

**Code** VIC  
**Company name** Vingroup Joint Stock Company  
**Date** 08/31/2020  
**Subject** Explanation for the 2020 semi-annual financial statements

**Content:**

Vingroup Joint Stock Company explains the fluctuation more than 10% in the 2020 semi-annual financial statements compared to the same period of 2019 as follows:

*Unit: million dong*

| No. | Item  | First 06 months of 2020 | First 06 months of 2019 | Difference  | % increase/decrease |
|-----|---|-------------------------|-------------------------|-------------|---------------------|
| 1   | Profit after tax in the separate financial statements     | 4,019,191               | 1,580,762               | 2,438,429   | 154.3%              |
| 2   | Profit after tax in the consolidated financial statements | 1,404,540               | 3,400,732               | (1,999,192) | -58.8%              |

- The profit after tax in the separate financial statements of Vingroup Joint Stock Company for the first six months of 2020 increased 154.3% compared to the same period of 2019 mainly thanks to the following causes:
  - ✓ Gross profit decreased 529 billion dong, or 95.7%, because of the decrease in gains from real estate transfer over the same period of last year;
  - ✓ Financial income went up 5,407 billion dong, or 178.7%, mainly because of gains from the transfer of financial investments.
  - ✓ Financial expense increased 1,729 billion dong, or 130.5%, compared to the same period of last year mainly because of the increase of provision for investments in subsidiaries.
  - ✓ Administrative expense increased 473 billion dong, or 220%, compared to the

same period of 2019 mainly because of the growth of provision expense.

- The profit after tax in the consolidated financial statements of Vingroup Joint Stock Company for the first half of 2020 decreased 58.8% compared to the same period of 2019 mainly thanks to the following causes:
  - ✓ Gross profit from sales and services went down 12,156 billion dong, or 69.2%, because of the effect of Covid-19 pandemic.
  - ✓ Financial income surged 11,352 billion dong, or 262.4%, mainly because of the profit from the transfer of financial investments;
  - ✓ Financial expenses increased 2,656 billion dong, or 74.9%, mainly due to the increase of interest expenses;
  - ✓ Administrative and selling expenses saved 2,898 billion dong and 714 billion dong in turns mainly thanks to the decrease of expenses of retail sales (the Group stopped its operations in this field);
  - ✓ The current corporate income tax increased 405 billion dong because of the profit from the transfer of investments. The deferred corporate income tax also climbed 876 billion dong mainly because of the reversal of temporary differences in the period.