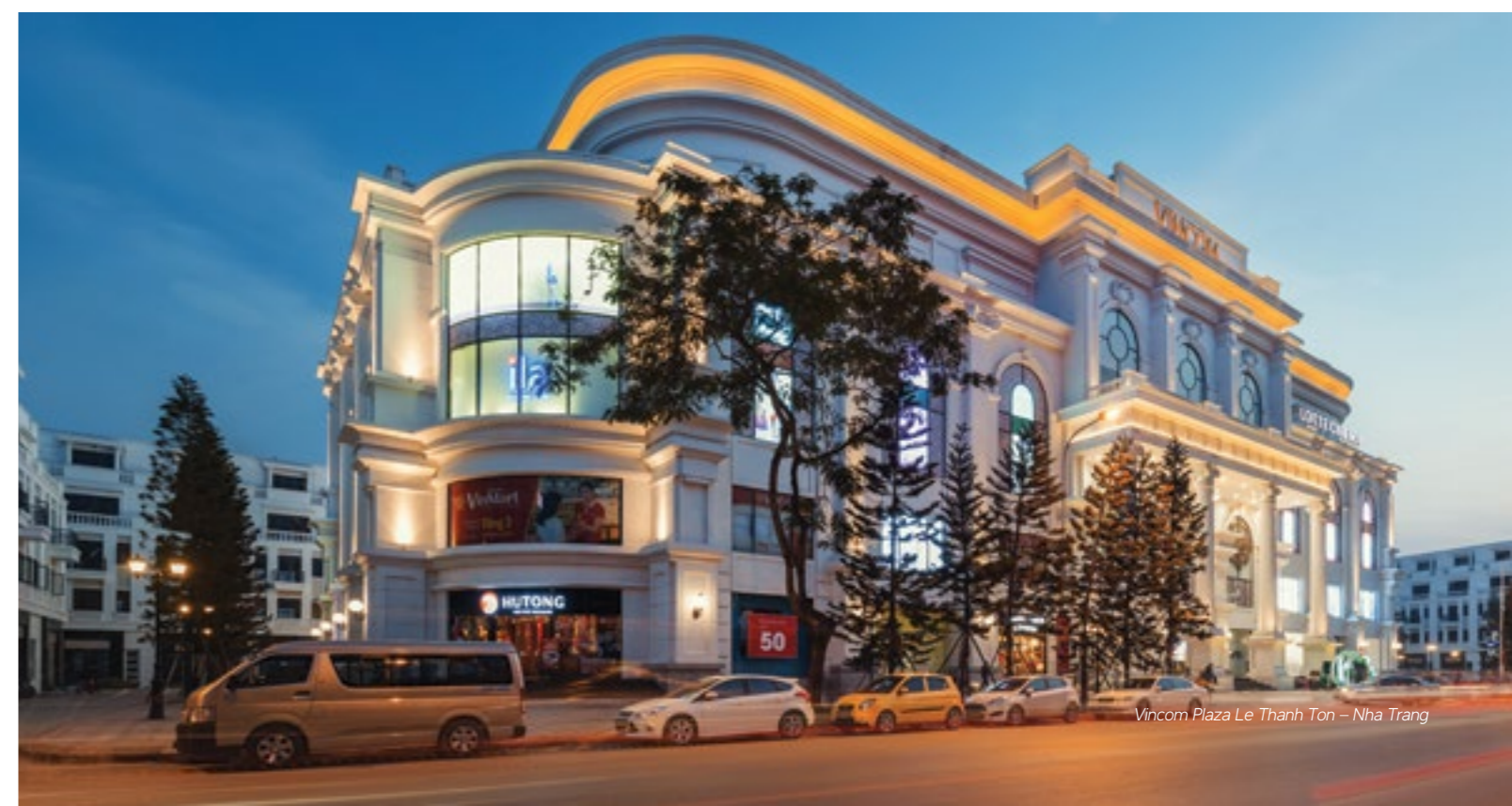
### Increase Recurring and Stable Revenue and Profit

During 2018, recurring revenue increased by 44% over the prior year. This includes revenue from commercial property leasing, consumer retail, hospitality and entertainment, industrials, healthcare, education, and agriculture. The shift to a focus on recurring revenues is part of the 2016 – 2020 strategy. Vingroup increased its focus on these business categories while improving product and service quality to retain current customers and attract new customers.

*Further details can be found in Chapter 3: Report of Management on 2018 Business Performance and 2019 Plan of Action – Vingroup Operations and Financial Performance in 2018 – Page 68.*

### Optimize Capital Structure and Increase Capital Efficiency

Vingroup continuously examines numerous financial products to ensure that free cash flows are used in accordance with capital costs. The Group’s present situation with regard to capital enables it to select capital sources in a flexible manner. Ample cash flow from business operations has allowed the Group to optimize its capital structure.



Vincom Plaza Le Thanh Ton – Nha Trang

## Vingroup Adheres to Environmental and Social Procurement Standards, Including Its Selection of Suppliers

### Integrating Sustainability in Supplier Selection

Vingroup integrates sustainability into every company activity. Supply chain links from inputs to business operations are evaluated along three dimensions: Economy, Society, and the Environment.

With its many existing business areas, and with an expanding network of two new ventures in Industrials and Technology, Vingroup enjoys the support of thousands of domestic and international suppliers. Managing this array of business partners is a key factor in the Group's sustainable development strategy. Each supplier chosen by Vingroup must meet a number of criteria, including quality, capacity, legal compliance, and environmental impacts. Vingroup's procurement department also examines a

potential business partner's track record in the areas of labor relations, human rights, social impact, and environmental protection.

VinCommerce examines the quality control procedures of each of its suppliers. During 2018, VinCommerce set up 11 new testing facilities for products entering its VinMart supermarkets and VinMart+ mini-marts and convenience stores, bringing the total to 36 testing facilities nationwide. Each testing station contains modern equipment to take daily samples and run tests on food safety before products are admitted in the stores. In addition to quality control, VinCommerce has set up policies to assist domestic suppliers to improving their performance on sustainability. In 2018, VinMart and VinMart+ implemented a series of farmer-support programs, such as off-taking arrangement for some agricultural products (especially dragon fruits, radishes and watermelons) and zero-profit sales programs called **Good Harvest, Good Price**.

Adayroi remains the only Vietnamese company in the e-commerce sector to use bio-degradable or other eco-friendly food packaging. Adayroi promoted development

of a new distribution channel for many Vietnamese businesses with more than 900 newly added Vietnamese suppliers that met its environmental standards and encouraged its customers to consume eco-friendly products.

VinEco continues to promote its program of collaboration with 1,000 farmers to produce safe and clean fruits and vegetables for the consumers. VinEco helps these farmers gain access to modern production techniques so that they can change traditional agricultural practices, improve their productivity, and ensure food safety and hygiene in accordance with VietGAP and GlobalGAP food standards.



VinUniversity project – Vinhomes Ocean Park – Hanoi

### Sustainability in Project Selection and Development

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

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

The construction of the VinUni project, in the Vinhomes Ocean Park mega project, in Hanoi, has gotten underway, with a learner-centered landscape and interior designs. The VinUni campus will have low building density and plenty of open space, including gardens and lakes, in the design, forming a green university atmosphere, where students can access and use at any time.

Some of our other property-development projects, such as the Vinhomes mega project in the non-CBD area of Hanoi, are also designed with low building density of 15% to 19%. Highlights of this project include a 6.1-hectare salt water lagoon, a 24.5-hectare large central lake, parkland and many trees, providing residents with a fresh and natural environment and helping to improve the area's microclimate. In addition, Vinhomes projects will also host outdoor sports systems and BBQ facilities to encourage physical activities and outdoor social interactions, all in an effort to improve community health.

With projects in environmentally sensitive sectors as Healthcare and Hospitality, protecting the environment is always of great concern to Vingroup. So we rigorously collect, sort and store Vinmec's medical waste in accordance with regulations. Vinmec's large waste-water treatment systems use biological-treatment tanks, and the effluent quality is regularly monitored to meet or exceed environmental regulations. The hospitals also maintain programs in fire

prevention and firefighting, laboratory safety, radiation safety, and food safety that comply with the highest international standards.

In Hospitality and Entertainment segments, in order to contribute to environmental protection and raise public awareness of the need in maintaining clean seas and beaches, Vinpearl regularly organize sanitation projects around our development areas during construction, and along the beach where our resort and hotel projects operate. Vinpearl continuously explores environmental protection measures. For example, one of the measures is using salt to remove weed and exotic types of weed surrounding the golf courses across the whole system. Instead of using chemicals and pesticide which are potentially harmful to the environment, Vinpearl Golf has used salt to prevent weeds from growing and spreading on golf courses. Unlike pesticide, when salt is sprayed, golf courses can operate as usual and no threat is posed to the surrounding area or to wild animals.

In addition, Vinpearl's development areas on Hon Tre Island are greened with a lot of perennial plants, flowers and grass to preserve the island's green nature.

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

### Sustainable Products and Services

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

*Further details can be found in Chapter 2: About Vingroup – Businesses – Page 30.*





## Strengthening Corporate Governance and Management Capabilities

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

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

*Further details can be found in Chapter 4: Corporate Governance – Report of the Board of Directors Page 100.*

## Ongoing Development of Human Capital

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

## Protect Employee Rights and Equality

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

### Recruitment and Human Resources Strategy

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





**Total number of employees and average income**

YEAR	NUMBER OF EMPLOYEES (people)	AVERAGE INCOME (VND million/person/month)
2013	8,731	11.5
2014	17,312	12.7
2015	29,192	12.9
2016	36,147	13.2
2017	42,878	13.2
2018	65,325	13.6

**2018 employee distribution by education**

QUALIFICATION	NUMBER OF EMPLOYEES (people)
Ph.D. and Master	1,232
University	19,566
Below university-level	44,527
<b>TOTAL</b>	<b>65,325</b>

**2018 employee distribution by age**

AGE	NUMBER OF EMPLOYEES (people)
18 – 30	44,364
31 – 40	14,603
41 – 50	4,784
51 – 60	1,424
Above 60	150
<b>TOTAL</b>	<b>65,325</b>

**2018 employee distribution by gender**

NUMBER OF EMPLOYEES (people)	MALE	FEMALE
65,325	32,520 (49.8%)	32,805 (50.2%)

**Employee Benefits and the Work Environment**

**Vingroup's work schedule**

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

**Working conditions**

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

**Labor regulations**

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

In 2018, Vingroup was again listed among **Top 10 Best Employers** by the Vietnamese Trade Union, honored as the **Best Place to Work in Vietnam** in Real Estate, Retail, Hospitality and Healthcare and named among **Top 50 Recruitment Brands in Vietnam** by Anphabe, an online network of management professionals coordinated by Intage, a market-research firm. These awards recognize Vingroup's commitment to maintaining a modern and professional workplace, with superior benefit policies, while balancing the interests of the employer and employees.

**Wages, insurance and welfare**

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

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

The Group's employee benefit programs include gifts for employees in conjunction with significant personal events, as well as recreational programs that bring employees together to promote teamwork and healthy lifestyles. In addition, support is provided for the children of employees in the form of recognition and awards, summer camps,

and skills training programs. Multi-sport recreation complexes have been built at the Group's headquarters and several locations where there are large company operations. Other employee benefit programs include: an emergency fund, an employee loan fund that extends zero-interest loans for those facing personal hardship, and a bond issuance program with superior interest rates for employees only.

**Employee allowances**

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

**Incentive scheme**

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





- 01 →
 05 →
- Series of leadership-training programs for leaders at all levels throughout the Group
Vinschool teacher upgrade-training program
- 02 →
 06 →
- Series of monthly technical workshops to update leaders' knowledge
Experiential/study tour training programs in retail, real estate and hotels in Malaysia, Thailand, South Korea and Japan
- 03 →
 07 →
- Training program for hotel and resort general managers at Berjaya University, in Malaysia
Service-quality upgrading programs at Vinmec, VinMart, VinPro, Vincom Retail and Vinhomes.
- 04 →
- Vinmec resident and nurse-training programs

In 2018, the Group upgraded the SABA Online Training System to create an information-technology infrastructure that promotes employees' continuing learning to improve efficiency.

## Build a Strong Corporate Culture

In 2018, Vingroup's thousands of employees celebrated and participated in the Group's 25th anniversary with a series of exciting activities across the country with the themes of **Wisdom – Talent – Enthusiasm**. Writing and research competitions about the Group, such as **Vingroup's Pride** and **Ring the Golden Bell**, received nearly 3,200 articles, with nearly 1,100 employees participating. Furthermore, the Process Improvement Initiative contest received 225 initiatives. And 8,888 Vingroup employees from P&Ls and headquarters joined hands to create a music video with a new and youthful remix of the Group's anthem, part of an effort to spread more widely the Group's core values and connect employees across the country. Also, the series of events to celebrate the Vin25 Festival with the theme of **Internal Integration – A Union of Talents** were

held in seven regions across the country, generating excitement and pride in Vingroup and strengthening the unity of all parts of the Group.

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

## Deliver Highest Quality of Employee Training

The Group continued its extensive training programs, with the goal of developing Vingroup into an even stronger learning organization as well as improving products and services throughout the Group. In 2018, Vingroup employees completed more than 3.5 million hours of training, up 40% from 2017.

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

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



## Foster Team Spirit by Organizing Community Involvement and Employee Charitable Activities

The Group is interested in promoting corporate activities that boost the welfare and morale of its employees. The Group established a Communist Party section and a Trade Union to strengthen solidarity amongst employees and party members. Employee actives supporting the Party have been judged to be outstanding, and the Group's Trade Union also won the title of Strong Union in Hanoi.

Vingroup also gives special attention to further develop employee fitness and collaboration by organizing weekly actives including football, tennis, and badminton games. Festivals are planned for monthly and quarterly intervals, including team building actives in fields such as arts, singing, dancing, and the Vingroup running competition. Arts, sports, and culinary events have attracted the participation of hundreds of Vingroup employees, further strengthening their camaraderie, fitness and spirit.

In addition to corporate programs, Vingroup encourages employees to participate in volunteer actives. Vingroup employees have

a track record of taking part in community actives such as providing clothes and books for children living in orphanages and in remote districts throughout the country and the annual **Blood Donation Drive** of Vingroup's employees.

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

## Managing Corporate Social Responsibility

### Develop Products That Meet Community Standards

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

In 2018, Vinpearl Land Nam Hoi An introduced Island of Folk Culture, which highlighted traditional craft villages such as Do paper, maple paper, weaving, Dong Ho painting, Bat Trang traditional pottery village, as well as showcasing traditional home spaces (of the North – Central – South regions). The Island lets visitors interact, including work with, the artisans, thereby introducing Vietnamese traditions to local and international tourists.

Additionally, in November 2018, VinFast launched a new electric motorcycle product – Klara, aiming to contribute to emission and noise reduction across Vietnam.

*Further details can be found in Chapter 3: Management Report on 2018 Business Performance and 2019 Plan of Action – Vingroup Operations and Financial Performance in 2018 – Page 68.*

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

In 2018, Vingroup continues to expand the presence of Vingroup brands to provinces and cities to improve the society. Large-scale, affordable public real estate projects will be located in the city's suburbs, creating more jobs and social development. Vincom+ retail malls and shophouses with reasonable scale can be deployed in many towns and cities across the country to support changing consumption habits.

Vingroup's corporate social responsibility is also reflected in the decision to convert Vinmec and Vinschool into non-profit models, and to invest in VinEco's high-tech agriculture with the goal of bringing safe food to the people of Vietnam.

With its entry into the Industrials sector, VinFast has not only helped to promote the region's economy but it also improved the surrounding environment and community. For the community, VinFast built roads to replace Road No. 356 at the sections surrounding the factory area along with

public lightning system which help to improve the infrastructure in the region. The VinFast and VinSmart complex has created nearly 500 direct jobs for the Cat Hai Island region and nearly 2,300 jobs in Hai Phong.

Through its concrete actions, Vingroup has created a spillover effect to all businesses to promote the development of society. Vingroup's retail and agricultural products have a preferential pricing mechanism, which provides an opportunity for the majority of people to access clean food in their daily lives. In the process of developing the project, Vingroup is always ready to go along with the locality in investing in essential infrastructure such as roads, electricity, water and public works to meet the needs of residential development.





## Demonstrate a Sense of Social Responsibility towards Business Partners, Customers, Colleagues and the Community

### Fairness and Transparency with Business Partners

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

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

Vietnam is one of a number of countries with cancer rates that are high and increasing year by year. The Vinmec health care system is taking the lead in applying new treatment methods such as immune therapy, as well as new methods of treating lung, breast, gynecological, and gastrointestinal cancers. These therapies can help with early detection and treatment within Vietnam.

In Education, Vinschool introduced at the secondary school level a new Service Learning Curriculum during the 2018 – 2019 school year. Students are given opportunities to work with their peers to apply what they learn to help solve practical problems in their local community.

In February 2018, Vinschool launched the **IGCSE Scholarship Program** for 9<sup>th</sup> grade students following the IGCSE curriculum. After many rounds of rigorous selection and evaluation, Vinschool awarded a total of 22 scholarships in the past year. Additionally, Vinschool continued to implement the annual scholarship program for two target groups: students with exceptional abilities and students with outstanding academic ability and difficult family circumstances.

During 10 years of operation, PVF sponsored by Vingroup has offered 10 training courses enrolling a total of 530 students. In 2017 and 2018, PVF sent 14 players to Vietnam's National Team, contributing to the development of the country's football.



VinUni now offers higher education that is based on the highest standards of research and teaching to prepare students for employment in both domestic and international organizations. VinUni's goal is to achieve breakthroughs in the educational quality at the university level in Vietnam, focusing on three fields of study: Business, Technology, and Health Sciences. With the cooperation of leading universities from around the world, VinUni's education programs aim to achieve international quality accreditation.

### Improving Community Welfare

Through the Kind Heart Foundation, Vingroup has supported many social activities throughout the country. In 2018, the Kind Heart Foundation implemented programs to build 921 houses of compassion, support animal breeding techniques for the poor, to create more income and to help people escape poverty in a sustainable way, build 30 schools with day-boarding houses for students in upland districts, support Vietnamese heroic mothers, sponsor free health checkups, cancer screening, construction and restoration of cultural works, and educational scholarships. The Phat Tich Charity and Career Center, located in Bac Ninh Province, is founded and sponsored by the Kind Heart Foundation, which provides care and education for over 150 orphans and the elderly with no one to rely on.

Also in 2018, the Foundation continued to provide monthly stipend to nearly 200 individuals and their families in difficult circumstances, and regularly provided free meals to poor patients in public hospitals. The Kind Heart Foundation also provided monthly support for 11 temples that are raising foster children in some provinces in the country, funded the cost of living and tuition fees for more than 5,000 good students that were in financial difficulties, and sponsored many of the Mother Vietnam Heroes and former Military volunteers without support in provinces and cities nationwide. Everybody supported by the Foundation received frequent attention and contact, and motivation and care.



During 2018, many flash floods and typhoons caused great damages to the people in flood-prone provinces in the country. The Foundation timely organized programs to help flood victims with flood-proof houses, and built roads and bridges as well as health clinics and schools in order to stabilize the daily life for people in flood-prone provinces. In addition, during the past year, the Foundation also participated in a number of other donor-supported activities, such as support for local foundations, and sponsored thousands of patients with severe illness and those in particularly difficult circumstances who send letters to the Foundation for help.

## Environmental protection

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

As a pioneer in real estate development and hospitality, the Group focuses on creating a green working environment, not only for its staff but also for customers.

In our ongoing operations, the Group aims to raise staff awareness of environmental protection, addressing climate change, and managing waste treatment systems at Vingroup facilities. These steps ensure that Vingroup is meeting environmental standards, minimizing energy use, and reducing greenhouse gas emissions.





## Minimize Energy and Water Use and Noise Pollution in All of the Group's Projects

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

At all its facilities, the Group rigorously controls consumption of fuel, electricity and water, and has launched initiatives to further reduce energy consumption. Public lighting is turned on by the hour, steamers' operation is strictly monitored to avoid waste, and energy-saving LED lights are used.

During 2018, the Vinpearl resort on Hon Tre Island implemented programs to reduce electricity consumption. These programs included the use of water sprayed on greenhouses to reduce heat absorption. Electricity consumption of the air-conditioning system was lowered by 100,000kWh. Vinpearl hotels and resorts in Da Nang and Quang Nam reduced energy usage by streamlining operational procedures, reducing usage time, and separating items to be heated, thereby saving an average of 5 – 10% of electricity costs per month. Vinpearl facilities in Phu Quoc reduced fuel consumption by 32% from 2017 levels.

At all Vinpearl hotels, transport systems for passengers and luggage were switched from fossil fuels to electric batteries to reduce CO2 emissions. Wastewater treatment systems are being studied from design through implementation. The entire resort hotels and villas and amusement parks network on Hon Tre Island in Nha Trang has installed

a desalination system with a capacity of 1,000m<sup>3</sup> per day to create fresh water from sea water, and has built a 1 million m<sup>3</sup> rainwater reservoir. Thanks to these facilities, Hon Tre island will have enough fresh water for all of its daily operations without a supply from the mainland.

Hon Tre Island's wastewater facilities process more than 5,000m<sup>3</sup> per day in accordance with Vietnam's highest standards for irrigation and road cleaning. Vinpearl's campaign to treat wastewater for recycling has been implemented and expanded. Our facilities require approximately 2,000m<sup>3</sup> per day of irrigation water, and Vinpearl's sewage treatment system can now meet 100% of water requirement for landscape maintenance.

Vinmec emphasizes the protection of both hospital and community environments. Solid waste collection facilities are equipped with modern technology. Staff members are trained to monitor waste streams to limit amounts discharged into the environment. Several hospital departments' review and monitor compliance with the new standards: the Professional Council, the Quality Control Board, the Infection Control Council, and the Environmental Safety Board.

In the field of Agriculture, VinEco protects the environment in its production cycle by limiting the use of underground water, actively investing in water pumping stations from rivers and lakes, and building water treatment zones in accordance with the standard of irrigation water, such as in Cu Chi, Tam Phuoc, Da Loan, Tam Dao, Hai Phong, Quang Ninh and a number of other farms. All of VinEco's farms are using advanced drip

irrigation to save water, using 50% of irrigation water less than regular irrigation. The total area used for advanced drip irrigation accounts for 80% of the cultivated area. VinEco is also implementing IoT centralized management system to reduce at least 10 – 15% of consumption in several areas: water consumption for irrigation, energy consumption and production material use. VinEco has set up composting workshops on 10 farms, with a total of 7,500 tons of compost and dung used for replenishing land nutrient contents in 2018. VinEco also uses hydroponic greenhouses to circulate 70% of water for irrigation, equivalent to 90m<sup>3</sup>/day, and well-designed green house and net houses with abundant natural ventilation to optimally control indoor temperatures while minimizing power consumption.

In Industrials, VinFast's wastewater-treatment system ensures compliance with standards for discharging effluent into water bodies. The factory's management is developing a plan to reuse all treated effluent for watering trees and grass on factory premises.

## Observe Environmental Protection Plans in Each of the Buildings and Manufacturing Facilities That the Group Manages

## Adhere to the Highest Standards in Construction, and Design Products with "Green Living" in Mind

In Real Estate projects, environmental protection is reflected in low-density designs and an emphasis on harmony between the buildings and their surroundings. Optimization of visibility and natural light are found at Vinhomes Skylake, Vinhomes Golden River, and Vinhomes Metropolis. With central air-conditioning, low-E glass lenses to restrict UV light, and electricity-use controls, these projects now comply with many advanced environmental standards.

In the field of automobile and electric motorcycle manufacturing, VinFast established an environmental and social management committee to supervise the implementation of its commitments, including those complying with IFC Performance Standards, in protecting the environment around its automobile and motorcycle manufacturing operations.

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

Green space is always a vital component in every Vingroup project. Low-density housing, plentiful trees, and water features occupying a large proportion of the projects create modern and eco-friendly living places. Projects such as Vinhomes Central Park, Vinhomes Golden River, Vinhomes Green Bay, Vinhomes The Harmony, and Vinhomes Skylake have maintained "green" spaces, making full use of riverfront land to build eco-friendly, walkable complexes with large public parks. Particularly, Vinhomes Ocean Park, with 117 hectares of trees and lakes, is a desirable living space for the residents. Vingroup creates green focal points in cities across Vietnam.

In its Hospitality and Entertainment sectors, Vinpearl Luxury facilities shifted to recycled-paper packaging for room sanitary items and is gradually moving from polyester fiber cloth items to 70% bamboo – 30% cotton.

For its Industrials sector, Vingroup focuses on development of electric cars and electric motorbikes to save energy and protect the environment. VinFast conducts research in new technologies so that it can quickly bring brand-name automobiles and motorbikes to market.

## MANAGING SUSTAINABILITY

### Sustainability Strategy for 2020

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

Leveraging our commercial success, the Group now has the resources to execute our strategies in human capital development, environmental protection, and corporate social responsibility. The Group's sustainability strategy for 2020 requires Vingroup to strike a balance among the interests of stakeholders, following the four principles

#### Accomplishing Business Goals in Order to Grow Effectively and Sustainably

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

#### Ongoing Development of Human Capital

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

#### Managing Corporate Social Responsibilities

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

#### Environmental Protection

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



# Engaging Stakeholders

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

SHAREHOLDERS	VALUES BROUGHT BY VINGROUP
Shareholders and Investors	<ul style="list-style-type: none"> <li>• Business performance</li> <li>• Dividend payment</li> <li>• Transparent and fair corporate governance to protect shareholder interests</li> <li>• Adequate and timely disclosure of information, promptly seeking shareholders consent for important matters through extraordinary shareholder meetings when required</li> <li>• Frequent meetings, Vingroup website, mailboxes ir@vingroup.net, ir@vincom.com.vn, ir@vinhomes.vn, and Investor Relations Quarterly Earnings Presentations enable investors to meet and understand the Group’s strategy from senior management.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Commitment to quality of products and services</li> <li>• Highly-qualified consultants to provide adequate and accurate information</li> <li>• Model units for prospective buyers of residential properties; relentless improvements in</li> <li>• Design, landscaping and amenities</li> <li>• Additional benefits for customers using VinID Card (Vingroup Loyalty Program)</li> <li>• Shopping mall tenants benefit from regular large-scale events to attract shoppers</li> <li>• Vinhomes residents enjoy frequent community programs to connect with one another in a harmonious environment</li> <li>• 24/7 hotline to provide information and assistance on the Group’s products and services</li> </ul>
Local community	<ul style="list-style-type: none"> <li>• Environmental and community impact assessment studies prior to implementation of real estate developments</li> <li>• Frequent dialogues with local authorities regarding measures to improve the local environment</li> <li>• Assist regulatory authorities in developing local infrastructure</li> <li>• Mobilize local work force, create new jobs and raise level of social well-being in areas where the Group operates</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• Participate in conferences and seminars with regulators</li> <li>• Member of many trade associations including the World Economic Forum (“WEF”) and Vietnamese Association of Enterprises with Foreign Investments.</li> <li>• Contribute comments on draft policies and legal documents</li> </ul>
Employees	<p><i>Further details can be found in Chapter 5: Sustainable Development – 2018 Sustainability Report – Ongoing development of human capital – Page 137.</i></p>
Business partners	<ul style="list-style-type: none"> <li>• Maintain relationships with suppliers and business partners based on fairness, transparency and mutual benefit</li> <li>• Select suppliers based on criteria including compliance with the law and commitment to environmental protection and sustainability</li> </ul>

## Identification, classification and handling of critical issues

Vingroup constantly reviews its operations and maintains communications with stakeholders in order to identify critical issues facing the Group. These issues are ranked based on their level of concern to stakeholders and their impact on corporate operations in order for us to prioritize Action plans and resources. Using this approach, critical issues identified by Vingroup that need to be addressed are discussed in the following paragraphs.

- **For shareholders and investors:** economic efficiency, presence in the market
- **For customers:** safety and health, product responsibility
- **For local communities:** wastewater and waste, energy
- **For management agencies:** compliance, anti-corruption, public policy
- **For employees:** equal opportunity, fair remuneration, employment, education and training, human rights
- **For partners and suppliers:** equal opportunity, supplier review

Vingroup understands the significance of sustainability and is therefore determined to integrate sustainability into our operations and governance at all levels, from executives to employees.

- **Senior management commitment sustainability:** criteria are defined in detail and are used as benchmarks to measure the performance of each member of Management and senior executives in Vingroup and the P&Ls.
- **Integration of sustainability measures into management and operational practices:** Management is responsible for developing specific policies, targets, and mechanisms to monitor the achievement of sustainability targets set by the Board. One example is the policy to require an environmental and community impact assessment to be conducted prior to the commencement of a real estate project; another example is the way that recruitment and training procedures are designed to ensure equal opportunity for all employees.

- **Training:** To ensure that sustainability objectives are achieved, the Group frequently provides training to all employees to introduce relevant knowledge and skills.

Vingroup has already received recognition from the Business Council for Sustainable Development as one of the **Top 10 Most Sustainable Companies in Vietnam** in 2018.

We view our current progress in sustainability as an early step on a long journey to achieve our mission

“  
to create a better life  
for the Vietnamese  
people  
”



CHAPTER

# 06

## CONSOLIDATED FINANCIAL STATEMENTS



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## GENERAL INFORMATION

### The Company

Vingroup Joint Stock Company (“the Company”) is a joint stock company established in Vietnam pursuant to the Business Registration Certificate No. 0103001016 issued by the Hanoi Department of Planning and Investment on 3 May 2002 and the Business Registration Certificate No. 0101245486 re-issued on 12 May 2010. The Company subsequently received amended Enterprise Registration Certificates, with the latest amendment being the 66th amended Enterprise Registration Certificate dated 29 August 2018.

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

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

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

### Board of Directors

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

<b>Mr. Pham Nhat Vuong</b>	Chairman
<b>Mr. Le Khac Hiep</b>	Vice Chairman
<b>Ms. Pham Thuy Hang</b>	Vice Chairwoman
<b>Ms. Pham Thu Huong</b>	Vice Chairwoman
<b>Ms. Nguyen Dieu Linh</b>	Vice Chairwoman
<b>Mr. Ling Chung Yee Roy</b>	Member
<b>Mr. Nguyen Viet Quang</b>	Member
<b>Mr. Marc Villiers Townsend</b>	Member
<b>Mr. Joseph Raymond Gagnon</b>	Member

### Supervisory Board

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

<b>Mr. Nguyen The Anh</b>	Head of the Supervisory Board
<b>Mr. Dinh Ngoc Lan</b>	Member
<b>Ms. Do Thi Hong Van</b>	Member

### Management

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

<b>Mr. Nguyen Viet Quang</b>	Chief Executive Officer	appointed on 25 February 2018
<b>Ms. Duong Thi Mai Hoa</b>	Chief Executive Officer	resigned on 25 February 2018
<b>Ms. Mai Huong Noi</b>	Deputy Chief Executive Officer	
<b>Mr. Pham Van Khuong</b>	Deputy Chief Executive Officer	
<b>Ms. Nguyen Thi Diu</b>	Deputy Chief Executive Officer	
<b>Ms. Duong Thi Hoan</b>	Deputy Chief Executive Officer	

### Legal Representative

The legal representative of the Company from 1 January 2018 to 25 February 2018 is Ms. Duong Thi Mai Hoa and from 25 February 2018 to the date of this report is Mr. Nguyen Viet Quang.

Ms. Mai Huong Noi is authorised by Mr. Nguyen Viet Quang to sign the accompanying consolidated financial statements for the year ended 31 December 2018 in accordance with the Letter of Authorisation No. 024/2018/GUQ-TGD-VINGROUP dated 19 April 2018.

### Auditor

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

## REPORT OF MANAGEMENT

Management of Vingroup Joint Stock Company (“the Company”) is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2018.

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

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

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

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

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

### Statement by Management

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of management:



**Mai Huong Noi**

Deputy Chief Executive Officer

Hanoi, Vietnam

27 March 2019

## INDEPENDENT AUDITORS’ REPORT

To:

**The Shareholders of Vingroup Joint Stock Company**

We have audited the accompanying consolidated financial statements of Vingroup Joint Stock Company (“the Company”) and its subsidiaries (collectively referred to as “the Group”) as prepared on 27 March 2019 and set out on pages 6 to 88, which comprise the consolidated balance sheet as at 31 December 2018, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### Responsibility of the Company’s management

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

### Auditors’ responsibility

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

### Ernst & Young Vietnam Limited



**Tran Phu Son**

Deputy General Director

Audit Practising Registration  
Certificate No. 0637-2018-004-1

Hanoi, Vietnam

27 March 2019

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

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

### Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2018, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the consolidated financial statements.



**Chu Anh Dung**

Auditor

Audit Practising Registration  
Certificate No. 3814-2016-004-1

## CONSOLIDATED BALANCE SHEET

as at 31 December 2018

Currency: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>135,279,026,451,481</b>	<b>100,246,615,638,617</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>13,557,055,282,581</b>	<b>8,141,750,027,686</b>
111	1. Cash		8,566,276,075,025	6,182,781,185,541
112	2. Cash equivalents		4,990,779,207,556	1,958,968,842,145
<b>120</b>	<b>II. Short-term investments</b>		<b>1,951,597,849,480</b>	<b>672,569,770,071</b>
121	1. Held-for-trading securities		-	32,369,112,000
122	2. Provision for held-for-trading securities		-	(19,505,232,000)
123	3. Held-to-maturity investments	6.1	1,951,597,849,480	659,705,890,071
<b>130</b>	<b>III. Current accounts receivable</b>		<b>50,075,353,646,870</b>	<b>27,335,112,175,074</b>
131	1. Short-term trade receivables	7.1	7,594,009,964,922	5,744,460,450,918
132	2. Short-term advances to suppliers	7.2	16,677,008,433,017	8,675,566,825,227
135	3. Short-term loan receivables	8	5,077,857,439,663	7,684,239,828,536
136	4. Other short-term receivables	9	20,993,914,563,166	5,748,899,913,388
137	5. Provision for doubtful short-term receivables	10	(267,436,753,898)	(518,054,842,995)
<b>140</b>	<b>IV. Inventories</b>	<b>11</b>	<b>55,105,513,546,690</b>	<b>56,058,815,191,085</b>
141	1. Inventories		55,616,901,507,664	56,403,215,413,508
149	2. Provision for obsolete inventories		(511,387,960,974)	(344,400,222,423)
<b>150</b>	<b>V. Other current assets</b>		<b>14,589,506,125,860</b>	<b>8,038,368,474,701</b>
151	1. Short-term prepaid expenses	12	2,484,728,465,244	4,758,744,122,155
152	2. Value-added tax deductible		2,402,675,007,004	1,099,347,699,941
153	3. Tax and other receivables from the State	22	312,854,323,984	213,678,380,799
155	4. Other current assets	13	9,389,248,329,628	1,966,598,271,806

## CONSOLIDATED BALANCE SHEET

as at 31 December 2018

Currency: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>152,695,150,354,328</b>	<b>113,545,441,345,980</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>360,541,085,729</b>	<b>563,644,449,382</b>
215	1. Long-term loan receivables		55,000,000,000	269,026,341,080
216	2. Other long-term receivables	9	305,541,085,729	294,618,108,302
<b>220</b>	<b>II. Fixed assets</b>		<b>49,369,195,502,351</b>	<b>35,649,944,002,033</b>
221	1. Tangible fixed assets	14	48,549,322,916,458	34,973,533,341,870
222	Cost		57,637,790,719,579	40,845,582,676,116
223	Accumulated depreciation		(9,088,467,803,121)	(5,872,049,334,246)
227	2. Intangible fixed assets	15	819,872,585,893	676,410,660,163
228	Cost		1,479,208,218,837	1,222,264,361,922
229	Accumulated amortisation		(659,335,632,944)	(545,853,701,759)
<b>230</b>	<b>III. Investment properties</b>	<b>16</b>	<b>26,743,666,586,401</b>	<b>18,198,420,908,900</b>
231	1. Cost		30,173,967,262,179	20,842,351,193,783
232	2. Accumulated depreciation		(3,430,300,675,778)	(2,643,930,284,883)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>58,529,122,776,141</b>	<b>37,492,138,281,596</b>
242	1. Construction in progress	18	58,529,122,776,141	37,492,138,281,596
<b>250</b>	<b>V. Long-term investments</b>		<b>6,068,157,704,984</b>	<b>6,485,785,915,017</b>
252	1. Investments in associates, jointly controlled entities	19.1.1	2,546,385,754,285	2,439,624,600,795
253	2. Investments in other entities	19.1.2	1,594,869,498,288	2,176,543,861,811
254	3. Provision for long-term investments	19.1.2	(72,777,547,589)	(50,382,547,589)
255	4. Held-to-maturity investments	6.2	1,999,680,000,000	1,920,000,000,000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>11,624,466,698,722</b>	<b>15,155,507,789,052</b>
261	1. Long-term prepaid expenses	12	5,570,348,679,938	3,061,950,076,912
262	2. Deferred tax assets	36.3	614,227,474,476	337,979,519,507
268	3. Other long-term assets	13	1,231,431,327,786	7,115,047,177,440
269	4. Goodwill	20	4,208,459,216,522	4,640,531,015,193
<b>270</b>	<b>TOTAL ASSETS</b>		<b>287,974,176,805,809</b>	<b>213,792,056,984,597</b>



## CONSOLIDATED BALANCE SHEET

as at 31 December 2018

Currency: VND

CODE	RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>300</b>	<b>C. LIABILITIES</b>		<b>188,960,462,126,460</b>	<b>161,235,046,806,942</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>109,245,613,874,652</b>	<b>123,624,630,823,022</b>
311	1. Short-term trade payables	21.1	14,773,384,437,347	8,245,460,364,882
312	2. Short-term advances from customers	21.2	25,203,958,169,231	54,822,434,640,779
313	3. Statutory obligations	22	15,520,706,944,492	4,933,105,236,661
314	4. Payables to employees		1,014,577,548,501	674,309,918,834
315	5. Short-term accrued expenses	23	16,017,109,169,042	10,416,596,543,393
318	6. Short-term unearned revenues	24	2,473,599,482,575	1,755,431,476,536
319	7. Other short-term payables	25.1	14,900,338,096,808	24,460,922,418,130
320	8. Short-term loans and debts	26	19,115,963,139,737	18,140,968,057,370
321	9. Short-term provisions	28	225,976,886,919	175,402,166,437
<b>330</b>	<b>II. Non-current liabilities</b>		<b>79,714,848,251,808</b>	<b>37,610,415,983,920</b>
333	1. Long-term accrued expenses		123,714,076,620	-
336	2. Long-term unearned revenues	24	5,718,561,887,462	5,535,359,362,778
337	3. Other long-term liabilities	25.2	947,426,202,248	712,750,848,054
338	4. Long-term loans and debts	26	61,770,712,362,953	31,219,525,897,044
339	5. Exchangeable bonds	27	10,205,664,522,906	-
341	6. Deferred tax liabilities	36.3	824,659,710,320	142,779,876,044
342	7. Long-term provisions		124,109,489,299	-

## CONSOLIDATED BALANCE SHEET

as at 31 December 2018

Currency: VND

CODE	RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>99,013,714,679,349</b>	<b>52,557,010,177,655</b>
<b>410</b>	<b>I. Capital</b>	<b>29</b>	<b>99,013,714,679,349</b>	<b>52,557,010,177,655</b>
411	1. Issued share capital		32,756,212,300,000	26,377,079,540,000
411a	• Shares with voting rights		31,916,212,300,000	26,377,079,540,000
411b	• Preference shares		840,000,000,000	-
412	2. Share premium		11,442,900,804,192	2,651,165,167,904
414	3. Other owners' capital		7,235,205,990,828	-
415	4. Treasury shares		(2,974,924,074,484)	(2,974,924,074,484)
420	5. Other funds belonging to owners' equity		42,845,114,930	37,845,114,930
421	6. Undistributed earnings		5,095,996,481,223	5,583,084,564,118
421a	• Undistributed earnings by the end of prior year		38,951,804,118	1,882,422,518,069
421b	• Undistributed earnings of current year		5,057,044,677,105	3,700,662,046,049
429	7. Non-controlling interests		45,415,478,062,660	20,882,759,865,187
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>287,974,176,805,809</b>	<b>213,792,056,984,597</b>

**Van Thi Hai Ha**  
Preparer

**Nguyen Thi Thu Hien**  
Chief Accountant



**Mai Huong Noi**  
Deputy Chief Executive Officer

# CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2018

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
01	1. Revenue from sale of goods and rendering of service	30.1	121,971,750,626,283	89,392,047,933,230
02	2. Deductions	30.1	(77,350,205,179)	(41,999,335,317)
10	3. Net revenue from sale of goods and rendering of services	30.1	121,894,400,421,104	89,350,048,597,913
11	4. Cost of goods sold and services rendered	31	(92,971,050,559,634)	(62,796,326,957,038)
20	5. Gross profit from sale of goods and rendering of services		28,923,349,861,470	26,553,721,640,875
21	6. Finance income	30.3	7,478,549,889,431	1,636,951,439,612
22	7. Finance expenses	32	(4,908,949,587,074)	(3,786,983,558,714)
23	• In which: Interest expenses		(3,939,282,490,392)	(3,139,629,696,630)
24	8. Shares of (loss)/profit of associates, joint controlled entity	19.1	(424,918,846,510)	44,400,927,597
25	9. Selling expenses	33	(10,112,288,715,044)	(8,150,455,992,627)
26	10. General and administrative expenses	33	(7,367,839,332,550)	(6,852,447,761,955)
30	11. Operating profit		13,587,903,269,723	9,445,186,694,788
31	12. Other income	34	759,284,117,428	434,964,045,806
32	13. Other expenses	34	(493,549,736,743)	(765,869,262,018)
40	14. Other profit/(loss)	34	265,734,380,685	(330,905,216,212)
50	15. Accounting profit before tax		13,853,637,650,408	9,114,281,478,576
51	16. Current corporate income tax expense	36.1	(7,273,129,870,764)	(3,731,381,559,479)
52	17. Deferred tax (expense)/income	36.3	(389,626,309,041)	272,041,872,129
60	18. Net profit after tax		6,190,881,470,603	5,654,941,791,226
61	19. Net profit after tax attributable to shareholders of the parent	29.1	3,776,727,785,918	4,462,411,670,513
62	20. Net profit after tax attributable to non-controlling interests	29.1	2,414,153,684,685	1,192,530,120,713
70	21. Basic earnings per share	38	1,270	1,501
71	22. Diluted earnings per share	38	1,257	1,501

Van Thi Hai Ha

Preparer

27 March 2019

Nguyen Thi Thu Hien

Chief Accountant



Mai Huong Noi

Deputy Chief Executive Officer

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2018

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Profit before tax		13,853,637,650,408	9,114,281,478,576
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)		5,155,271,347,089	3,985,433,267,539
03	Provisions		241,329,798,072	689,528,177,247
04	Foreign exchange losses		192,367,992,975	50,260,047,814
05	Profits from investing activities		(6,683,400,004,243)	(1,015,255,359,806)
06	Interest expenses (including amortisation of bond issuance costs)	32	4,283,365,452,469	3,401,633,686,717
08	<b>Operating profit before changes in working capital</b>		<b>17,042,572,236,770</b>	<b>16,225,881,298,087</b>
09	Decrease/(increase) in receivables		1,520,338,159,126	(6,730,252,290,761)
10	Decrease/(increase) in inventories		4,875,331,532,021	(1,227,813,074,755)
11	(Decrease)/increase in payables (other than interest, corporate income tax)		(24,972,740,916,783)	18,034,651,110,034
12	Decrease/(increase) in prepaid expenses		1,038,687,462,509	(2,563,290,205,702)
13	Decrease in held-for-trading securities		12,863,880,000	-
14	Interest paid		(3,740,380,502,932)	(3,062,709,959,110)
15	Corporate income tax paid	22	(5,760,402,076,308)	(3,890,618,182,474)
20	<b>Net cash flows (used in)/from operating activities</b>		<b>(9,983,730,225,597)</b>	<b>16,785,848,695,319</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(44,772,132,577,218)	(19,509,233,343,507)
22	Proceeds from disposals of fixed assets and other long-term assets		1,305,733,771,914	230,738,747,196
23	Loans to other entities and payments for purchase of debt instruments of other entities		(21,453,789,238,538)	(13,120,643,139,535)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		20,729,470,446,661	5,871,047,533,029
25	Payments for investments in other entities (net of cash held by entity being acquired)		(46,807,073,292,884)	(15,153,204,450,348)

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2018

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
26	Proceeds from sale of investments in other entities (net of cash held by entity being disposed)		27,524,118,859,822	13,991,102,708,588
27	Interest and dividends received		1,160,049,930,079	1,173,726,980,704
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(62,313,622,100,164)</b>	<b>(26,516,464,963,873)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
31	Capital contribution and issuance of shares		24,903,260,063,993	13,000,000,000
32	Capital redemption		-	(30,000,000,000)
33	Drawdown of borrowings		91,020,447,368,655	31,918,446,307,125
34	Repayment of borrowings		(36,981,047,221,085)	(22,256,448,989,518)
36	Dividends paid to equity holders		(1,222,822,175,333)	(1,604,550,206,376)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>77,719,838,036,230</b>	<b>8,040,447,111,231</b>
<b>50</b>	<b>Net increase/(decrease) in cash and cash equivalents for the year</b>		<b>5,422,485,710,469</b>	<b>(1,690,169,157,323)</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>		<b>8,141,750,027,686</b>	<b>9,833,332,219,401</b>
61	Impact of exchange rate fluctuation		(7,180,455,574)	(1,413,034,392)
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>5</b>	<b>13,557,055,282,581</b>	<b>8,141,750,027,686</b>

**Van Thi Hai Ha**

Preparer

**Nguyen Thi Thu Hien**

Chief Accountant



**Mai Huong Noi**

Deputy Chief Executive Officer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2018 and for the year then ended

## 1. Corporate Information

Vingroup Joint Stock Company ("the Company") is a joint stock company established in Vietnam pursuant to the Business Registration Certificate No. 0103001016 issued by the Hanoi Department of Planning and Investment on 3 May 2002 and the Business Registration Certificate No. 0101245486 re-issued on 12 May 2010. The Company subsequently received amended Enterprise Registration Certificates, with the latest amendment being the 66th amended Enterprise Registration Certificate dated 29 August 2018.

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

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

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

The Group's normal course of business cycle of other business activities is 12 months.

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

The number of the Company's employees as at 31 December 2018 is: 466 (31 December 2017: 347).

As at 31 December 2018, the Company has 67 subsidiaries. The information on these subsidiaries, along with the Company's voting rights and equity interest in each subsidiary are detailed in the Appendix 1.

As at 31 December 2018, the Group also holds investments in a number of associates and jointly controlled entity as disclosed in Note 19.1.

## 2. Basis of Preparation

### 2.1. Accounting Standards and System

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

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

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

### 2.2. Applied Accounting Documentation System

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

### 2.3. Fiscal Year

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

## 2.4. Accounting Currency

The consolidated financial statements are prepared in VND which is also the Company's accounting currency.

## 2.5. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2018.

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

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

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

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

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

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

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

## 3. Summary of Significant Accounting Policies

### 3.1. Changes in Accounting Policies and Disclosures

The accounting policies adopted by the Group in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2017.

### 3.2. Cash and Cash Equivalents

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

### 3.3. Inventories

#### Inventory Property

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

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees, construction overheads and other related costs.

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

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

#### Other Inventories

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

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

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

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

#### Provision for Obsolete Inventories

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

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

### 3.4. Receivables

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

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

### 3.5. Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

### 3.6. Leased Assets

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

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

#### Where the Group is the Lessee

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

#### Where the Group is the Lessor

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

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

### 3.7. Intangible Fixed Assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

#### Land Use Rights

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

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

#### Research and Development Costs

Research costs and development costs that do not meet the capitalisation criteria are recognised as expensed in the consolidated income statement as incurred.

Development expenditure on an individual project is recognised as an intangible fixed asset only if the Group can demonstrate all of the following conditions:

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

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

### 3.8. Depreciation and Amortisation

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

Buildings and structures	5 - 48 years
Machinery and equipment	3 - 25 years
Means of transportation	3 - 25 years
Office equipment	2 - 8 years
E-commerce website	20 years
Computer software	3 - 10 years
Land use rights	36 - 48 years
Others	3 - 15 years

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

### 3.9. Investment Properties

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

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

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

Land use rights	25 - 48 years
Buildings and structures	5 - 48 years
Machinery and equipment	3 - 25 years

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

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

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

### 3.10. Borrowing Costs

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

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

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

### 3.11. Prepaid Expenses

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

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

Prepaid land rental represents the unamortised balance of advance payment made in accordance with Land Rental Contract signed with authorities. Such prepaid land rental is recognised as a long-term prepaid expense for allocation to the consolidated income statement over the remaining lease period according to Circular 45.

### 3.12. Business Combinations and Goodwill

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

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

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

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

#### Assets Acquisitions and Business Combinations

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

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

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

#### Change of Equity Interest in Subsidiary without Losing Control

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

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

#### Business Combinations Involving Entities Under Common Control

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

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

### 3.13. Investments

#### Investment in Associates

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

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

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

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

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

### Investments in Jointly Controlled Entity

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

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

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

### Held-for-trading Securities and Investments in Other Entities

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

### Provision for Held-for-trading Securities and Investments in Entities

Provision is made for any diminution in value of the held-for-trading securities and investments in capital of other entities at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

### Held-to-maturity Investments

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

## 3.14. Payables and Accruals

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

## 3.15. Provisions

### General Provisions

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

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

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

### Provision for Warranty Expenses

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

## 3.16. Foreign Currency Transactions

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

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

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

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly or at the exchange rates which approximate the average selling and buying transfer rates of the commercial bank where the Group conducts transactions regularly .

All foreign exchange differences incurred during the year and arisen from the translation at the end of the year are taken to the consolidated income statement.

## 3.17. Treasury Shares

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

## 3.18. Appropriation of Net Profits

Net profit after tax (excluding negative goodwill from bargain purchases) is available for appropriation to investors/shareholders after approval by the appropriate level of authority/in the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter, each subsidiaries' Charter and Vietnam's regulatory requirements.

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

## 3.19. Advances from Customers

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

## 3.20. Revenue Recognition

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

### Revenue from Sale of Inventory Property

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

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

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

### Revenue from Leasing of Properties

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

### Sale of Goods

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

### Rendering of Services

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

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

### Gains from Capital/Shares Transfer

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

### Interest

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

### Dividends

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

## 3.21. Construction Contract

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

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

## 3.22. Taxation

### Current Income Tax

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

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

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

### Deferred Tax

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

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

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

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- either the same taxable entity; or
- when the Group intends either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## 3.23. Exchangeable Bond

Exchangeable bonds that can be exchanged into a fixed number of ordinary shares are separated into a financial liability component (for the contractual obligation to deliver cash or other financial assets) and an equity component (for the exchange right into ordinary shares for a specified period of time) in accordance with the contract terms.

Management assesses that there is no equity component in these exchangeable bonds (since there is not known fixed number of shares to be exchanged) and as a result, has recognised the entire exchangeable bonds as long-term debts.

## 3.24. Bond Issuance Transaction Cost

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

## 3.25. Cross-Currency Interest Rate Swap Contract

The Group enters into cross-currency interest rate swap contracts ("swap contracts") to mitigate the risk relating to fluctuation of interest rate and exchange rate. The Group recognizes principal and interest expense at the interest rate and exchange rate determined in the swap contracts accordingly.

## 3.26. Earnings per Share

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

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

## 3.27. Segment Information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. Management defines the Group's segment report to be based on type of products and services provided.

## 3.28. Related Parties

The parties are considered as related parties of the Group if one party has the ability, directly or indirectly, to control over the other party or otherwise significantly influence on the other party in making financial and operating decisions, or when the Group and the other party are under common control or significant influence. Stakeholders may be companies or individuals, including intimate family members of individuals considered to be related parties.

Currency: VND

## 4. Significant Acquisitions and Disposals During The Year

### 4.1. Acquisition of Group of Assets

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

#### Acquisition of Berjaya Vietnam International University Town LLC (“Berjaya VIUT LLC”)

On 8 February 2018, the Group acquired 97.9% voting shares of Berjaya VIUT LLC from a corporate counterparty and two individuals with total consideration of VND11,748 billion and thereby, Berjaya VIUT LLC became a subsidiary of the Group. As of the acquisition date, Berjaya VIUT LLC was the owner of a potential real-estate project under development at Hoc Mon district, Ho Chi Minh City, Vietnam.

#### Acquisition of Berjaya Vietnam Financial Centre LLC (“Berjaya VFC LLC”)

On 7 March 2018, the Group has contributed capital amounting to VND2,009 billion to Berjaya VFC LLC. Through this transaction, the Group owns 67.5% voting shares in Berjaya VFC LLC and thereby, Berjaya VFC LLC became a subsidiary of the Group. As of the acquisition date, Berjaya VFC LLC was the owner of a potential real-estate project under development at District 10, Ho Chi Minh City, Vietnam.

#### Acquisition of Thai Son Investment and Construction JSC (“Thai Son JSC”)

On 8 May 2018, the Group acquired 96.47% voting shares of Thai Son JSC from a corporate counterparty with total consideration of VND1,700 billion and thereby, Thai Son JSC became a subsidiary of the Group. As of the acquisition date, Thai Son JSC held 90.32% voting shares in Dat Rong Vang Investment and Construction JSC (“Dat Rong Vang JSC”) and 98.32% voting shares in West Hanoi Urban Development and Trading Investment JSC (“West Hanoi JSC”). As of the acquisition date, West Hanoi JSC was the owner of a potential real-estate project under development at Tay Mo commune and Dai Mo commune, Nam Tu Liem district, Hanoi.

#### Acquisition of GS Cu Chi Development JSC (“GS Cu Chi JSC”)

On 2 July 2018, the Group acquired 100% voting shares of GS Cu Chi JSC from individuals with total consideration of VND1,205 billion. Thereby, GS Cu Chi JSC became a subsidiary of the Group. As of the acquisition date, GS Cu Chi JSC was owner of a potential golf course project.

### 4.2. Business Combination

During the year, the Group has acquired and consolidated the below new subsidiaries:

#### Acquisition of Vinhomes Trading and Real Estate Management JSC (“Vinhomes Management JSC”)

On 11 January 2018, the Group acquired 13.5% voting shares of Vinhomes Management JSC at total consideration of VND605 billion (after deducting the cash dividend paid by Vinhomes Management JSC for the period prior to the acquisition date). After that, on 18 January 2018, the General Shareholders of Vinhomes JSC (previously known as Hanoi Southern City Development JSC), a subsidiary of the Group, approved the Resolution No. 01/2018/NQ/DHDCD-HANOI CITY JSC on the merger of Vinhomes Management JSC into Vinhomes JSC. According to the merger contract dated 27 January 2018 between Vinhomes JSC and Vinhomes Management JSC, Vinhomes JSC issued 381,500,000 shares at total par value of VND3,815 billion in exchange for 381,500,000 shares of Vinhomes Management JSC. The merger was completed on 1 February 2018. Thereby, the issuance increased the share capital of Vinhomes JSC by VND3,815 billion.

The principal activities of Vinhomes Management JSC at the merger date are to invest, construct, trade and act as agency, consultant relating to real estate properties. The acquisition of Vinhomes Management JSC is a part of the Group’s investment strategy to strengthen its sale strategy and execution of sale activities.

The fair values of identifiable assets and liabilities of Vinhomes Management JSC at the acquisition date were presented below:

	FAIR VALUE RECOGNISED AT ACQUISITION DATE
<b>Assets</b>	
Cash and cash equivalents	436,915,335,232
Held to maturity investment	172,130,755,950
Short-term trade receivables	856,634,989,252
Short-term advances to suppliers	300,287,774,697
Short-term loan receivables	6,655,000,000,000
Inventories	3,193,901,415,455
Investment property	2,343,206,539,282
Other assets	305,318,516,557
	<b>14,263,395,326,425</b>
<b>Liabilities</b>	
Short-term trade payables	732,056,233,244
Short-term advances from customers	1,535,686,360,613
Statutory obligations	148,347,886,487
Accrued expenses	1,447,722,481,729
Unearned revenues	1,895,303,265,447
Other liabilities	4,510,007,256,441
	<b>10,269,123,483,961</b>
<b>Total identifiable net assets</b>	<b>3,994,271,842,464</b>
Non-controlling interests	(686,406,450,561)
Goodwill from business combination	121,632,125,715
<b>Total purchase consideration (i)</b>	<b>3,429,497,517,618</b>
<b>Analysis of cash flows on acquisition</b>	
Cash of the acquired subsidiary	436,915,335,232
Cash paid for acquiring the subsidiary up to 31 December 2018	(605,154,375,000)
<b>Net cash flow used in acquisition</b>	<b>(168,239,039,768)</b>

(i) Total purchase consideration was VND3,429 billion including cash consideration of VND605 billion, fair value of equity interest decreased in subsidiaries of the Group as a result of the merger of VND2,061 billion and fair value of 18.6% equity interest previously held by the Group in Vinhomes Management JSC of VND763 billion. The Group remeasured the fair value of previously held equity interest and recorded a finance expense of VND250 billion

in the consolidated income statement (Note 32). At acquisition date, the Group used the fair value of the acquiree’s shares which is assessed as a more reliable measurement to determine the fair value of consideration. Profit before tax of Vinhomes Management JSC from 1 January 2018 to the acquisition date is VND283 billion.



### Acquisition of Phat Loc Commercial Investment Trading Limited Liability Company (“Phat Loc LLC”)

On 28 February 2018, the Group acquired 100% voting right of Phat Loc LLC from two individuals with total consideration of VND406.5 billion and thereby, Phat Loc LLC became a subsidiary of the Group. As of the acquisition date, Phat Loc LLC is the owner of a potential real estate project at Binh Thanh district, Ho Chi Minh City, Vietnam.

The fair values of identifiable assets and liabilities of Phat Loc LLC at the acquisition date are presented below:

Currency: VND

	FAIR VALUE RECOGNISED AT ACQUISITION DATE
<b>Assets</b>	
Cash and cash equivalents	9,597,036,150
Trade receivables	56,351,012,773
Advances to suppliers	39,600,000
Other receivables	90,222,222,222
Investment property	266,655,605,867
Construction in progress	12,639,714,774
	<b>435,505,191,786</b>
<b>Liabilities</b>	
Deferred tax liabilities	25,069,090,656
Long-term loans and debts	13,100,000,000
Trade payables	1,524,600,049
	<b>39,693,690,705</b>
<b>Total identifiable net assets</b>	<b>395,811,501,081</b>
Non-controlling interests	2,155,675,391
Goodwill from business combination	8,559,223,528
<b>Total purchase consideration</b>	<b>406,526,400,000</b>
<b>Analysis of cash flows on acquisition</b>	
Cash of the acquired subsidiary	9,597,036,150
Cash paid for acquiring the subsidiary up to 31 December 2018	(406,526,400,000)
<b>Net cash flow used in acquisition</b>	<b>(396,929,363,850)</b>

Total purchase consideration was VND406.5 billion paid in cash. Revenue and profit before tax for the period from 1 January 2018 to the acquisition date and profit before tax for the period from the acquisition date to the disposal date of Phat Loc LLC (Note 4.3) is insignificant..

### Acquisition of VINFA Joint Stock Company (“VINFA JSC”)

On 30 January 2018, Vingroup JSC acquired 9,000 voting shares of VINFA JSC, which are equivalent to 3% voting shares of VINFA JSC. On 1 February 2018, Vingroup JSC has contributed an additional capital amounting to VND443 billion to VINFA JSC. Through this transaction, the voting right of the Group in VINFA JSC is 96.39% and thereby, VINFA JSC became a subsidiary of the Group. The current principal activities of VINFA JSC are to conduct pharmaceutical research, manufacturing and trading.

The fair values of identifiable assets and liabilities of VINFA JSC at the acquisition date are presented below:

Currency: VND

	FAIR VALUE RECOGNISED AT ACQUISITION DATE
<b>Assets</b>	
Cash and cash equivalents	4,570,055,777
Short-term loan receivables	455,000,000,000
Other current assets	1,005,774,543
	<b>460,575,830,320</b>
<b>Liabilities</b>	
Other liabilities	583,377,639
<b>Total identifiable net assets</b>	<b>459,992,452,681</b>
Non-controlling interests	(16,612,452,681)
<b>Total purchase consideration</b>	<b>443,380,000,000</b>
<b>Analysis of cash flows on acquisition</b>	
Cash of the acquired subsidiary	4,570,055,777
Cash paid for acquiring the subsidiary up to 31 December 2018	(443,380,000,000)
<b>Net cash flow used in acquisition</b>	<b>(438,809,944,223)</b>

Total purchase consideration was VND443.4 billion paid in cash.

Revenue and profit before tax for the period from 1 January 2018 to the acquisition date and profit before tax for the period from the acquisition date to 31 December 2018 of Vinfa JSC is insignificant.

### Acquisition of Vien Thong A Import Export Trading Production Corporation Joint Stock Company (“Vien Thong A JSC”)

On 21 August 2018, Vingroup JSC acquired 100% voting shares of Vien Thong A JSC from individuals and a corporate counterparty with total consideration of VND39 billion and thereby, Vien Thong A JSC became a subsidiary of the Group. The current principal activities of Vien Thong A JSC are to trade mobile phones, computers and electronic accessories.

The fair values of identifiable assets and liabilities of Vien Thong A JSC at the acquisition date are presented as below:

Currency: VND

	FAIR VALUE RECOGNISED AT ACQUISITION DATE
<b>Assets</b>	
Cash and cash equivalents	15,213,438,027
Trade receivables	146,123,836,037
Inventory	221,076,398,242
Other current assets	22,166,601,699
Other non-current receivables	35,372,990,528
Tangible and intangible fixed assets	97,169,140,269
Long-term prepaid expenses	69,394,694,620
	<b>606,517,099,422</b>
<b>Liabilities</b>	
Short-term loans and debts	455,234,000,000
Short-term trade payables	103,060,306,662
Other current liabilities	45,904,457,438
	<b>604,198,764,100</b>
<b>Total identifiable net assets</b>	<b>2,318,335,322</b>
Non-controlling interests	12,974,181,817
Goodwill from business combination	23,687,847,892
<b>Total identifiable net assets</b>	<b>38,980,365,031</b>
<b>Analysis of cash flows on acquisition</b>	
Cash of the acquired subsidiary	15,213,438,027
Cash paid for acquiring the subsidiary up to 31 December 2018	(38,980,365,031)
<b>Net cash flow used in acquisition</b>	<b>-23,766,927,004</b>

Total purchase consideration was VND39 billion paid in cash. Loss before tax of Vien Thong A JSC for the period from 1 January 2018 to the acquisition date was VND226 billion. On 30 November 2018, Vien Thong A JSC was merged into Vinpro JSC, a subsidiary of the Group.

### Acquisition of Nhat Nam Investment Joint Stock Company (“Nhat Nam Investment JSC”)

On 4 October 2018, Vingroup JSC acquired 100% voting shares of Nhat Nam Investment JSC from individuals and corporate counterparties with total consideration of VND1,412 billion and thereby, Nhat Nam Investment JSC and Nhat Nam JSC, its subsidiary, became new subsidiaries of the Group. The principle activities of Nhat Nam Investment JSC and its subsidiary are supermarket retail business.

The fair values of identifiable assets and liabilities of Nhat Nam Investment JSC and its subsidiary at the acquisition date are presented as below:

Currency: VND

	FAIR VALUE RECOGNISED AT ACQUISITION DATE
<b>Assets</b>	
Cash and cash equivalents	4,882,087,575
Trade receivables	9,844,688,538
Other short-term receivables	13,898,171,057
Inventory	66,616,593,985
Other current assets	17,558,148,513
Tangible fixed asset	127,950,832,411
Intangible fixed asset	483,884,876,762
Other non-current assets	40,711,739,822
	<b>765,347,138,663</b>
<b>Liabilities</b>	
Trade payables	253,191,833,165
Other current liabilities	291,785,568,785
Long-term loans and debts	202,188,000,000
	<b>747,165,401,950</b>
<b>Total identifiable net assets</b>	<b>18,181,736,713</b>
Non-controlling interests	492,828,138,528
Goodwill from business combination (Note 20)	901,050,001,237
<b>Total purchase consideration</b>	<b>1,412,059,876,478</b>
<b>Analysis of cash flows on acquisition</b>	
Cash of the acquired subsidiary	4,882,087,575
Cash paid for acquiring the subsidiary up to 31 December 2018	(1,261,932,000,000)
<b>Net cash flow used in acquisition</b>	<b>(1,257,049,912,425)</b>

Total purchase consideration was VND1,412 billion, in which, the Group has paid VND1,262 billion up to 31 December 2018. Loss before tax of Nhat Nam Investment JSC and its subsidiary for the period from 1 January 2018 to the acquisition date was VND558 billion. On 18 October 2018, Nhat Nam Investment JSC and its subsidiary were merged into Vincommerce JSC, a subsidiary of the Group.

### Acquisition of General Motors Vietnam Liability Limited Company (“General Motors Vietnam LLC”)

On 4 December 2018, the Group acquired 100% voting right of General Motors Vietnam LLC from a corporate counterparty with total consideration of VND919.4 billion. Thereby, General Motors Vietnam LLC became a new subsidiary of the Group. The principle activities of General Motors Vietnam LLC are to develop and produce motor vehicles.

As at 31 December 2018, the Group was in the process of determining the fair value of identifiable assets, liabilities or contingent liabilities of General Motors Vietnam LLC at the date of acquisition. The provisional fair values of identifiable assets and liabilities of General Motors Vietnam LLC at the acquisition date are presented as below:

Currency: VND

	FAIR VALUE RECOGNISED AT ACQUISITION DATE
<b>Assets</b>	
Cash and cash equivalents	332,621,436,880
Trade receivables	101,493,665,988
Other receivables	25,723,486,490
Inventory	625,864,799,885
Tangible fixed asset	69,382,264,330
	<b>1,155,085,653,573</b>
<b>Liabilities</b>	
Statutory obligations	103,433,635,500
Short-term accrued expenses	112,170,039,118
Provision for non-current liabilities	70,160,727,795
Other liabilities	85,349,644,066
	<b>371,114,046,479</b>
<b>Total identifiable net assets</b>	<b>783,971,607,094</b>
Non-controlling interests	78,696,170,348
Goodwill from business combination	56,764,010,334
<b>Total purchase consideration</b>	<b>919,431,787,776</b>
<b>Analysis of cash flows on acquisition</b>	
Cash of the acquired subsidiary	332,621,436,880
Cash paid for acquiring the subsidiary up to 31 December 2018	(919,431,787,776)
<b>Net cash flow used in acquisition</b>	<b>(586,810,350,896)</b>

Total purchase consideration was VND919.4 billion paid in cash. Profit before tax of General Motors Vietnam LLC for the period from 1 January 2018 to the acquisition date was VND184 billion. Profit before tax of General Motors Vietnam LLC for the period from the acquisition date to 31 December 2018 is VND24.4 billion.

### 4.3. Significant Disposals with Loss of Control

#### Disposal of Cam Ranh Investment LLC (“Cam Ranh LLC”)

On 30 November 2018, the Group disposed 90% voting right of Cam Ranh LLC to a corporate counterparty for total consideration of VND3,506 billion. Gain from this disposal of VND2,041 billion was recognised in the consolidated income statement.

#### Disposal of Phat Loc Commercial Investment Trading LLC (“Phat Loc LLC”)

On 25 December 2018, the Group disposed 49% voting right of Phat Loc LLC to a corporate counterparty with total consideration of VND539 billion. Gain from this disposal of VND202 billion was recognised in the consolidated income statement. According to the capital transfer contract, the Group has transferred its entire voting right in Phat Loc LLC to the buyer since the first payment date. Therefore, the Group has neither control nor significant influence over Phat Loc LLC. The retained interest in Phat Loc LLC is presented as an other long-term investment (Note 19.1.2).

### 4.4. Significant Acquisitions and Disposals without Change of Control in Subsidiaries

During the year, the Group has completed certain acquisitions and transfers of equity interest without change of control in subsidiaries, mainly including:

#### Acquisition of Additional Shares in Vietnam Investment and Consulting Investment JSC (“Vietnam Investment JSC”)

On 27 February 2018, the Group acquired 20% voting shares of Vietnam Investment JSC, an existing subsidiary, from a corporate counterparty at total consideration of VND119 billion. The difference between the consideration and the net assets of the subsidiary acquired from this transaction plus its unamortized goodwill of VND782 billion was recognised in the undistributed earnings in the consolidated balance sheet.

#### Transfer Shares of Vinhomes Joint Stock Company (“Vinhomes JSC”)

On 20 April 2018, the Group transferred 5.74% voting shares of Vinhomes JSC to a corporate counterparty for total consideration of VND15,700 billion. The difference between the consideration and the net assets of the subsidiary acquired from this transaction of VND8,518 billion was recognised in the undistributed earnings in the consolidated balance sheet.

#### Acquisition of Additional Shares in Vinpearl Joint Stock Company (“Vinpearl JSC”)

On 7 September 2018, Vincommerce JSC, an existing subsidiary, acquired 15.04% voting shares of Vinpearl JSC from another subsidiary and an individual at total consideration of VND3,556 billion. The difference between the consideration and the net assets of the subsidiary acquired from this transaction of VND377 billion was recognised in the undistributed earnings in the consolidated balance sheet.

#### Acquisition of Additional Shares in Dat Rong Vang Development and Investment JSC (“Dat Rong Vang JSC”)

On 24 September 2018, the Group acquired 9.7% voting shares of Dat Rong Vang JSC from individuals at total consideration of VND150 billion. The difference between the consideration and the net assets of the subsidiary acquired from this transaction of VND322 billion from this transaction was recognised in the undistributed earnings in the consolidated balance sheet.

### 4.5. Completion of the Provisional Accounting for Business Combination

#### Acquisition of Co.Co International LLC

In 2018, the Group completed the provisional accounting applied for the acquisition of Co.Co International LLC. Accordingly, the Group assesses that the finalised results of this business combination is unchanged compared to the provisional results determined in 2017.

## 5. Cash and Cash Equivalents

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Cash on hand	364,082,657,949	150,606,565,743
Cash in banks	8,157,247,310,845	6,005,448,449,742
Cash in transit	44,946,106,231	26,726,170,056
Cash equivalents	4,990,779,207,556	1,958,968,842,145
<b>TOTAL</b>	<b>13,557,055,282,581</b>	<b>8,141,750,027,686</b>

Cash equivalents as at 31 December 2018 comprise bank deposits in VND with terms ranging from 1 month to 3 months, earning interests ranging from 4.3% to 5.5% per annum (as at 31 December 2017: 4.2% to 5.5% per annum).

Cash in banks and cash equivalents as at 31 December 2018 include VND1,289 billion in escrow accounts (as at 31 December 2017: VND887 billion) and VND99.8 billion in restricted-for-use

accounts for business and other activities of the Group (as at 31 December 2017: VND322 billion).

Cash in banks and cash equivalents as at 31 December 2018 include maintenance funds of handed-over apartments at real-estate projects of the Group. Subsequently, these maintenance funds will be transferred to Building Management Boards.

## 6. Held-to-Maturity Investments

### 6.1. Short-Term Held-to-Maturity Investments

Balance as at 31 December 2018 mainly includes short-term bank deposits in VND with terms ranging from more than 6 months to 1 year and earning interest at rates ranging from 5.2% to 7.1% per annum (as at 31 December 2017: short-term bank deposits have terms ranging from more than 3 months to 1 year and earning interest at rates ranging from 4.5% to 7.1% per annum).

Held-to-maturity investments as at 31 December 2018 include maintenance funds for handed-over apartments at real-estate projects of the Group. Subsequently, these maintenance funds will be transferred to Building Management Boards.

### 6.2. Long-Term Held-to-maturity Investments

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Long-term bank deposits (i)	1,830,000,000,000	1,830,000,000,000
Long-term bonds	169,680,000,000	90,000,000,000
<b>TOTAL</b>	<b>1,999,680,000,000</b>	<b>1,920,000,000,000</b>

(i) These are bank deposits in VND which have 3-year term and earning interest at rate of 7.1% per annum.

## 7. Trade Receivables and Advances to Suppliers

### 7.1. Short-Term Trade Receivables

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Sale of inventory properties	5,701,974,860,514	3,614,086,042,849
Disposal of investments	319,000,000,000	1,118,410,842,439
Rendering hotel services, amusement park services and related services	268,595,141,715	158,360,787,526
Leasing activities and rendering related services	267,756,536,563	344,946,214,307
Rendering hospital services and related services	238,760,786,057	208,024,680,022
Others	797,922,640,073	300,631,883,775
<b>TOTAL</b>	<b>7,594,009,964,922</b>	<b>5,744,460,450,918</b>
<i>In which:</i>		
Short-term trade receivables from related parties (Note 37)	256,302,973,549	135,043,603,890
Provision for doubtful debts	(124,820,527,359)	(67,008,044,384)
Details of receivables which are more than 10% of total balance:		
Disposal of an investment to a corporate counterparty	-	981,716,150,000

### 7.2. Short-Term Advances to Suppliers

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

As at 31 December 2018, the Group has made a provision for uncollectible advances of VND24.7 billion (31 December 2017: VND12 billion).

## 8. Loan Receivables

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Loans to corporate counterparties (i)	5,054,600,000,000	7,607,239,886,536
Current portion of long-term loans to customers and individuals	23,257,439,663	76,999,942,000
<b>TOTAL</b>	<b>5,077,857,439,663</b>	<b>7,684,239,828,536</b>
Provision for doubtful loan receivables	(70,637,930,687)	(127,240,478,176)

(i) Balance as at 31 December 2018 mainly includes:

- An unsecured loan receivable of VND550 billion to a corporate counterparty with 1-year term earning interest at rate of 8% per annum; and
- Loan receivables of VND4,450 billion to three corporate counterparties with one-year term, earning interest at rates ranging from 8% to 9% per annum and secured by shares of these corporate counterparties.

## 9. Other Receivables

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
<b>Short-term:</b>		
Interest on bank deposits, deposits and loans to others	1,699,917,788,342	974,465,191,355
Receivables from payment on behalf	1,744,468,973,097	467,945,317,614
Deposit for business co-operation contracts (i)	13,950,000,000,000	-
Deposit for investment co-operation contracts	593,000,000,000	935,000,000,000
Guarantee deposits for project development	360,178,092,133	440,875,574,562
Customers' advance collected by third party on behalf of the Group	406,982,535,971	2,185,345,550,269
Guarantee deposit for bond and interest obligation	120,190,140,000	110,646,740,053
Others	2,119,177,033,623	634,621,539,535
<b>TOTAL</b>	<b>20,993,914,563,166</b>	<b>5,748,899,913,388</b>
<i>In which:</i>		
Short-term other receivables from related parties (Note 37)	1,383,111,825,436	-
<b>Provision for doubtful other short-term receivables</b>	<b>(47,849,468,298)</b>	<b>(312,027,720,377)</b>
<b>Long-term:</b>		
Long-term deposits for outlet rentals	212,873,405,432	82,362,006,303
Guarantee deposit for bond obligation	-	120,190,140,000
Deposit for business co-operation contracts	73,366,827,000	73,366,827,000
Others	19,300,853,297	18,699,134,999
<b>TOTAL</b>	<b>305,541,085,729</b>	<b>294,618,108,302</b>

(i) Balance as at 31 December 2018 comprises of a deposit to a corporate counterparty for the purpose of developing a real-estate project under a business co-operation and project development contract. This deposit is secured by a number of shares of this corporate counterparty including all rights and benefits attached to these shares.

## 10. Bad Debts

Bad debts of the Group mainly include overdue trade receivables, loan principal receivables and interest receivables:

Currency: VND

	ENDING BALANCE		BEGINNING BALANCE	
Debtor	Cost	Recoverable amount	Cost	Recoverable amount
Overdue receivables	261,173,236,739	64,374,413,528	706,325,250,704	315,510,885,885
Overdue loans receivables	70,637,930,687	-	161,077,828,534	33,837,350,358
<b>TOTAL</b>	<b>331,811,167,426</b>	<b>64,374,413,528</b>	<b>867,403,079,238</b>	<b>349,348,236,243</b>

Details of overdue receivables which account for more than 10% of total overdue receivables:

Currency: VND

	ENDING BALANCE		BEGINNING BALANCE	
Debtor	Cost	Recoverable amount	Cost	Recoverable amount
Corporate counterparty No. 1	-	-	384,737,291,675	211,710,931,600
Corporate counterparty No. 2	-	-	87,231,780,861	26,169,534,256
Corporate counterparty No. 3	82,705,000,000	-	82,705,000,000	-

## 11. Inventories

Currency: VND

	ENDING BALANCE		BEGINNING BALANCE	
	Cost	Provision	Cost	Provision
Completed inventory properties	1,681,670,778,936	(9,268,557,269)	3,863,489,205,510	(130,480,925,010)
Inventory properties under construction	48,126,882,284,254	(201,473,670,751)	49,912,878,755,235	(105,024,042,158)
Inventories for supermarkets, retail outlets and other finished goods	4,428,111,208,770	(167,580,965,009)	2,326,880,062,920	(85,505,947,911)
Raw materials	673,261,550,387	(121,045,707,893)	137,527,038,620	-
Purchased goods in transit	528,666,080,329	-	1,257,215,053	-
Others	178,309,604,988	(12,019,060,052)	161,183,136,170	(23,389,307,344)
<b>TOTAL</b>	<b>55,616,901,507,664</b>	<b>(511,387,960,974)</b>	<b>56,403,215,413,508</b>	<b>(344,400,222,423)</b>

Details of inventories and associated rights used as collaterals for borrowings of the Group are disclosed in Note 26.

Detail movements of provision for obsolete inventories:

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Beginning balance	344,400,222,423	96,995,461,541
Add: Provision made during the year	489,207,914,137	344,400,222,423
Less: Utilisation and reversal of provision during the year	(322,220,175,586)	(96,995,461,541)
<b>ENDING BALANCE</b>	<b>511,387,960,974</b>	<b>344,400,222,423</b>

## 12. Prepaid Expenses

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
<b>Short-term:</b>		
Selling expenses related to apartments not yet handed-over	1,372,076,442,949	2,752,756,498,957
Prepaid committed profit under villas and condotels management program	267,617,684,252	1,103,598,553,390
Provisional corporate income tax	268,431,117,782	558,615,647,813
Tools and supplies	219,921,540,480	182,978,501,038
Others	356,681,679,781	160,794,920,957
<b>TOTAL</b>	<b>2,484,728,465,244</b>	<b>4,758,744,122,155</b>
<b>Long-term:</b>		
Prepaid land rental	1,888,739,553,338	1,252,345,408,910
Tools and supplies	1,729,119,328,388	1,185,836,974,586
Prepaid committed profit under villas and condotels management program	665,518,501,693	-
Pre-operating expenditures	514,618,116,534	391,898,594,170
Lease with favourable terms	446,963,701,601	-
Others	325,389,478,384	231,869,099,246
<b>TOTAL</b>	<b>5,570,348,679,938</b>	<b>3,061,950,076,912</b>

## 13. Other Assets

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
<b>Short-term:</b>		
Deposits for investment purpose (i)	9,081,320,884,001	1,658,670,826,179
Others	307,927,445,627	307,927,445,627
<b>TOTAL</b>	<b>9,389,248,329,628</b>	<b>1,966,598,271,806</b>
<b>Long-term:</b>		
Deposits for investment purpose (ii)	1,231,431,327,786	7,115,047,177,440
<b>TOTAL</b>	<b>1,231,431,327,786</b>	<b>7,115,047,177,440</b>

(i) As at 31 December 2018, this comprises:

- A deposit of VND7,820 billion to individuals for acquiring additional shares of an existing subsidiary of the Group. This deposit is secured by shares of this subsidiary. Up to the date of this report, these individuals have transferred an amount of VND3,945 billion to the Company; and
- An unsecured deposit of VND694 billion to a corporate counterparty under a principle agreement for the purpose of acquiring a potential real-estate project.

(ii) As at 31 December 2018, this comprises of an unsecured deposit of VND1,032 billion to a corporate counterparty earning interest at rate which is determined by 12-month interest paid in arrears VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, adjusted each 3-month. The deposit and its interest will be used as a settlement for 10% of contract value under contracts signed between the Group and this corporate counterparty.

## 14. Tangible Fixed Assets

Currency: VND

	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORTATION	OFFICE EQUIPMENT	OTHERS	TOTAL
<b>Cost:</b>						
<b>Beginning balance</b>	<b>27,104,007,200,402</b>	<b>11,134,247,769,686</b>	<b>1,151,997,884,807</b>	<b>888,508,378,158</b>	<b>566,821,443,063</b>	<b>40,845,582,676,116</b>
Newly purchased	-	1,518,406,654,585	483,894,803,903	352,474,964,155	288,300,644,691	2,643,077,067,334
Newly constructed (Note 18)	13,120,455,384,663	6,244,695,562,239	-	-	214,987,671,460	19,580,138,618,362
Increase due to acquisition of subsidiaries	298,242,061,322	592,007,954,486	33,917,327,780	28,808,927,977	49,461,212,954	1,002,437,484,519
Reclassified from investment properties (Note 16)	683,663,282,158	218,653,139,442	-	-	-	902,316,421,600
Sold, disposed	(92,361,009,694)	(165,821,232,508)	(46,166,420,817)	(35,821,228,406)	-22,097,354,673	(362,267,246,098)
Reclassified to investment properties (Note 16)	(2,409,411,083,550)	(295,226,620,412)	-	-	-	(2,704,637,703,962)
Decrease due to disposal of subsidiaries	(2,774,305,052,305)	(765,680,592,567)	(131,872,012,033)	(11,294,675,567)	-224,062,372,056	(3,907,214,704,528)
Others	174,715,623,625	(557,452,841,546)	(99,242,667,720)	(33,332,944,171)	153,670,936,048	(361,641,893,764)
<b>Ending balance</b>	<b>36,105,006,406,621</b>	<b>17,923,829,793,405</b>	<b>1,392,528,915,920</b>	<b>1,189,343,422,146</b>	<b>1,027,082,181,487</b>	<b>57,637,790,719,579</b>
<i>In which:</i>						
Fully depreciated	18,866,763,044	213,543,517,115	27,536,489,895	49,715,253,957	36,639,815,155	346,301,839,166

Currency: VND

	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORTATION	OFFICE EQUIPMENT	OTHERS	TOTAL
<b>Accumulated depreciation:</b>						
<b>Beginning balance</b>	<b>2,266,815,210,213</b>	<b>2,740,264,304,400</b>	<b>309,896,381,072</b>	<b>289,233,062,936</b>	<b>265,840,375,625</b>	<b>5,872,049,334,246</b>
Depreciation for the year	1,207,699,364,718	1,550,243,205,824	140,259,160,440	123,698,572,818	126,274,961,095	3,148,175,264,895
Increase due to acquisition of subsidiaries	195,093,920,985	437,160,392,973	11,268,160,893	5,752,025,467	38,569,143,484	687,843,643,802
Reclassified from investment properties (Note 16)	134,719,477,191	104,364,492,573	-	-	-	239,083,969,764
Sold, disposed	(68,840,170,730)	(102,750,366,242)	(22,812,352,414)	(20,927,478,697)	(12,244,719,911)	-227,575,087,994
Reclassified to investment properties (Note 16)	(93,071,332,092)	(56,240,632,582)	-	-	-	-149,311,964,674
Decrease due to disposal of subsidiaries	(187,762,792,518)	(182,985,178,035)	(39,423,137,009)	(5,101,686,399)	(44,413,109,959)	-459,685,903,920
Others	293,976,012,094	(307,097,874,121)	(11,194,252,410)	(9,123,901,957)	11,328,563,396	-22,111,452,998
<b>Ending balance</b>	<b>3,748,629,689,861</b>	<b>4,182,958,344,790</b>	<b>387,993,960,572</b>	<b>383,530,594,168</b>	<b>385,355,213,730</b>	<b>9,088,467,803,121</b>
<b>Net carrying amount:</b>						
Beginning balance	24,837,191,990,189	8,393,983,465,286	842,101,503,735	599,275,315,222	300,981,067,438	34,973,533,341,870
Ending balance	32,356,376,716,760	13,740,871,448,615	1,004,534,955,348	805,812,827,978	641,726,967,757	48,549,322,916,458

Details of tangible fixed assets used as collaterals for loans and bonds of the Group and third parties are disclosed in Note 26.

## 15. Intangible Fixed Assets

Currency: VND

	LAND USE RIGHTS	E-COMMERCE WEBSITE	COMPUTER SOFTWARE	OTHERS	TOTAL
<b>Cost:</b>					
<b>Beginning balance</b>	<b>229,843,356,036</b>	<b>277,064,910,815</b>	<b>623,371,931,527</b>	<b>91,984,163,544</b>	<b>1,222,264,361,922</b>
Newly purchased	-	-	275,660,636,536	9,008,830,464	284,669,467,000
Others	2,784,551,121	-	(35,759,858,022)	5,249,696,816	-27,725,610,085
<b>Ending balance</b>	<b>232,627,907,157</b>	<b>277,064,910,815</b>	<b>863,272,710,041</b>	<b>106,242,690,824</b>	<b>1,479,208,218,837</b>
<i>In which:</i>					
<i>Fully depreciated</i>	-	219,027,034,678	148,222,596,843	54,810,347,708	422,059,979,229
<b>Accumulated amortisation:</b>					
<b>Beginning balance</b>	<b>42,613,030,175</b>	<b>244,246,527,292</b>	<b>196,092,192,801</b>	<b>62,901,951,491</b>	<b>545,853,701,759</b>
Amortisation for the year	4,347,186,370	2,053,736,216	112,802,713,573	12,716,162,168	131,919,798,327
Others	-	-	(9,049,286,259)	(9,388,580,883)	-18,437,867,142
<b>Ending balance</b>	<b>46,960,216,545</b>	<b>246,300,263,508</b>	<b>299,845,620,115</b>	<b>66,229,532,776</b>	<b>659,335,632,944</b>
<b>Net carrying amount:</b>					
Beginning balance	187,230,325,861	32,818,383,523	427,279,738,726	29,082,212,053	676,410,660,163
Ending balance	185,667,690,612	30,764,647,307	563,427,089,926	40,013,158,048	819,872,585,893

Details of intangible fixed assets used as collaterals for loans and bonds of the Group are disclosed in Note 26.

## 16. Investment Properties

Currency: VND

	LAND USE RIGHTS	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
<b>Cost:</b>				
<b>Beginning balance</b>	<b>6,602,336,027,251</b>	<b>11,228,636,073,190</b>	<b>3,011,379,093,342</b>	<b>20,842,351,193,783</b>
Newly constructed (Note 18)	379,382,998,203	5,343,260,256,097	761,239,498,591	6,483,882,752,891
Acquisition of subsidiaries	1,824,861,845,459	691,172,294,880	93,828,004,810	2,609,862,145,149
Reclassified from tangible fixed assets (Note 14)	517,884,558,040	1,891,526,525,510	295,226,620,412	2,704,637,703,962
Sold, disposal	(870,142,244,857)	(300,695,276,020)	-	(1,170,837,520,877)
Disposal of subsidiaries	(90,805,559,551)	(172,534,935,753)	-	(263,340,495,304)
Reclassified to tangible fixed assets (Note 14)	(94,603,991,882)	(589,059,290,276)	(218,653,139,442)	(902,316,421,600)
Reclassified to inventories	(8,473,482,917)	(84,004,777,755)	(37,793,835,153)	(130,272,095,825)
Reclassification	(2,728,080,193,446)	2,148,858,123,286	579,222,070,160	-
<b>Ending balance</b>	<b>5,532,359,956,300</b>	<b>20,157,158,993,159</b>	<b>4,484,448,312,720</b>	<b>30,173,967,262,179</b>

Currency: VND

	LAND USE RIGHTS	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	TOTAL
<b>Accumulated depreciation:</b>				
<b>Beginning balance</b>	<b>404,205,213,325</b>	<b>1,199,512,041,864</b>	<b>1,040,213,029,694</b>	<b>2,643,930,284,883</b>
Depreciation/amortisation for the year	86,221,126,638	556,385,655,168	289,093,338,486	931,700,120,292
Reclassified from tangible fixed assets (Note 14)	6,064,887,323	87,006,444,769	56,240,632,582	149,311,964,674
Sold, disposal	-	(17,778,739,811)	-	(17,778,739,811)
Disposal of subsidiaries	-	(11,264,044,631)	-	-11,264,044,631
Reclassified to tangible fixed assets (Note 14)	(21,603,841,562)	(113,115,635,629)	(104,364,492,573)	-239,083,969,764
Reclassified to inventories	-	(9,164,136,834)	(17,350,803,031)	-26,514,939,865
Reclassification	(153,657,394,986)	242,541,608,329	(88,884,213,343)	-
<b>Ending balance</b>	<b>321,229,990,738</b>	<b>1,934,123,193,225</b>	<b>1,174,947,491,815</b>	<b>3,430,300,675,778</b>
<b>Net carrying amount:</b>				
Beginning balance	6,198,130,813,926	10,029,124,031,326	1,971,166,063,648	18,198,420,908,900
Ending balance	5,211,129,965,562	18,223,035,799,934	3,309,500,820,905	26,743,666,586,401

Investment properties of the Group mainly include shopping malls and offices owned and operated by the Group for providing leasing and related services. As at 31 December 2018, the Group was in the process of determining the fair value of these investment properties.

Details of investment properties used as collaterals for loans and bonds of the Group are presented in Note 26.

Revenue and expenses relating to investment properties are presented in Note 30.2.



## 17. Capitalised Borrowing Costs

During the year, the Group capitalised borrowing costs with an amount of VND1,584 billion (for the year ended 31 December 2017: VND1,036 billion). These costs related to specific and general borrowings obtained to finance the real-estate projects of the Group.

The capitalised borrowing costs in relation to the general borrowings are determined by applying a capitalisation rate of 8.7% per annum (for the year ended 31 December 2017: 9.43% per annum) on the accumulated weighted average expenditures of the real estate projects. The capitalisation rate used is the weighted average of the borrowing rates applicable to the borrowings of the Group that are outstanding during the year.

## 18. Construction in Progress

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Beginning balance	37,492,138,281,596	34,229,427,585,378
Acquisition of subsidiaries	8,638,300,351,212	636,968,138,194
Increase during the year	49,469,804,345,494	21,966,134,251,071
Transfer to tangible fixed assets (Note 14)	(19,580,138,618,362)	(10,198,487,899,914)
Transfer to investment properties (Note 16)	(6,483,882,752,891)	(1,963,876,819,595)
Transfer to inventories	(9,729,966,233,330)	(6,996,334,671,688)
Disposal of subsidiaries	(1,277,132,597,578)	(181,692,301,850)
<b>Ending balance</b>	<b>58,529,122,776,141</b>	<b>37,492,138,281,596</b>

Details for each item of which balance is higher than 10% of total balance:

Currency: VND

PROJECTS	ENDING BALANCE	BEGINNING BALANCE
Vinfast project	26,684,996,456,465	685,023,176,672
Vinhomes Long Beach Can Gio project	12,406,030,755,862	12,273,714,689,320

Construction in progress includes freehold and leasehold rights for land, construction costs, land development right, borrowing costs, planning and designing fee, costs of site preparation, professional fees, construction overheads, costs relating to researching, developing and manufacturing activities and other related costs.

Construction in progress used as collaterals for loans and bonds of the Group are disclosed in Note 26.

## 19. Long-Term Investments

### 19.1. Investment in Associates, Jointly Controlled Entity and Other Entities

#### 19.1.1. Investment in Associates and Jointly Controlled Entity

NAME	VOTING RIGHT (%) (also equity interest)		PRINCIPAL ACTIVITIES
	Ending balance	Beginning balance	
Phu Quoc Tourism JSC	30	30	Providing hospitality and other services
Viet Thang Feed JSC (i)	40	-	Feed producing
Hanoi Breeds JSC	37.63	37.63	Cattle breeding
Vinfast-An Phat Plastic Auto Part Company Limited (ii)	50	-	Manufacturing car plastic accessories
Vietnam Book Printing JSC	35	35	Printing

(i) On 18 January 2018, the Group acquired 24% voting shares of Viet Thang Feed JSC from a corporate counterparty with total consideration of VND301 billion and thereby, Viet Thang Feed JSC became an associate of the Group. On 20 September 2018, the Group acquired additional 16% voting shares of Viet Thang Feed JSC with total consideration of VND200 billion, thereby, the Group's equity interest in Viet Thang Feed JSC increased to 40%. The fair value of identifiable assets and liabilities of Viet Thang Feed JSC as at acquisition date was VND782 billion; and

(ii) Vinfast-An Phat Plastic Auto Part Company Limited was established under a joint co-operation contract between Vinfast LLC, a subsidiary of the Group, and An Phat Holdings Joint Stock Company. The total charter capital of this jointly controlled entity is VND420 billion, in which, Vinfast LLC commits to contributing VND210 billion. As at 31 December 2018, Vinfast LLC has contributed VND30 billion to this jointly controlled entity.

Details of investment in these associates and jointly controlled entity are listed below:

	BEGINNING BALANCE <sup>(*)</sup>	ADDITIONAL INVESTMENT DURING THE YEAR	SHARE OF (LOSS)/PROFIT FROM ASSOCIATES, JOINTLY CONTROLLED ENTITY	ENDING BALANCE <sup>(*)</sup>
Phu Quoc Tourism JSC	2,387,075,724,429	-	(467,767,470,024)	1,919,308,254,405
Viet Thang Feed JSC	-	501,680,000,000	41,503,732,613	543,183,732,613
Hanoi Breeds JSC	47,788,263,901	-	1,047,648,111	48,835,912,012
Vinfast-An Phat Plastic Auto Part Company Limited	-	30,000,000,000	-	30,000,000,000
Vietnam Book Printing JSC	4,760,612,465	-	297,242,790	5,057,855,255
<b>TOTAL</b>	<b>2,439,624,600,795</b>	<b>531,680,000,000</b>	<b>(424,918,846,510)</b>	<b>2,546,385,754,285</b>

(\*) The fair values of these investments have not been determined because the Group does not have all necessary information to measure these fair values.

## 19.1.2. Investment in Other Entities

	ENDING BALANCE				BEGINNING BALANCE				
	EQUITY INTEREST (%)	VOTING RIGHT (%)	COST (VND)	PROVISION (VND)	FAIR VALUE (VND)	VOTING RIGHT (%)	COST (VND)	PROVISION (VND)	FAIR VALUE (VND)
Vinatexmart JSC	10.00	10.00	552,395,000,000	(22,395,000,000)	530,000,000,000	10.00	552,395,000,000	-	(*)
Vien Dong Pearl LLC	9.62	9.62	521,071,699,183	-	(*)	9.62	521,071,699,183	-	(*)
Phat Loc LLC (Note 4)	51.00	0.00	342,076,207,370	-	(*)	-	-	-	(*)
VinEstate Real Estate Service Business LLC	15	15	90,000,000,000	-	(*)	-	-	-	(*)
Vinhomes Management JSC (Note 4)	-	-	-	-	-	18.60	1,013,750,570,893	-	(*)
Others			89,326,591,735	(50,382,547,589)	(*)		89,326,591,735	(50,382,547,589)	(*)
<b>TOTAL</b>			<b>1,594,869,498,288</b>	<b>(72,777,547,589)</b>			<b>2,176,543,861,811</b>	<b>(50,382,547,589)</b>	

(\*) As at 31 December 2018, the fair values of these investments have not been determined because the Group does not have all necessary information to measure these fair values.

(\*\*) The voting right is also the Group's equity interest in these other entities.

## 20. Goodwill

Currency: VND

	HANOI SOUTHERNN JSC (i)		SAI DONG JSC	ROYAL CITY JSC	NHAT NAM JSC	OTHERS	TOTAL
<b>Cost:</b>							
<b>Beginning balance</b>	<b>2,246,022,053,759</b>	<b>2,251,823,291,311</b>	<b>1,232,051,751,391</b>	<b>-</b>	<b>3,078,559,314,841</b>	<b>8,808,456,411,302</b>	
Increase from business combination	-	-	-	901,050,001,237	238,279,993,811	1,139,329,995,048	
Decreases	(653,594,864,069)	-	(208,189,995,313)	-	(409,096,397,365)	(1,270,881,256,747)	
<b>Ending balance</b>	<b>1,592,427,189,690</b>	<b>2,251,823,291,311</b>	<b>1,023,861,756,078</b>	<b>901,050,001,237</b>	<b>2,907,742,911,287</b>	<b>8,676,905,149,603</b>	
<b>Accumulated amortisation:</b>							
<b>Beginning balance</b>	<b>1,351,263,989,064</b>	<b>1,031,550,856,474</b>	<b>773,618,614,204</b>	<b>-</b>	<b>1,011,491,936,367</b>	<b>4,167,925,396,109</b>	
Amortisation for the year	223,866,226,298	223,988,771,820	122,319,016,810	21,735,855,293	303,103,745,920	895,013,616,141	
Decreases	(369,583,828,377)	-	(136,972,480,624)	-	(87,936,770,168)	(594,493,079,169)	
<b>Ending balance</b>	<b>1,205,546,386,985</b>	<b>1,255,539,628,294</b>	<b>758,965,150,390</b>	<b>21,735,855,293</b>	<b>1,226,658,912,119</b>	<b>4,468,445,933,081</b>	
<b>Net carrying amount</b>							
Beginning balance	894,758,064,695	1,220,272,434,837	458,433,137,187	-	2,067,067,378,474	4,640,531,015,193	
Ending balance	386,880,802,705	996,283,663,017	264,896,605,688	879,314,145,944	1,681,083,999,168	4,208,459,216,522	

(i) In 2018, Vinhomes Management JSC and Tan Lien Phat JSC were merged into Vinhomes JSC (previously known as Hanoi Southern JSC).

## 21. Trade Payables and Advances from Customers

### 21.1. Short-Term Trade Payables

Currency: VND

	BALANCE (also amount payables)	
	Ending balance	Beginning balance
Trade payables to suppliers	14,773,384,437,347	8,245,460,364,882
• A corporate counterparty	1,587,096,583,362	-
• Others	13,186,287,853,985	8,245,460,364,882
<b>TOTAL</b>	<b>14,773,384,437,347</b>	<b>8,245,460,364,882</b>
<i>In which:</i>		
Short-term trade payables to related parties (Note 37)	443,546,679,732	4,543,547,368

### 21.2. Short-Term Advances from Customers

The balance of short-term advances from customers as at 31 December 2018 mainly includes downpayment from customers under sale and purchase agreements for real-estate properties and other business activities of the Group.

## 22. Statutory Obligations

Currency: VND

	BEGINNING BALANCE	PAYABLES FOR THE YEAR	PAYMENT MADE/OFFSET IN THE YEAR	ENDING BALANCE
<b>Payables</b>				
Value added tax	305,328,753,632	2,486,984,438,573	(2,260,235,616,092)	532,077,576,113
Corporate income tax	1,315,112,162,355	7,273,131,376,307	(5,760,402,076,308)	2,827,841,462,354
Personal income tax	91,049,569,323	1,093,162,223,936	(1,002,608,950,779)	181,602,842,480
Land use fee and land rental fee, and obligations under build-transfer contracts	3,141,781,701,993	15,299,599,071,203	(6,712,369,883,072)	11,729,010,890,124
Others	79,833,049,358	1,728,642,034,497	(1,558,300,910,434)	250,174,173,421
<b>TOTAL</b>	<b>4,933,105,236,661</b>	<b>27,881,519,144,516</b>	<b>(17,293,917,436,685)</b>	<b>15,520,706,944,492</b>

Currency: VND

	BEGINNING BALANCE	RECEIVABLES FOR THE YEAR	PAYMENT RECEIVED/OFFSET IN THE YEAR	ENDING BALANCE
<b>Receivables</b>				
Corporate income tax	201,854,854,143	277,051,814,867	(169,154,553,375)	309,752,115,635
Others	11,823,526,656	2,643,080,645	(11,364,398,952)	3,102,208,349
<b>TOTAL</b>	<b>213,678,380,799</b>	<b>279,694,895,512</b>	<b>(180,518,952,327)</b>	<b>312,854,323,984</b>

## 23. Short-Term Accrued Expenses

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Accrued construction and development costs of real-estate properties	10,096,935,890,940	6,256,615,957,532
Accrued selling expenses related to apartments not yet handed-over	2,531,931,589,763	2,354,778,538,252
Accrued interest expenses	1,379,480,681,305	698,883,319,344
Accrued committed profit under villas management program	262,108,617,574	622,556,069,584
Others	1,746,652,389,460	483,762,658,681
<b>TOTAL</b>	<b>16,017,109,169,042</b>	<b>10,416,596,543,393</b>

## 24. Unearned Revenue

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
<b>Short-term:</b>		
Education services	840,824,894,645	682,776,358,364
Villas and condotel leasing management services	651,932,483,802	609,257,787,507
Apartments and villas management services	499,784,595,848	-
Customer loyalty program - Vingroup Card	254,155,517,361	262,847,850,899
Others	226,901,990,919	200,549,479,766
<b>TOTAL</b>	<b>2,473,599,482,575</b>	<b>1,755,431,476,536</b>

	ENDING BALANCE	BEGINNING BALANCE
<b>Long-term</b>		
Villas and condotel leasing management services	3,242,268,590,023	5,459,695,246,103
Apartments and villas management services	1,642,103,262,353	-
Royalty fee under a license agreement	618,333,333,333	-
Others	215,856,701,753	75,664,116,675
<b>TOTAL</b>	<b>5,718,561,887,462</b>	<b>5,535,359,362,778</b>
<i>In which:</i>		
Unearned revenue from related parties (Note 37)	774,490,032,182	70,705,898,141

## 25. Other Payables

### 25.1. Other Short-Term Payables

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Payables under deposits, loans and other agreements related to real-estate projects	8,653,853,293,063	17,634,848,595,573
Apartment maintenance funds	1,715,962,053,804	1,140,662,807,063
Payables of collection on behalf	1,325,567,827,912	1,512,939,781,432
Deposits for investment purpose	1,316,347,772,811	3,273,198,353,531
Deposits by tenants to be refunded within the next 12 months (Note 25.2)	493,794,469,174	184,697,274,921
Others	1,394,812,680,044	714,575,605,610
<b>TOTAL</b>	<b>14,900,338,096,808</b>	<b>24,460,922,418,130</b>
<i>In which:</i>		
Other short-term payables to related parties (Note 37)	-	299,916,673,750

### 25.2. Other Long-Term Liabilities

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Deposits from tenants	1,413,984,513,968	878,583,397,934
Deposits from tenants to be refunded within the next 12 months (Note 25.1)	(493,794,469,174)	(184,697,274,921)
Others	27,236,157,454	18,864,725,041
<b>TOTAL</b>	<b>947,426,202,248</b>	<b>712,750,848,054</b>

## 26. Loans and Debts

Currency: VND

	NOTES	MOVEMENT DURING THE YEAR		ENDING BALANCE
		Carrying value (also payable amount)	Decrease	
		Increase		Carrying value (also payable amount)
<b>Short-term loans</b>				
Current portion of long-term loans from banks	26.3	1,303,816,811,041	(3,352,817,983,280)	1,307,491,811,040
Current portion of corporate bonds	26.4	8,524,085,821,227	(7,325,000,000,000)	8,508,911,360,772
Short-term loans from banks	26.1	18,152,453,110,580	(13,198,542,677,201)	7,339,559,967,925
Others	26.2	32,581,434,000,000	(35,710,434,000,000)	1,960,000,000,000
<b>TOTAL</b>		<b>60,561,789,742,848</b>	<b>(59,586,794,660,481)</b>	<b>19,115,963,139,737</b>
<b>Long-term loans</b>				
Long-term loans from banks	26.3	15,797,452,683,877	(121,155,812,963)	23,591,140,420,079
Corporate bonds	26.4	16,349,889,594,995	(4,675,000,000,000)	34,979,571,942,874
Others	26.5	3,472,838,094,000	(272,838,094,000)	3,200,000,000,000
<b>TOTAL</b>		<b>35,620,180,372,872</b>	<b>(5,068,993,906,963)</b>	<b>61,770,712,362,953</b>

### 26.1. Short-Term Loans from Banks

Lender	ENDING BALANCE			Collateral
	Original currency (USD)	VND	Maturity date	
Joint Stock Commercial Bank for Foreign Trade of Vietnam		210,030,932,419	Jul-19	(i)
Vietnam Technological and Commercial Joint Stock Bank	306,861	7,171,350,011	Apr-19	(i)
Vietnam Prosperity Joint Stock Commercial Bank		22,433,650,523	Jun-19	(i)
Credit Suisse AG	200,000,000	4,543,474,034,972	Dec-19	(ii)
Deutsche Bank	100,000,000	2,324,000,000,000	Dec-19	(ii)
Asian Star Trading & Investment Ltd.	10,000,000	232,450,000,000	Dec-19	(i)
<b>TOTAL</b>		<b>7,339,559,967,925</b>		

(i) These loans are unsecured; and

(ii) These loans are secured by a number of shares of a subsidiary owned by the Company.

### 26.2. Other Short-Term Loans

The balance as at 31 December 2018 comprises of unsecured loans from corporate counterparties bearing interest rate at 9% per annum. These loans will mature from September 2019 to October 2019.

### 26.3. Long-Term Loans from Banks

Lender	ENDING BALANCE			Maturity date	Interest rate	Collateral
	Original currency (USD)	VND				
Joint Stock Commercial Bank for Foreign Trade of Vietnam		865,651,887,726		From January 2019 to December 2027	L12-month interest paid in arrears saving rate for individuals (+) 2.5% to 3% per annum	(i)
<i>In which: current portion</i>		82,069,311,040				
Joint Stock Commercial Bank for Investment and Development of Vietnam		169,072,109,983		From January 2019 to October 2024	12-month interest paid in arrears saving rate for individuals (+) 2%, per annum	(ii)
<i>In which: current portion</i>		28,160,000,000				
Vietnam Technological and Commercial Joint Stock Bank		1,421,097,869,016		January 2021	12-month interest paid in arrears saving rate for individuals (+) 3.3% per annum	(iii)
Lenders of the syndicated loan No.1	255,000,000	5,690,059,921,897		From January 2019 to July 2021	Fixed interest rate of 9.25% per annum under the swap contract with Vietnam Technological and Commercial Joint Stock Bank	(iv)
<i>In which: current portion</i>	45,000,000	1,197,262,500,000				
Lenders of the syndicated loan No.2	400,000,000	8,970,183,052,944		From April 2020 to April 2023	Fixed interest rate of 9.15% per annum under the swap contract with Vietnam Technological and Commercial Joint Stock Bank	(v)
Lenders of the syndicated loan No.3	482,434,957	7,782,567,389,553		October 28	6-month LIBOR (+) 0.95% per annum	(vi)
<b>TOTAL</b>		<b>24,898,632,231,119</b>				
<i>In which:</i>						
<i>Long-term loans</i>		23,591,140,420,079				
<i>Current portion of long-term loans</i>		1,307,491,811,040				

(i) This loan is secured by a part of assets and rights to receive the insurance benefit arising from this part of assets according to insurance contracts related to the Vinpearl Ha Long luxury resort; the greenhouses, irrigation systems, machinery and equipment of VinEco Hai Phong farm project, VinEco Long Thanh farm project and a number of shares of the Company held by a subsidiary;

(ii) This loan is secured by the Vinmec Nha Trang International General Hospital;

(iii) This loan is secured by a number of shares of a subsidiary owned by another subsidiary of the Group and capital contribution of a subsidiary in another subsidiary of the Group;

(iv) This loan is from Credit Suisse AG – Singapore Branch, Industrial and Commercial Bank of China Limited, Maybank International – Labuan Branch and Taipei Fubon Commercial Bank – Foreign Branch. This loan is secured by a number of shares of a subsidiary held by the Company;

(v) This loan is from Credit Suisse AG – Singapore Branch, Industrial and Commercial Bank of China Limited – Hanoi Branch, Maybank Kim Eng Securities PTE LTD, Hongkong and Shanghai Banking Corporation LTD and Taipei Fubon Commercial Bank - Foreign Branch. This loan is secured by a number of shares of a subsidiary held by the Company and another subsidiary of the Group; and

(vi) This loan is from Credit Suisse AG – Singapore Branch, Hongkong and Shanghai Banking Corporation LTD. This loan is secured by the Debt Service Reserve Account at the offshore account management bank which is Credit Suisse AG - Singapore Branch and the Revenue Account at Vietnam Technological and Commercial Joint Stock Bank with outstanding balance and accumulated other related benefits arising from such account, and a number of shares of a subsidiary held by the Company.

## 26.4. Corporate Bonds

UNDERWRITER	ENDING BALANCE (VND)	MATURITY DATE	INTEREST RATE	COLLATERAL
Vietnam Bank for Industry and Trade Securities Joint Stock Company	2,597,215,444,474	Mar-22	12-month interest paid-in-arrears VND saving rates (+) 3% per annum	(i)
Techcom Securities Joint Stock Company	38,717,135,081,394	From March 2019 to February 2026	12-month interest paid-in-arrears VND saving rates (+) 3.25% to 4.25% per annum; and from 7.75% per annum to 10.1% per annum	(ii)
<i>In which: current portion</i>	<i>8,508,911,360,772</i>			
KB Securities Vietnam Joint Stock Company	2,174,132,777,778	From October 2021 to December 2022	10.2% per annum	(iii)
<b>TOTAL</b>	<b>43,488,483,303,646</b>			
<i>In which:</i>				
<i>Long-term bonds</i>	<i>34,979,571,942,874</i>			
<i>Current portion of long-term bonds</i>	<i>8,508,911,360,772</i>			

(i) These bonds are secured by the land use rights and assets attached to the land of Vincom Mega Mall Thao Dien, Vincom Plaza Ngo Quyen – Da Nang and assets attached to the land of Vincom Center Pham Ngoc Thach, Vincom Plaza Thu Duc and Vincom Plaza Ha Long;

(ii) These bonds are secured by all assets of the project "Vinpearlland Amusement Park" except for the Vietnamese pagoda model area in the Vinpearl Amusement Park project, Vinpearl Nha Trang Resort 5-star hotel, Hung Vuong hotel, Landmark 81 hotel, Golfland hotel of Vinpearl Golf Land Resort & Villas, Vinpearl Nha Trang Bay Resort & Villas 5-star hotel, Vincy Ocean park projects and a number of shares of a subsidiary held by the Company and another subsidiary of the Group. The payment obligation is guaranteed by a subsidiary of the Group and a trusted fund of the Asian Development Bank; and

(iii) This bond is secured by the asset right arising from the Build-Transfer contract ("BT contract") of overhead road project along the Ring Road 2; assets and asset right of the "Dan Phuong – Green City Functional Urban Area" project and a number of shares of a subsidiary held by the Company.

## 26.5. Other Long-Term Loans

The balance as at 31 December 2018 comprises of unsecured long-term loans from corporate counterparties bearing interest at rate of 9% per annum. These loans will mature in May 2020.

## 27. Exchangeable Bonds

Exchangeable bonds amounting to USD450 million were issued in June 2018 and October 2018 with a term of 5 years. These bonds are unsecured and bear interest at a fixed rate of 3.5% per annum.

Management assesses that there is no equity component in these exchangeable bonds (since there is not known fixed number of shares to be exchanged) and as a result, has recognised the entire exchangeable bonds as long-term debts.

Following the terms of these exchangeable bonds, the bondholders have the right to exchange the bonds into ordinary shares of the Company at the price which is subject to adjustments made after 12, 24, 36 and 48 months from the issuance date starting from 14 June 2019. The principal balance of these bonds as at 31 December 2018 is following:

	BEGINNING BALANCE	MOVEMENT DURING THE YEAR			ENDING BALANCE
		New issuance	Exchanged to shares	Due but not yet exchanged	
Value (USD)	-	450,000,000	-	-	450,000,000

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Initial recognition of exchangeable bonds	10,060,202,000,000	-
Equity component	-	-
<b>Liability component at initial recognition</b>	<b>10,060,202,000,000</b>	-
Add: Accumulated amortisation of bond issuance cost	-	-
Beginning balance	-	-
Amortisation during the year	26,112,522,906	-
<b>Ending balance</b>	<b>26,112,522,906</b>	-
Add: Unrealised foreign exchange loss arising from revaluation	119,350,000,000	-
<b>LIABILITY COMPONENT AT THE END OF THE YEAR</b>	<b>10,205,664,522,906</b>	-

## 28. Short-Term Provision

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Warranty provision	215,964,825,038	169,598,159,859
Others	10,012,061,881	5,804,006,578
<b>TOTAL</b>	<b>225,976,886,919</b>	<b>175,402,166,437</b>

## 29. Owners' Equity

### 29.1. Increase and Decrease in Owners' Equity

Currency: VND

	ISSUED SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	OTHER FUNDS BELONGING TO OWNER'S EQUITY	UNDISTRIBUTED EARNINGS	NON-CONTROLLING INTEREST	TOTAL
<b>Previous year</b>							
Beginning balance	26,377,079,540,000	2,504,959,737,448	(2,974,924,074,484)	32,845,114,930	1,887,422,518,069	20,463,788,319,550	48,291,171,155,513
• Net profit for the year	-	-	-	-	4,462,411,670,513	1,192,530,120,713	5,654,941,791,226
• Shares of subsidiaries	-	-	-	-	-	451,256,814,009	451,256,814,009
• Distribution to other funds	-	-	-	5,000,000,000	(5,000,000,000)	-	-
• Capital contribution by non-controlling interest	-	-	-	-	-	13,000,000,000	13,000,000,000
• Acquisition of new subsidiaries	-	-	-	-	-	136,022,934,541	136,022,934,541
• Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	(2,302,605,422,599)	(3,433,171,727,903)	(5,735,777,150,502)
• Partial disposal of equity interest in existing subsidiaries without loss of control	-	146,205,430,456	-	-	1,540,855,798,135	3,724,413,229,508	5,411,474,458,099
• Disposal of subsidiaries	-	-	-	-	-	(445,548,573,956)	(445,548,573,956)
• Dividend declared to non-controlling interest	-	-	-	-	-	(1,219,531,251,275)	(1,219,531,251,275)
<b>Ending balance</b>	<b>26,377,079,540,000</b>	<b>2,651,165,167,904</b>	<b>(2,974,924,074,484)</b>	<b>37,845,114,930</b>	<b>5,583,084,564,118</b>	<b>20,882,759,865,187</b>	<b>52,557,010,177,655</b>

Currency: VND

	ISSUED SHARE CAPITAL	SHARE PREMIUM	OTHER OWNER'S CAPITAL	TREASURY SHARES	OTHER FUNDS BELONGING TO OWNER'S EQUITY	UNDISTRIBUTED EARNINGS	NON-CONTROLLING INTEREST	TOTAL
<b>Current year</b>								
Beginning balance	26,377,079,540,000	2,651,165,167,904	-	(2,974,924,074,484)	37,845,114,930	5,583,084,564,118	20,882,759,865,187	52,557,010,177,655
• Issuance of preference shares (i)	840,000,000,000	8,276,981,373,993	-	-	-	-	-	9,116,981,373,993
• Net profit for the year	-	-	-	-	-	3,776,727,785,918	2,414,153,684,685	6,190,881,470,603
• Distribution to other funds	-	-	-	-	5,000,000,000	(5,000,000,000)	-	-
• Stock dividends (ii)	5,539,132,760,000	-	7,235,205,990,828	-	-	(12,774,338,750,828)	-	-
• Acquisition of new subsidiaries	-	-	-	-	-	-	3,547,691,806,799	3,547,691,806,799
• Disposal of subsidiaries	-	-	-	-	-	-	(240,503,474,574)	(240,503,474,574)
• Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	-	97,752,897,878	(1,594,244,048,735)	(1,496,491,150,857)
• Partial disposal of equity interest in existing subsidiaries without loss of control	-	514,754,262,295	-	-	-	8,417,769,984,137	5,842,163,714,631	14,774,687,961,063
• Capital contribution by non-controlling interest (iii)	-	-	-	-	-	-	15,786,278,690,000	15,786,278,690,000
• Dividend declared to non-controlling interest (iv)	-	-	-	-	-	-	(1,222,822,175,333)	(1,222,822,175,333)
<b>Ending balance</b>	<b>32,756,212,300,000</b>	<b>11,442,900,804,192</b>	<b>7,235,205,990,828</b>	<b>(2,974,924,074,484)</b>	<b>42,845,114,930</b>	<b>5,095,996,481,223</b>	<b>45,415,478,062,660</b>	<b>99,013,714,679,349</b>

(i) On 26 July 2018, the General Shareholders of the Company approved the Resolution No. 29/2018/NQ-HDQT-VINGROUP on the plan of private offering of 84,000,000 convertible dividend preference shares to Hanwa Vietnam Opportunity Private Fund 1. Accordingly, the Company collected VND9,117 billion (after deduct issuance cost) from this issuance. Preference shares are not entitled to vote, are restricted for transfer within one year and have the right to convert into common shares of the Company at the conversion price specified in the contract at any time after the issuance date. The company has the right to buy a part or all of this preference shares during a period of 5.5 years to 6.5 years from the issuance date.

Management assesses that there is no financial liability component in the above preference shares because the Company has no obligation to redeem preference shares and has recognised all preference shares as equity.

According to Resolution No. 31/2018/NQ-HDQT-VINGROUP dated 26 July 2018, the Board of Directors of the Company has approved the plan to use the capital from the issuance of the above preference shares to develop real estate projects, social infrastructure projects, and to grant working capital and other activities permitted by the Company.

(ii) On 31 May 2018, the General Shareholders of the Company approved the Resolution No. 01/2018/NQ-DHDCD-VINGROUP on the

declaration of stock dividend by the undistributed earnings as at 31 December 2017 to existing shareholders at the ratio of 1,000: 210 (each existing shareholder owning 1,000 shares will receive dividends of 210 shares). This distribution also uses the profit distribution from the subsidiaries of the Company to the Company in this year. The number of additionally issued shares for this stock dividend is 553,913,276 shares according to Notification No. S044/2018-VIC/VSD-DK on 3 July 2018 of the Securities Depository Centre.

During the year, Vinhomes JSC and Vincom Retail JSC, subsidiaries of the Group, have declared stock dividends to their ordinary shareholders. The total dividends declared to the Company and other shareholders is VND11,235 billion, of which, the dividend of VND7,235 billion attributable to the Parent Company has been recognised in other owner's capital.

(iii) The increase for the year mainly includes the additional contribution of non-controlling interest to Vinfast LLC, Vinhomes JSC, Vinsmart JSC, Can Gio JSC, Vintech JSC and other subsidiaries of the Group.

(iv) The decrease for the year mainly includes cash dividend paid by Vinhomes JSC, Vincommerce JSC, Vinpearl JSC and other subsidiaries of the Group to their non-controlling interest.

## 29.2. Contributed Share Capital

Currency: VND

	31 DECEMBER 2018			31 DECEMBER 2017		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
Contributed by shareholders	32,756,212,300,000	31,916,212,300,000	840,000,000,000	26,377,079,540,000	26,377,079,540,000	-
Share premium	11,442,900,804,192	3,165,919,430,199	8,276,981,373,993	2,651,165,167,904	2,651,165,167,904	-
Treasury shares	(2,974,924,074,484)	(2,974,924,074,484)	-	(2,974,924,074,484)	(2,974,924,074,484)	-
<b>TOTAL</b>	<b>41,224,189,029,708</b>	<b>32,107,207,655,715</b>	<b>9,116,981,373,993</b>	<b>26,053,320,633,420</b>	<b>26,053,320,633,420</b>	<b>-</b>

## 29.3. Capital Transactions with Owners

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>Contributed capital</b>		
Beginning balance	26,377,079,540,000	26,377,079,540,000
Increase	840,000,000,000	-
Stock dividends	5,539,132,760,000	-
<b>Ending balance</b>	<b>32,756,212,300,000</b>	<b>26,377,079,540,000</b>

## 29.4. Dividends

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>Dividend declared during the year</b>	<b>5,539,132,760,000</b>	-
<i>Stock dividend per ordinary share in 2018: 1,000:210</i>	<i>5,539,132,760,000</i>	-
<b>Dividends declared after the date of reporting year and not yet recognised as liability as at the year-end</b>	-	-

## 29.5. Ordinary Shares and Preference Shares

	ENDING BALANCE	BEGINNING BALANCE
Authorised shares	3,275,621,230	2,637,707,954
Issued shares	3,275,621,230	2,637,707,954
<i>Ordinary shares</i>	<i>3,191,621,230</i>	<i>2,637,707,954</i>
<i>Preference shares</i>	<i>84,000,000</i>	-
Shares in circulation	3,056,745,286	2,456,818,742
<i>Ordinary shares</i>	<i>2,972,745,286</i>	<i>2,456,818,742</i>
<i>Preference shares</i>	<i>84,000,000</i>	-
Treasury shares	218,875,944	180,889,212
<i>Ordinary shares</i>	<i>218,875,944</i>	<i>180,889,212</i>
<i>Preference shares</i>	-	-

The par value of outstanding share: VND10,000 per share (2017: VND10,000 per share).

## 29.6. Treasury Shares

As at 31 December 2018, the number of shares of the Company held by subsidiaries are as below:

- Vinpearl JSC, a subsidiary, holds 108,947,198 shares;
- Vincommerce JSC, a subsidiary, holds 95,562,125 shares; and
- Xavinco JSC, a subsidiary, holds 14,366,621 shares.



## 30. Revenues

### 30.1. Revenue from Sale of Goods and Rendering of Services

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>Gross revenue</b>	<b>121,971,750,626,283</b>	<b>89,392,047,933,230</b>
<i>In which:</i>		
Sale of inventory properties	83,271,632,293,427	62,481,688,023,505
Sale of goods in supermarkets, convenient stores and retail outlets	19,333,128,791,654	13,084,575,890,097
Rendering of hotel services, amusement park services and related services	7,409,513,690,154	5,465,505,193,438
Leasing activities and rendering related services	5,558,630,886,792	4,409,827,940,217
Rendering of hospital services and related services	2,630,636,981,520	1,852,289,531,525
Rendering of education services and related services	1,449,884,662,668	1,012,609,580,119
Manufacturing activities	567,184,824,250	-
Others	1,751,138,495,818	1,085,551,774,329
<b>Less sales deduction</b>	<b>(77,350,205,179)</b>	<b>(41,999,335,317)</b>
<b>Net revenue</b>	<b>121,894,400,421,104</b>	<b>89,350,048,597,913</b>
<i>In which:</i>		
Sale of inventory properties	83,271,632,293,427	62,481,688,023,505
Sale of goods in supermarkets, convenient stores and retail outlets	19,325,679,951,857	13,052,677,844,258
Rendering of hotel services, amusement park services and related services	7,366,495,606,924	5,455,403,903,960
Leasing activities and rendering related services	5,558,630,886,792	4,409,827,940,217
Rendering of hospital services and related services	2,630,636,981,520	1,852,289,531,525
Rendering of education services and related services	1,449,884,662,668	1,012,609,580,119
Manufacturing activities	556,462,126,179	-
Others	1,734,977,911,737	1,085,551,774,329
<i>In which:</i>		
Sale to others	121,064,867,363,199	88,797,537,496,929
Sale to related parties (Note 37)	829,533,057,905	552,511,100,984

### 30.2. Revenue and Expense Relating to Investment Properties

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Income from leasing investment properties	5,125,711,170,145	4,409,827,940,217
Direct operating expenses of investment properties that generated income during the year	2,323,015,518,950	2,099,875,166,664

### 30.3. Finance Income

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Gains from disposal of investments and subsidiaries (i)	5,211,088,128,271	358,282,444,981
Interest income from loans and deposits	1,907,203,479,707	1,098,222,853,695
Others	360,258,281,453	180,446,140,936
<b>TOTAL</b>	<b>7,478,549,889,431</b>	<b>1,636,951,439,612</b>

(i) Gains from disposal of investments and subsidiaries mainly includes gains from disposal of investments and capital contribution right of Vinpearl JSC and Vinhomes JSC.

## 31. Cost of Goods Sold and Services Rendered

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Inventory properties sold	58,123,335,414,419	38,570,808,538,584
Cost of goods sold in supermarkets, convenient stores and retail outlets	17,275,723,842,136	12,216,265,730,258
Rendering of hotel services, amusement park services and related services	8,596,421,258,633	6,574,605,072,906
Leasing activities and rendering related services	2,720,446,213,695	2,099,875,166,664
Rendering of hospital services and related services	2,698,669,869,484	1,745,093,764,853
Rendering of education services and related services	1,369,403,829,155	807,590,341,752
Manufacturing activities	829,341,535,821	-
Others	1,357,708,596,291	782,088,342,021
<b>TOTAL</b>	<b>92,971,050,559,634</b>	<b>62,796,326,957,038</b>

## 32. Finance Expenses

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Interest expenses	3,939,282,490,392	3,139,629,696,630
Bond issuance costs	344,082,962,077	262,003,990,087
Loss from fair value remeasurement of previously held equity interest in business combination transaction (Note 4.2)	250,054,456,933	-
Foreign exchange losses	252,532,031,610	77,396,775,528
Others	122,997,646,062	307,953,096,469
<b>TOTAL</b>	<b>4,908,949,587,074</b>	<b>3,786,983,558,714</b>

## 33. Selling Expenses and General and Administrative Expenses

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>Selling expenses</b>		
• External service expenses	6,208,931,712,809	5,344,099,598,901
• Labour costs	2,656,343,063,620	1,760,005,800,800
• Depreciation and amortisation	773,205,057,696	632,102,514,317
• Others	473,808,880,919	414,248,078,609
	<b>10,112,288,715,044</b>	<b>8,150,455,992,627</b>
<b>General and administrative expenses</b>		
• Labour costs	2,325,633,993,934	1,658,786,632,069
• External service expenses	1,959,497,022,200	1,780,362,595,934
• Depreciation and amortisation of fixed assets and goodwill	1,399,114,289,302	1,200,962,194,563
• Support and charity expenses	400,848,315,705	1,151,439,977,424
• Others	1,282,745,711,409	1,060,896,361,965
	<b>7,367,839,332,550</b>	<b>6,852,447,761,955</b>
<b>TOTAL</b>	<b>17,480,128,047,594</b>	<b>15,002,903,754,582</b>

## 34. Other Income and Expenses

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>Other income</b>	<b>759,284,117,428</b>	<b>434,964,045,806</b>
Disposal of fixed assets	227,183,988,367	82,295,849,636
Compensation income	255,177,298,454	235,903,502,779
Others	276,922,830,607	116,764,693,391
<b>Other expenses</b>	<b>493,549,736,743</b>	<b>765,869,262,018</b>
Disposal of fixed assets	196,280,736,618	385,473,705,459
Penalty paid	181,467,368,718	228,356,257,763
Others	115,801,631,407	152,039,298,796
<b>OTHER PROFIT/(LOSS)</b>	<b>265,734,380,685</b>	<b>(330,905,216,212)</b>

## 35. Production and Operating Costs

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Development costs of inventory properties	50,295,269,444,755	37,686,355,794,661
Labour costs	10,000,782,046,907	6,055,985,258,177
External service expenses	9,670,660,051,374	9,080,225,491,935
Depreciation and amortisation	5,155,271,347,089	3,985,433,267,539
Raw materials	4,233,450,347,841	2,704,698,523,613
Others (excluding finance expenses)	5,580,137,202,226	5,255,337,052,724
<b>TOTAL</b>	<b>84,935,570,440,192</b>	<b>64,768,035,388,649</b>

## 36. Corporate Income Tax

The current statutory corporate income tax ("CIT") rate applicable to the Group and its subsidiaries is 20%, except for the following entities:

- Vinmec JSC and Vinschool LLC (for income from social service activities) apply the incentive tax rate of 10%;
- Some subsidiaries operating in the agricultural sector apply the incentive tax rate of 15% for agricultural activities;
- Some projects of Vinpearl JSC - Nha Trang Branch apply the incentive tax rate of 10% in the first 15 years commencing from the first year in which revenue is generated, and CIT exemption for 4 years commencing from the first year in which taxable profit is earned (or commencing from the fourth year from the first year in which revenue is generated if no taxable profit is earned for the first 3 years), and a 50% reduction of CIT for the subsequent 9 years for

projects in Hon Tre island; and

- Vinfast LLC and Vinsmart JSC apply the incentive tax rate of 10% in the first 15 years commencing from the first year in which revenue is generated, CIT exemption for 4 years commencing from the first year in which taxable profit is earned (or commencing from the fourth year from the first year in which revenue is generated if no taxable profit is earned for the first 3 years), and a 50% reduction of CIT for the subsequent 9 years for manufacturing activities.

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

## 36.1. CIT Expenses

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Current tax expense	7,273,129,870,764	3,731,381,559,479
Deferred tax expense/(income)	389,626,309,041	(272,041,872,129)
<b>TOTAL</b>	<b>7,662,756,179,805</b>	<b>3,459,339,687,350</b>

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

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>Accounting profit before tax</b>	<b>13,853,637,650,408</b>	<b>9,114,281,478,576</b>
<b>At CIT rate applied to the Company and its subsidiaries</b>	<b>2,770,727,530,082</b>	<b>1,822,856,295,715</b>
Adjustments for gain/loss arising from transfer of investments recognised in the consolidated financial statements	2,529,887,493,968	(26,094,768,983)
Adjustments for income/expense arising from asset acquisitions and business combinations recognised in the consolidated financial statements	1,850,885,982,608	47,546,879,625
Losses of subsidiaries	989,609,438,301	715,750,676,139
Losses ineligible for offsetting against taxable income	323,541,081,995	531,260,408,808
Amortisation of goodwill	179,002,723,228	180,212,541,902
Charity expenses	40,228,240,551	226,062,067,181
Tax losses carried forward	(1,306,555,266,845)	(91,839,202,827)
Others	285,428,955,917	53,584,789,790
<b>CIT expenses</b>	<b>7,662,756,179,805</b>	<b>3,459,339,687,350</b>

## 36.2. Current Tax

The current CIT payable is based on taxable income for the current year. The taxable income of the Group for the year differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible

in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

## 36.3. Deferred Tax

Currency: VND

	CONSOLIDATED BALANCE SHEET		CONSOLIDATED INCOME STATEMENT	
	Ending balance	Opening balance	Current year	Previous year
<b>Deferred tax assets</b>				
Unrealised profit from inter-company transactions within the Group	158,011,007,654	215,536,458,856	(57,525,451,199)	21,513,568,471
Selling expenses allowable for capitalisation for tax purpose during the year	71,262,194,919	38,401,679,447	36,114,680,633	(28,184,765,346)
Temporary difference arising from assets of subsidiaries	277,467,613,887	31,956,609,277	262,451,461,856	1,082,380,041
Others	107,486,658,016	52,084,771,927	46,046,650,473	14,963,537,405
<b>Deferred tax liabilities</b>				
Fair value adjustments from acquisition of subsidiaries	(801,335,531,358)	(120,988,646,357)	(680,346,885,000)	268,647,820,313
Others	(23,324,178,962)	(21,791,229,687)	3,633,234,196	(5,980,668,755)
<b>Net deferred tax (liabilities)/assets</b>	<b>(210,432,235,844)</b>	<b>195,199,643,463</b>		
<b>Deferred tax (charged)/credit to the consolidated income statement</b>			<b>(389,626,309,041)</b>	<b>272,041,872,129</b>
<i>Presented on the consolidated balance sheet</i>				
Deferred tax assets	614,227,474,476	337,979,519,507		
Deferred tax liabilities	(824,659,710,320)	(142,779,876,044)		
<b>Net deferred tax (liabilities)/assets</b>	<b>(210,432,235,844)</b>	<b>195,199,643,463</b>		

## 36.4. Unrecognised Deferred Tax

### Loss Carry Forward from Previous Year

The Group is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Group had accumulated tax losses of VND10,530 billion available for offset against future taxable profits. These are estimated accumulated tax

losses as per the CIT declarations of Company and its subsidiaries, which have not been finalised by the local tax authorities as of the date of these consolidated financial statements. No deferred tax assets have been recognised in respect of these accumulated tax losses because future taxable profit cannot be ascertained at this stage.

## 37. Transactions with Related Parties

Significant transactions of the Group with related parties during the year were as follows:

Currency: VND

RELATED PARTIES	RELATIONSHIP	TRANSACTIONS	CURRENT YEAR	PREVIOUS YEAR
Vietnam Investment Group JSC	Under common owners	Receivables from selling goods and rendering other services	38,343,027,684	-
		Payables for office rental and lunch meal to employees	(75,423,815,830)	(68,616,761,389)
Kind Heart Foundation	Under common owners	Charity expense	-	(1,026,142,915,754)
		Cash transferred to Kind Heart Foundation	1,494,612,000,000	1,497,025,000,000
		Cash collected from Kind Heart Foundation	(360,612,000,000)	-
		Receivables from rendering hospital services	505,394,413,100	360,290,551,174
		Collection from rendering hospital services	(538,244,494,055)	(242,714,280,455)
Phu Quoc Tourism JSC	Associate	Cash payment under business co-operation contract	-	700,000,000,000
		Cash collection under business co-operation contract	700,000,000,000	-
		Payable for deductible value-added tax collected on behalf	-	(575,773,062,640)
		Payment for deductible value-added tax collected on behalf	299,916,673,750	275,856,388,890
		Dividend payable	-	(125,000,000,000)
		Dividend payment	-	125,000,000,000
		Receivables from rendering general contractor management service and supplying construction materials	-	105,138,169,727
		Collections from rendering general contractor management service and supplying construction materials	-	(105,138,169,727)
		Receivables from selling goods and rendering services	120,714,740,692	-
		Gains from rendering general contractor management service	86,695,020,906	-
		Income from disposal of assets to associate	201,032,297,313	-
		Payables for purchase of fixed assets	(441,431,645,869)	-
Other individuals	Key management personnel	Receivables from transferring shares of subsidiary	85,671,000,000	-
Hon Mot Tourism JSC	The legal representative of this company is a key management personnel of a Group's subsidiary	Gain from disposal of a subsidiary	2,041,190,609,989	-

### Terms and conditions of transactions with related parties

During the year, the Group sold/purchased goods and services and transferred shares of subsidiaries to/from related parties based on the price offered to third parties.

During the year, the Group has not made provision for doubtful debts relating to amounts due from related parties (31 December 2017: nil). This assessment is undertaken each year through the examination of the financial position of the related parties and the market in which the related parties operate.

Amount due to and due from related parties were as follows:

Currency: VND

RELATED PARTIES	RELATIONSHIP	TRANSACTIONS	ENDING BALANCE	BEGINNING BALANCE
<b>Short-term trade receivables</b> (Note 7.1)				
Kind Heart Foundation	Under common owners	Receivables from rendering hospital service	87,686,775,683	120,536,856,638
Phu Quoc Tourism JSC	Associate	Receivables from rendering services and supplying construction materials	117,311,074,369	-
Other individuals	Under common owners and key management personnel	Other receivables	51,305,123,497	14,506,747,252
			<b>256,302,973,549</b>	<b>135,043,603,890</b>
<b>Other receivables</b> (Note 9)				
Phu Quoc Tourism JSC	Associate	Receivables from shared profit under business co-operation contract	249,111,825,436	-
Kind Heart Foundation	Under common owners	Receivables from payment on behalf	1,134,000,000,000	-
			<b>1,383,111,825,436</b>	-
<b>Short-term trade payables</b> (Note 21.1)				
Vietnam Investment Group JSC	Under common owners	Payable for goods and services	2,115,033,863	4,543,547,368
Phu Quoc Tourism JSC	Associate	Payable for purchase of assets	441,431,645,869	-
			<b>443,546,679,732</b>	<b>4,543,547,368</b>
<b>Unearned revenue</b> (Note 24)				
Other individuals	Key management personnel	Unearned revenue	-	70,705,898,141
Phu Quoc Tourism JSC	Associate	Unearned revenue from disposal of assets and rendering services	774,490,032,182	-
			<b>774,490,032,182</b>	<b>70,705,898,141</b>
<b>Other short-term payables</b> (Notes 25.1)				
Phu Quoc Tourism JSC	Associate	Payables for business co-operation contract	-	299,916,673,750
			-	<b>299,916,673,750</b>

Remuneration to members of the Board of Directors and the management of the Company:

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Salaries and bonus	55,252,810,254	45,421,081,461
<b>TOTAL</b>	<b>55,252,810,254</b>	<b>45,421,081,461</b>

## 38. Earnings per Share

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

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.

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) after tax attributable to ordinary shareholders of the Group (after adjusting for dividend on the convertible preference shares) by

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

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
Net profit after tax attributable to ordinary shareholders	3,776,727,785,918	4,462,411,670,513
Dividend of convertible preference shares	-	-
<b>Net profit attributable to ordinary shareholders adjusted for the effect of dilution</b>	<b>3,776,727,785,918</b>	<b>4,462,411,670,513</b>

Unit: Shares

	CURRENT YEAR	PREVIOUS YEAR (Restated)
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	2,972,745,653	2,972,745,653
Effect of dilution due to:		
Convertible preference shares	31,750,516	-
<b>Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution</b>	<b>3,004,496,169</b>	<b>2,972,745,653</b>

	CURRENT YEAR	PREVIOUS YEAR (Restated)
Basic earnings per share	1,270	1,501
Diluted earnings per share	1,257	1,501

There are exchangeable bonds issued by Vinpearl JSC, a subsidiary, which could potentially dilute basic earnings per share in future but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the current year.

The convertible preference shares issued by the Company are assumed to be converted which dilute basis earnings per share for current year.

On 31 May 2018, the General Shareholders of the Company approved the Resolution No. 01/2018/NQ-DHDCD-VINGROUP on the declaration of stock dividend to existing shareholders at the ratio of 1,000:210 (each existing shareholder owning 1,000 shares will receive dividends of 210 shares). As a result, the weighted average number of ordinary shares (excluding treasury shares) used for calculation of basic earnings per share in previous year is adjusted retrospectively.

## 39. Commitments and Contingencies

### Capital Expenditure Commitments Relating to On-going Real Estate Projects

The Group has entered into a number of contracts relating to the development of projects. The remaining commitment on these contracts as at 31 December 2018 is approximately VND37,007 billion.

The Group has signed Build-Transfer ("BT") Contracts with the State Authorities to commit on investment cost of the new administration centre project in Thanh Hoa city, the overhead road project along the Ring Road 2 from Vinh Tuy bridge to Nga Tu So and the park and eco-lake (in land lot CV1, Cau Giay urban area, Hanoi).

### Commitment under Operating Leases Where the Group is a Lessor

The Group, as lessor, lets out office, retail and mixed-use spaces under operating lease agreements. The future minimum rental receivables under these agreements are as follows:

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Within one year	3,307,861,271,737	2,704,061,603,249
After one year but not more than five years	6,671,942,149,778	5,322,504,911,686
More than five years	5,972,335,595,882	5,208,872,721,592
<b>TOTAL</b>	<b>15,952,139,017,397</b>	<b>13,235,439,236,527</b>

Under the business co-operation contract signed between certain subsidiaries of the Group and Thien Huong Investment JSC ("Thien Huong JSC") regarding the school operation in Vinhomes Riverside and Vinhomes Royal City projects, the Group is entitled to the share of Thien Huong JSC's revenue, which is equal to 15% of revenue and can be adjusted according to the business co-operation contract. The duration of the business co-operation contract is from February 2012 to the end of August 2043.

### Commitment under Operating Leases Where the Group is a Lessee

The Group, as lessee, entered into certain operating lease agreements with the minimum lease commitments under these agreements are as follows:

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
Within one year	1,052,541,751,638	647,834,849,856
After one year but not more than five years	2,960,626,326,406	1,985,016,686,139
More than five years	6,347,223,548,146	5,744,585,973,599
<b>TOTAL</b>	<b>10,360,391,626,190</b>	<b>8,377,437,509,594</b>

### Other Commitments

#### Commitment under the Contract to Purchase Shares of VEFAC JSC

According to the Share Transfer Contract for strategic investor signed between the Company and VEFAC One Member LLC dated 13 March 2015, the Company committed to raising 100% financing sources for the development of National Exhibition Center Project following the approved master plan.

#### Commitment under the Contract to Purchase Shares of Berjaya VFC LLC

According to the capital transfer contract between Vinhomes JSC, a subsidiary, and a corporate counterparty signed on 25 May 2018, Vinhomes JSC and Can Gio JSC commit to purchasing 32.5% charter capital of Berjaya VFC LLC. The remaining commitment of this contract as at 31 December 2018 is VND503.7 billion.

#### Commitment Related to the Business Co-operation for a Potential Real-estate Project in Hanoi

Under the business co-operation contract dated 23 November 2017 between Royal City JSC and a corporate counterparty. Royal City JSC commits to contributing 100% investment capital in a potential real-estate project in Hanoi. The total estimated investment capital is VND790 billion. The remaining commitment of this agreement as at 31 December 2018 is VND782 billion.

#### Commitment on Capital Contribution to Establish a Jointly Controlled Entity of Vinfast LLC

On 2 November 2018, Vinfast LLC, a subsidiary, signed a joint co-operation contract with a corporate counterparty to establish the Vinfast-An Phat Plastic Auto Part Company Limited. Accordingly, the total charter capital of this jointly controlled entity is VND420 billion, in which, Vinfast LLC commits to contributing VND210 billion. As at 31 December 2018, the remaining commitment of this contract is VND180 billion.

#### Commitment on the Partial Transfer of Vincy Ocean Park Project

On 6 September 2018, Vinhomes JSC, a subsidiary, signed a principle agreement with a corporate counterparty about transferring a part of Vincy Ocean Park project. Accordingly, Vinhomes JSC commits to transferring 2 apartment buildings of the project to this corporate counterparty with estimated consideration of VND1,674.5 billion.

#### Commitments Related to Business Cooperation and Leasing Contracts of South Vincom Retail LLC

Under the business co-operation contract and lease contracts of a number of shopping malls between South Vincom Retail LLC, a subsidiary, and corporate counterparties in Dong Nai and Ho Chi Minh City, South Vincom Retail LLC commits to transferring buildings and fixed equipment attached to the existing structures to the lessors or these counterparties without any additional condition at the end of contract terms.

#### Guarantee the Performance of Contractual Obligations for Vinpearl JSC

According to the agreement to issue preference shares, ordinary shares and some other agreements among Vinpearl JSC and Continental Pacific Company, the Company and a subsidiary use a number of shares of Vincom Retail JSC as a collateral to guarantee that Vinpearl JSC fulfills its obligations under transaction documents and that its founders and other partner companies fulfill their obligations related to sell options to founders and partner companies signed with Continental Pacific Company.

#### Commitment to Transferring a Certain Part of Vincom Ba Trieu Tower A&B

On 31 July 2006, the Company had transferred certain parts of the Vincom City Towers to a corporate counterparty. According to the Transfer Agreement, the Group has committed to transferring the ownership of the following investment properties to this corporate counterparty on 20 July 2052:

- The ownership of half of the commercial area (from 1st floor to 6th floor of Vincom City Towers (the "towers"), except for the reception and elevator waiting area of 160m<sup>2</sup> on the 1st floor); and
- The ownership of half of the basement 1 and basement 2 of the towers.

#### Commitments under Interest Support Agreements to Buyers of Apartments, Villas at the Group's Projects

According to three-party interest support agreements among the investors, buyers of the inventory properties of the Group's projects and certain banks, the investors commit to supporting the buyers in settling the interest in committed period in accordance with loan contracts signed between buyers and these banks.

#### Commitments Related to Program of Management Services and Villas Rental

The Group provided management and leasing services to customers who bought villas and condotels at real-estate projects of Vinpearl JSC and South Vincom Retail LLC. Accordingly, for the first 10 years from the date of villas being handed over and for the first 5 years from the date of the condotels being handed over, customers are guaranteed by these entities to receive a higher amount between:

- 8% to 10% per annum on the total price of the sale contract or 13.33% per annum on the total price of sale contract under circumstances where clients do not receive committed profit during the first 3 years; and
- 85% on the annual leasing income from the sublease of the villas and condotels to third parties.

## 40. Segment Information

For the management purpose, the operating businesses are organised and managed separately according to the nature of the products and services provided, and consist of business segments as follows:

- Sales of inventory properties: including developing and trading apartments and villas at real estate projects of the Group as well as other investment activities in real estate sector;
- Leasing investment properties and related services: including leasing of office and retail areas and rendering related services at investment properties owned by the Group;
- Hospitality, entertainment and related services: including provision of hotel and related services at the hotels and resorts owned by the Group;
- Health care and related services: including provision of health care and related services at Vinmec International General Hospitals;
- Education and related services: including provision of education and related services at Vinschool system of the Group;
- Retail services: including provision of retailing and supermarket, convenience stores; fashion showrooms;

- Manufacturing activities: including manufacturing and trading automotive vehicles, mobile phones and other related products; and
- Others: including provision of construction services, security services, cleaning services, technical services, logistics services, agriculture and other services.

The Group monitors each segment's performance for the purpose of making decisions on resource allocation and performance assessment. The performance of each segment is assessed based on profit and loss and is determined in a consistent manner with the Group's profit and loss on the consolidated financial statements. However, the Group's financing activities (including financial expenses and financial revenue) are monitored on a centralised basis and not allocated to segment.

Transaction price between segments are determined on the basis of the same contractual agreement as transactions with third parties. Revenue, costs and profit/loss of the segment include transactions between segments. These transactions are eliminated in the consolidated financial statements.



Vinhomes Marina Hai Phong

The following tables present revenue and profit and certain asset and liability information regarding the Group's business segment as at 31 December 2018 and for the year then ended:

Currency: VND

	SALE OF INVENTORY PROPERTIES	LEASING INVESTMENT PROPERTIES AND RELATED SERVICES	HOSPITALITY, ENTERTAINMENT AND OTHER SERVICES	HEALTH CARE AND RELATED SERVICES	EDUCATION AND RELATED SERVICES	RETAIL SERVICES	MANUFACTURING ACTIVITIES	OTHERS	ADJUSTMENT AND ELIMINATION	TOTAL
<b>Net revenue</b>										
Net sale to external customers	83,271,632,293,427	5,558,630,886,792	7,366,495,606,924	2,630,636,981,520	1,449,884,662,668	19,325,679,951,857	556,462,126,179	1,734,977,911,737	-	121,894,400,421,104
Net inter-segment sales	-	1,749,773,860,659	94,630,745,456	73,855,240,787	-	1,931,529,780,037	22,640,143,322	6,089,478,152,359	(9,961,907,922,620)	-
<b>Net total revenue</b>	<b>83,271,632,293,427</b>	<b>7,308,404,747,451</b>	<b>7,461,126,352,380</b>	<b>2,704,492,222,307</b>	<b>1,449,884,662,668</b>	<b>21,257,209,731,894</b>	<b>579,102,269,501</b>	<b>7,824,456,064,096</b>	<b>(9,961,907,922,620)</b>	<b>121,894,400,421,104</b>
<b>Results</b>										
Depreciation and amortisation	933,645,655,572	1,058,728,740,739	1,561,117,826,823	512,070,952,262	98,407,690,850	749,543,249,992	52,333,828,311	140,960,855,106	-	5,106,808,799,655
Share of profit/(loss) of associates and jointly controlled entity	-	-	(467,767,470,024)	-	-	1,047,648,111	-	41,800,975,403	-	(424,918,846,510)
<b>Segment profit/(loss) before tax</b>	<b>19,765,640,055,523</b>	<b>3,084,115,666,880</b>	<b>(3,780,726,022,654)</b>	<b>(1,283,900,265,948)</b>	<b>(151,376,274,400)</b>	<b>(5,120,526,875,788)</b>	<b>(1,056,606,529,798)</b>	<b>189,508,275,911</b>	<b>(861,913,669,038)</b>	<b>10,784,214,360,688</b>
<b>Unallocated income/ (expenses)</b>										<b>3,069,423,289,720</b>
<b>Assets</b>										
Investment in associates	-	-	1,919,308,254,405	-	-	48,835,912,012	30,000,000,000	548,241,587,868	-	2,546,385,754,285
Capital expenditure	1,073,534,883,831	5,569,838,532,817	11,199,233,016,231	1,774,892,920,989	1,078,936,792,363	751,593,420,343	30,539,631,150,221	561,802,842,596	-	52,549,463,559,391
<b>Segment assets</b>	<b>106,444,269,097,304</b>	<b>37,872,671,930,066</b>	<b>37,554,969,301,175</b>	<b>8,120,491,267,696</b>	<b>3,958,521,769,243</b>	<b>16,134,595,959,564</b>	<b>46,656,892,851,722</b>	<b>5,598,693,752,562</b>	<b>-</b>	<b>262,341,105,929,332</b>
<b>Unallocated assets</b>										<b>25,633,070,876,477</b>
<b>Segment liabilities</b>	<b>51,636,458,120,392</b>	<b>2,139,789,834,948</b>	<b>7,363,697,081,927</b>	<b>552,280,054,307</b>	<b>1,028,839,066,294</b>	<b>4,139,090,990,068</b>	<b>8,146,887,268,872</b>	<b>4,664,018,065,122</b>	<b>-</b>	<b>79,671,060,481,930</b>
<b>Unallocated liabilities</b>										<b>109,289,401,644,530</b>

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segment as at 31 December 2017 and for the year then ended (restated):

Currency: VND

	SALE OF INVENTORY PROPERTIES	LEASING INVESTMENT PROPERTIES AND RELATED SERVICES	HOSPITALITY, ENTERTAINMENT AND OTHER SERVICES	HEALTH CARE AND RELATED SERVICES	EDUCATION AND RELATED SERVICES	RETAIL SERVICES	MANUFACTURING ACTIVITIES	OTHERS	ADJUSTMENT AND ELIMINATION	TOTAL
<b>Net revenue</b>										
Net sale to external customers	62,481,688,023,505	4,409,827,940,217	5,455,403,903,960	1,852,289,531,525	1,012,609,580,119	13,052,677,844,258	-	1,085,551,774,329	-	89,350,048,597,913
Net inter-segment sales	548,764,247,918	1,474,537,360,971	1,054,724,896,494	31,659,327,222	-	1,359,624,437,507	-	8,172,751,670,233	(12,642,061,940,345)	-
<b>Net total revenue</b>	<b>63,030,452,271,423</b>	<b>5,884,365,301,188</b>	<b>6,510,128,800,454</b>	<b>1,883,948,858,747</b>	<b>1,012,609,580,119</b>	<b>14,412,302,281,765</b>	<b>-</b>	<b>9,258,303,444,562</b>	<b>(12,642,061,940,345)</b>	<b>89,350,048,597,913</b>
<b>Results</b>										
Depreciation and amortisation	757,697,321,420	927,956,243,923	943,853,653,447	390,765,326,657	40,922,158,020	816,842,728,653	60,026,528	107,335,808,891	-	3,985,433,267,539
Share of profit/(loss) of associates	-	-	(9,037,187,612)	-	-	134,159,176	-	53,303,956,033	-	44,400,927,597
<b>Segment profit/(loss) before tax</b>	<b>17,360,186,831,131</b>	<b>2,554,188,726,544</b>	<b>(2,377,301,109,883)</b>	<b>(741,969,569,616)</b>	<b>69,207,829,362</b>	<b>(3,797,684,195,783)</b>	<b>(111,558,768,895)</b>	<b>542,687,223,235</b>	<b>(1,633,418,245,887)</b>	<b>11,864,338,720,208</b>
<b>Unallocated income/ (expenses)</b>										(2,750,057,241,632)
Assets										
Investment in associates	-	-	2,387,075,724,427	-	-	47,788,263,901	-	4,760,612,467	-	2,439,624,600,795
<b>Capital expenditure</b>	<b>3,476,763,918,001</b>	<b>787,855,737,487</b>	<b>7,345,785,735,189</b>	<b>2,368,688,105,376</b>	<b>1,650,700,502,711</b>	<b>404,446,859,528</b>	<b>685,023,176,672</b>	<b>1,260,294,697,698</b>	<b>-</b>	<b>17,979,558,732,662</b>
<b>Segment assets</b>	<b>106,130,151,659,516</b>	<b>32,629,148,834,227</b>	<b>27,005,847,457,774</b>	<b>7,529,049,834,746</b>	<b>2,114,086,629,622</b>	<b>11,331,605,250,245</b>	<b>2,176,570,887,671</b>	<b>4,819,569,831,027</b>	<b>-</b>	<b>193,736,030,384,828</b>
<b>Unallocated assets</b>										<b>20,056,026,599,769</b>
<b>Segment liabilities</b>	<b>86,286,947,713,141</b>	<b>1,479,287,907,326</b>	<b>9,286,962,365,169</b>	<b>746,880,093,451</b>	<b>705,415,779,608</b>	<b>2,608,907,630,168</b>	<b>154,007,324,851</b>	<b>1,273,913,584,259</b>	<b>-</b>	<b>102,542,322,397,973</b>
<b>Unallocated liabilities</b>										<b>58,692,724,408,969</b>



## 41. Additional Information Regarding to the Consolidated Cash Flow Statement

Currency: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>Significant non-cash transactions that will have impact on the cash flow statement in the future:</b>		
Increase in owner's equity from conversion of convertible loans and bonds (Note 29.1)	-	451,256,814,009
Stock dividend declared (Note 29.1)	5,539,132,760,000	-
Acquisition of other company's shares by issuing shares	1,648,224,082,810	-
Offset obligations between financing activities and investing activities	-	1,124,000,000,000
<b>Actual cash received for the year:</b>		
Cash received from normal loan agreements	66,379,476,864,660	14,631,953,450,347
Cash received from issuance of bonds	20,324,421,444,781	16,072,927,627,127
Cash received from issuance of exchangeable bonds	10,060,202,000,000	-
<b>Actual cash payment for the year:</b>		
Cash payment for normal loan agreements	(38,517,115,721,129)	(8,182,448,989,518)
Cash payment for principal of bonds	(4,207,584,440,749)	(12,950,000,000,000)

## 42. Off Balance Sheet Items

Details of foreign currencies:

Currency: VND

	ENDING BALANCE	BEGINNING BALANCE
<b>Foreign currencies:</b>		
• United State dollar	81,442,888	7,590,475
• Australian dollar	4,050	2,425
• Singapore dollar	100	56
• Hong Kong dollar	1,000	50
• Euro	6	23,175
• Korean Won	67,000	230,000
• Japanese Yen	414,000	57,000
• Thai Baht	8,920	7,820
• Sterling	440	-

Details of overdue receivables which have been written off as management assesses that these receivables are irrecoverable:

Currency: VND

DEBTOR	ENDING BALANCE		BEGINNING BALANCE	
	Cost	Recoverable amount	Cost	Recoverable amount
Ocean Group JSC	22,000,000,000	22,000,000,000	22,000,000,000	-
Ocean Thang Long JSC	41,098,537,541	41,098,537,541	41,098,537,541	41,098,537,541
Trang Tien – Nha Trang Trading and Tourist Company Limited	14,452,509,589	14,452,509,589	14,452,509,589	14,452,509,589
Topcare Investment and Trading Company Limited	10,468,046,036	10,468,046,036	10,468,046,036	10,468,046,036
Others	14,783,309,610	14,783,309,610	3,468,007,172	3,468,007,172

## 43. Events After the Balance Sheet Date

Except for the events after the balance sheet date as presented in other notes of the consolidated financial statements, the Group also has following events after the balance sheet date:

On 2 January 2019, Vinhomes JSC, a subsidiary, signed a deposit agreement with a corporate counterparty to transfer 51% shares of Phat Loc LLC with consideration of VND561 billion.

On 11 January 2019, the Board of Directors of the Company approved the Resolution No. 02/2019/QĐ-HDQT-VINGROUP on establishment of VINDIGIX JSC with charter capital of VND300 billion, in which 80% charter capital is contributed by the Company.

In January 2019, Thang Long Vietnam Auto Service and Trading Joint Stock Company was merged into Vinfast Service LLC, a subsidiary of the Group.

In January and February 2019, Vinhomes JSC, a subsidiary, signed a capital transfer contract to transfer 97.9% equity interest in Berjaya VIUT LLC and a conditional repurchase contract to repurchase this capital. Accordingly, considerations of these transactions are equivalent to par value of the transferred capital.

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

On 28 February 2019, VinTech JSC, a subsidiary, acquired 51% voting right in Mundo Reader LLC through an acquisition of newly issued capital and transfer from other equity holders with total consideration of EUR35.7 million.

In March 2019, the Company's General Shareholders approved a private offer of shares with a maximum number of shares of 250,000,000 and the specific price will be decided by the Board of Directors. These shares will be restricted to transfer within one year from the date of completion of the offering and existing shareholders may not exercise the priority right to purchase.

In March 2019, Vinmec JSC, a subsidiary, issued a loan with Deutsche Bank AG - Singapore branch and other international banks with a total amount of USD300 million which has term of three years.

In March 2019, the Company issued bonds at par value of VND1,000 billion, due in 2021, which bear interests at rate of 10% for the first year, and at the rate of 4% per annum plus average 12-month interest paid-in-arrears VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, Bank for Investment and Development of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Vietnam Technology and Commercial Joint Stock Bank.



**Van Thi Hai Ha**

Preparer

27 March 2019



**Nguyen Thi Thu Hien**

Chief Accountant



**Mai Huong Noi**

Deputy Chief Executive Officer

## APPENDIX 1

### List of Subsidiaries as at 31 December 2018

NO.	FULL NAME	SHORT NAME	VOTING RIGHT <sup>(1)</sup> (%)	EQUITY INTERES (%)	REGISTERED OFFICE'S ADDRESS	PRINCIPAL ACTIVITIES
1	<b>Vincom Retail JSC</b>	Vincom Retail JSC	58.87	56.93	Vinhomes Riverside <sup>(1)</sup>	Investing, developing and trading real estate properties and leasing real estate properties
2	<b>South Vincom Retail LLC</b>	South Vincom Retail LLC	100	56.93	No.72, Le Thanh Ton street and No.45A Ly Tu Trong street, Ben Nghe ward, district 1, Ho Chi Minh city	Investing, developing and trading real estate properties and leasing real estate properties
3	<b>North Vincom Retail LLC</b>	North Vincom Retail LLC	100	56.93	No.72A, Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi	Investing, developing and trading real estate properties and leasing real estate properties
4	<b>Suoi Hoa Urban Development and Investment JSC</b>	Suoi Hoa JSC	97.27	55.38	Km1 + 200, Tran Hung Dao street, Suoi Hoa ward, Bac Ninh city, Bac Ninh province	Investing, developing and trading real estate properties
5	<b>Times Trading Investment and Development One Member LLC</b>	Times Trading LLC	100	100	No.72, Le Thanh Ton street and No.45A Ly Tu Trong street, Ben Nghe ward, district 1, Ho Chi Minh city	Leasing real estate properties
6	<b>Royal City Real Estate Development &amp; Investment JSC</b>	Royal City JSC	97.85	79.43	No.72A, Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi	Investing, developing and trading real estate properties
7	<b>Vinhomes JSC</b>	Vinhomes JSC	73.78	72.31	Vinhomes Times City <sup>(4)</sup>	<ul style="list-style-type: none"> <li>Investing, developing and trading real estate properties</li> <li>Leasing office, apartments and rendering real estate management services</li> <li>Residential and civil constructions</li> <li>Architecture activities and technical consultancy</li> </ul>
8	<b>Saidong Urban Development and Investment JSC</b>	Sai Dong JSC	94	94	Vinhomes Riverside <sup>(1)</sup>	Investing, developing and trading real estate properties
9	<b>Xavinco Land JSC</b>	Xavinco JSC	96.44	96.23	Vincom Center Ba Trieu <sup>(3)</sup>	Investing, developing and trading real estate properties

NO.	FULL NAME	SHORT NAME	VOTING RIGHT <sup>(1)</sup> (%)	EQUITY INTERES (%)	REGISTERED OFFICE'S ADDRESS	PRINCIPAL ACTIVITIES
10	Xalivico LLC	Xalivico LLC	74	71.21	No.233 Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi	Investing, developing and trading real estate properties
11	Vietnam Exhibition Fair Center JSC	VEFAC JSC	83.32	83.32	No.148 Giang Vo street, Giang Vo ward, Ba Dinh district, Hanoi	Investing, developing and trading real estate properties
12	Southern Star Urban Development and Trading Investment JSC	Southern Star JSC	100	99.65	Vincom Center Dong Khoi <sup>(2)</sup>	Investing, developing and trading real estate properties
13	Metropolis Hanoi LLC	Metropolis Hanoi LLC	100	72.31	HH land area, Pham Hung street, Nam Tu Liem district, Hanoi	Investing, developing and trading real estate properties
14	Viet Nam Books JSC	Savina JSC	65.33	65.33	No.44, Trang Tien street, Hoan Kiem district, Hanoi	Trading books
15	Can Gio Tourist City Corporation	Can Gio JSC	99.89	72.23	Vincom Center Dong Khoi <sup>(2)</sup>	Investing, developing and trading real estate properties
16	Central Park Development LLC	Central Park LLC	100	94	Room 900, 9th floor, IPH Tower, No.241 Xuan Thuy street, Dich Vong Hau ward, Cau Giay district, Hanoi	Investing, developing and trading real estate properties
17	Ecology Development and Investment JSC	Ecology JSC	100	72.56	Vincom Center Ba Trieu <sup>(3)</sup>	Investing, developing and trading real estate properties
18	Gia Lam Urban Development and Investment LLC	Gia Lam LLC	85	61.67	Vinhomes Riverside <sup>(1)</sup>	Investing, developing and trading real estate properties
19	Vietnam Investment and Consulting Investment JSC	Vietnam Investment JSC	70	50.9	Vincom Center Ba Trieu <sup>(3)</sup>	Investing, developing and trading real estate properties
20	Tay Tang Long Real Estate LLC	Tay Tang Long LLC	90	65.08	Vincom Center Dong Khoi <sup>(2)</sup>	Investing, developing and trading real estate properties
21	Thang Long Real Estate Trading Investment JSC	Thang Long Real Estate JSC	73	73	Vinhomes Riverside <sup>(1)</sup>	Investing, developing and trading real estate properties
22	Prime Land Real Estate Development JSC	Prime Land JSC	100	73.87	Vinhomes Riverside <sup>(1)</sup>	Investing, developing and trading real estate properties

NO.	FULL NAME	SHORT NAME	VOTING RIGHT <sup>(1)</sup> (%)	EQUITY INTERES (%)	REGISTERED OFFICE'S ADDRESS	PRINCIPAL ACTIVITIES
23	Berjaya Vietnam International University Town LLC	Berjaya VIUT LLC	97.9	70.79	20A Floor, Vincom Center Dong Khoi <sup>(2)</sup>	Investing, developing and trading real estate properties
24	Lang Van Development and Investment JSC	Lang Van JSC	100	73.12	No.07, Truong Sa street, Hoa Hai ward, Ngu Hanh Son district, Da Nang city	Investing, developing and trading real estate properties
25	Berjaya Vietnam Financial Centre LLC	Berjaya VFC LLC	67.5	48.8	20A Floor, Vincom Center Dong Khoi <sup>(2)</sup>	Investing, developing and trading real estate properties
26	South Hanoi Urban Development and Investment JSC	South Hanoi LLC	100	100	Vinhomes Riverside <sup>(1)</sup>	Investing, developing and trading real estate properties
27	Millenium Trading Investment and Development LLC	Millenium Trading LLC	100	72.31	20A Floor, Vincom Center Dong Khoi <sup>(2)</sup>	Investing, developing and trading real estate properties and leasing real estate properties
28	Thai Son Development and Investment JSC	Thai Son JSC	100	72.31	No.290, Nam Ky Khoi Nghia, ward 8, district 3, Ho Chi Minh city	Investing, developing and trading real estate properties
29	Dat Rong Vang Development and Investment JSC	Dat Rong Vang JSC	100	72.31	No.290, Nam Ky Khoi Nghia, ward 8, district 3, Ho Chi Minh city	Investing, developing and trading real estate properties
30	West Hanoi Urban Development and Investment JSC	West Hanoi JSC	100	72.31	Room 10, Floor 2, T4 Building, Times City, No. 458 Minh Khai, Vinh Tuy ward, Hai Ba Trung district, Hanoi	Investing, developing and trading real estate properties
31	GS Cu Chi Development JSC	GS Cu Chi JSC	100	72.23	No.60A Truong Son street, ward 2, Tan Binh district, Ho Chi Minh city	Investing, developing and trading real estate properties
32	Ha Thanh Real Estate Development and Investment JSC	Ha Thanh JSC	100	95.69	Vinhomes Riverside <sup>(1)</sup>	Investing, developing and trading real estate properties
33	Phuc An Tourism Development and Investment JSC	Phuc An JSC	100	92.95	Vinhomes Riverside <sup>(1)</sup>	Rendering short-term accommodation services

NO.	FULL NAME	SHORT NAME	VOTING RIGHT <sup>(*)</sup> (%)	EQUITY INTERES (%)	REGISTERED OFFICE'S ADDRESS	PRINCIPAL ACTIVITIES
34	<b>An Think Trading and Commercial Development JSC</b>	An Think JSC	100	76.44	20A Floor, Vincom Center Dong Khoi <sup>(2)</sup>	Investing, developing and trading real estate properties
35	<b>Vinpearl JSC</b>	Vinpearl JSC	100	93.57	Hon Tre island, Vinh Nguyen ward, Nha Trang city, Khanh Hoa province	Investing, developing and trading hospitality services
36	<b>Nha Trang Port Joint Stock Company</b>	Nha Trang Port JSC	91.94	86.03	No.5 Tran Phu, Vinh Nguyen ward, Nha Trang city, Khanh Hoa province	Loading goods, leasing warehouse
37	<b>Co.Co International Co., Ltd</b>	Co.Co International Ltd	69.99	65.49	No.14 Thuy Khue street, Thuy Khue ward, Tay Ho district, Hanoi	Investing, developing and trading real estate properties
38	<b>Vincommerce General Commerce Services JSC</b>	Vincommerce JSC	64.26	64.27	Vincom Center Dong Khoi <sup>(2)</sup>	Retails in department stores
39	<b>Vinpro business and trading service JSC</b>	Vinpro JSC	64.63	64.29	Vinhomes Riverside <sup>(1)</sup>	Retails in audio-visual equipment, computers, software and telecommunication equipment
40	<b>VINDFS JSC</b>	VINDFS JSC	80	74.86	Cell CC-1 (Subdivision of KT-A), An Vien beach urban area, Vinh Nguyen ward, Nha Trang city, Khanh Hoa province	Retailing other new goods in specialized stores
41	<b>Vinmec International General Hospital JSC</b>	Vinmec JSC	100	100	Vinhomes Times City <sup>(4)</sup>	Healthcare, medical and related services
42	<b>Vinschool One Member LLC</b>	Vinschool LLC	100	100	Vinhomes Riverside <sup>(1)</sup>	Rendering education services
43	<b>VinAcademy Education and Training LLC</b>	VinAcademy LLC	100	99.64	Vinhomes Riverside <sup>(1)</sup>	Rendering education services
44	<b>Vincom Security Service LLC</b>	Vincom Security LLC	100	100	Vinhomes Riverside <sup>(1)</sup>	Rendering security services
45	<b>VinEco Agricultural Investment Development and Production LLC</b>	VinEco LLC	100	95.8	Vinhomes Riverside <sup>(1)</sup>	Producing and trading agricultural produces

NO.	FULL NAME	SHORT NAME	VOTING RIGHT <sup>(*)</sup> (%)	EQUITY INTERES (%)	REGISTERED OFFICE'S ADDRESS	PRINCIPAL ACTIVITIES
46	<b>VinEco - Tam Dao Agricultural Investment Development and production LLC</b>	VinEco Tam Dao LLC	89.02	85.29	Co Quan commune, Gia Khanh town, Binh Xuyen district, Vinh Phuc province	Producing and trading agricultural produces
47	<b>Dong Nai - VinEco Agriculture LLC</b>	Dong Nai - VinEco LLC	77.5	74.25	Km13, Highway 51, Long Khanh 3 hamlet, Tam Phuoc commune, Bien Hoa city, Dong Nai province	Producing and trading agricultural produces
48	<b>VINECO SAGRI Agriculture LLC</b>	VINECO SAGRI LLC	64	61.31	No.38 Pham Van Coi, Pham Van Coi commune, Cu Chi district, Ho Chi Minh city	Producing and trading agricultural produces
49	<b>Vincom General Service Trading LLC</b>	Vincom Service LLC	100	99.64	Vinhomes Riverside <sup>(1)</sup>	Providing information technology, technology, sanitation, environmental landscape, logistic.
50	<b>Van Phat Tourist and Seafood JSC</b>	Van Phat JSC	90	86.22	Dung K'Si Hamlet, Da Chais commune, Lac Duong district, Lam Dong province	Producing and trading agricultural produces
51	<b>An Phat Trading and Commercial Development LLC</b>	An Phat LLC	100	100	20A Floor, Vincom Center Dong Khoi <sup>(2)</sup>	Investing, developing and trading real estate properties
52	<b>VINFAST producing and trading LLC</b>	Vinfast LLC	50.8	41.9	Dinh Vu - Cat Hai economic zone, Cat Hai island, Cat Hai town, Cat Hai district, Hai Phong city	Producing of motor vehicle
53	<b>VINFAST Service and Trading LLC</b>	Vinfast Trading LLC	80	33.52	Vinhomes Riverside <sup>(1)</sup>	Maintenance and repair of automotive and other motor vehicles
54	<b>General Motors Vietnam LLC</b>	General Motors Viet Nam LLC	100	41.9	Ngoc Hoi street, Tu Hiep commune, Thanh Tri district, Ha Noi city	Producing of motor vehicle
55	<b>Vinfast Germany GmbH</b>	Vinfast Germany GmbH	100	41.9	106ResCowork04, Frankfurt, Alte Oper, Bockenheimer Landstraße 17/19, 60325 Frankfurt am Main, Germany	Trading, import and export of equipment, components and spare parts for motorbikes and related goods

NO.	FULL NAME	SHORT NAME	VOTING RIGHT <sup>(*)</sup> (%)	EQUITY INTERES (%)	REGISTERED OFFICE'S ADDRESS	PRINCIPAL ACTIVITIES
56	VINFA JSC	VINFA JSC	96.39	96.39	Vinhomes Riverside <sup>(1)</sup>	Retails in medicine
57	Vinsmart Researching and Producing JSC	Vinsmart JSC	72.03	68.46	Dinh Vu - Cat Hai economic zone, Cat Hai island, Cat Hai town, Cat Hai district, Hai Phong city	Producing communication equipment
58	VinTech Technology Development JSC	Vintech JSC	80	80	Vinhomes Riverside <sup>(1)</sup>	Research and develop experimental natural science and technology
59	VinTech Korea Research	VinTech Korea Research	100	80	209 559 Dalseo-Daero, Sindang-dong, Dalseo-gu, Daegu, Korea	Research and develop experimental natural science and technology
60	VinID JSC	VinID JSC	80	80	Vinhomes Riverside <sup>(1)</sup>	Other monetary intermediation activities
61	People Care JSC	People Care JSC	70	64	No.9, alley 29 Lang Ha, Thanh Cong ward, Ba Dinh district, Ha Noi city	Other monetary intermediation activities
62	Grand Prix Viet Nam LLC	Grand Prix LLC	100	41.9	Vinhomes Riverside <sup>(1)</sup>	Organize and promote events, exhibitions, conferences and seminars
63	VINCSS Internet Security Services LLC	VINCSS LLC	100	100	Vinhomes Riverside <sup>(1)</sup>	Scientific research and technology development
64	VinConnect Solutions and Technology Services LLC	VinConnect LLC	100	100	Vinhomes Riverside <sup>(1)</sup>	Activities of information technology services and other services related to computers
65	HMS Software Production and Trading LLC	HMS LLC	100	100	20A Floor, Vincom Center Dong Khoi <sup>(2)</sup>	Software production
66	Vingroup Ventures JSC	Vingroup Ventures JSC	70	70	Vinhomes Riverside <sup>(1)</sup>	Consultancy and investment activities
67	Phu Gia Real Estate Trading LLC <sup>(**)</sup>	Phu Gia LLC	98	71.1	No.63 Hang Ga street, Hang Bo ward, Hoan Kiem district, Hanoi	Investing, developing and trading real estate properties

(1) Full registered office address: No.7, Bang Lang 1 street, Vinhomes Riverside Eco-urban area, Viet Hung ward, Long Bien district, Hanoi

(2) Full registered office address: No. 72 Le Thanh Ton street, Ben Nghe ward, district 1, Ho Chi Minh City

(3) Full registered office address: No. 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi

(4) Full registered office address: No. 458 Minh Khai street, Vinh Tuy ward, Hai Ba Trung district, Hanoi

(\*) The voting right is also the ownership of the Group in these subsidiaries.

(\*\*) This subsidiary is under the process of dissolution.





SHAPING THE FUTURE

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