

Code VIC
Company name Vingroup Joint Stock Company
Date 03/30/2021
Subject Explanation for the 2020 financial statements

Content:

Vingroup Joint Stock Company explains the fluctuation more than 10% in the 2020 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	1,009,234	4,323,229	(3,313,995)	-76.7%
2	Profit after tax in the consolidated financial statements	4,545,573	7,716,613	(3,171,040)	-41.1%

- The profit after tax in the separate financial statements of Vingroup Joint Stock Company in 2020 decreased 76.7% compared to the same period of 2019 mainly due to the following causes:
 - ✓ Gross profit decreased 583 billion dong, or 82%, because of the decrease in gains from real estate transfer over the same period of last year;
 - ✓ Financial expenses increased 1,821 billion dong, or 37.9% compared to the same period of last year mainly because of the increase of provision for investments in subsidiaries.
 - ✓ Selling expenses was down 153 billion dong, or 47.5%, corresponding to the decreased in real estate income.
 - ✓ Administrative expenses increased 1,851 billion dong, or 61.1%, mainly because of the growth of provision expense.

- ✓ Current corporate income tax reduced 453 billion dong because the profit before tax decreased.
- The profit after tax in the consolidated financial statements of Vingroup Joint Stock Company for the first half of 2020 decreased 41.1% compared to the same period of 2019 mainly thanks to the following causes:
 - ✓ Gross profit decreased 20,238 billion dong, or 53.9%, because of the decrease in gross profit of retail business.
 - ✓ Financial income increased 17,068 billion dong, or 121.9% compared to the same period of last year.
 - ✓ Financial expenses increased 4,623 billion dong, or 56.5% compared to the same period of last year mainly because of the increase of borrowing interest.
 - ✓ The losses in joint-ventures and associated companies decreased 61.5% thanks to the termination of investment in associated companies in the year.
 - ✓ Selling expenses were down 6,995 billion dong because of the decrease in retail activities after the Group left this field.
 - ✓ Other losses went up 593 billion dong, +498.5%, due to contract penalty costs.
 - ✓ Current corporate income tax rose 1,996 billion dong, +24.1%, mainly because of the profit from the transfer of investments. The deferred corporate income tax increased 520 billion dong because of temporary differences.