VINGROUP JOINT STOCK COMPANY

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Hanoi, 15 May 2018

REPORT ON 2017 FINANCIAL RESULTS OF VINGROUP JOINT STOCK COMPANY

Respectfully submitted to: THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

In 2017, Vingroup Joint Stock Company ("**Vingroup**") had a successful year with encouraging key financial indicators for the financial year ended 31 December 2017, as shown in the 2017 audited consolidated financial statements as follows:

1. Assets

Vingroup's consolidated total assets increased by VND 30.3 trillion (from VND 183.5 trillion at the end of 2016 to VND 213.8 trillion as at 31 December 2017), equivalent to an increase of 17%.

Items with major changes in 2017 are shown below:

- Fixed assets and investment properties increased by VND 9.6 trillion largely due to the completion and operation of Vinpearl Hotel Ha Tinh, Vinpearl Golf Hai Phong, as well as Vinschool Central Park. Total assets also increased thanks to the opening of shopping malls such as Vincom Ha Tinh, Vincom Le Thanh Ton – Nha Trang, Vincom Vinh Long, Vincom Tra Vinh, Vincom Hau Giang, and Vincom+ Nam Long;
- Construction in progress increased VND 3.3 trillion mainly from investment in new projects such as Vinhomes Golden River, VinCity Gia Lam, Vinhomes Cau Rao;
- Inventories increased by VND 883 billion driven mostly by the properties under construction at Vinhomes Riverside – The Harmony, Vinhomes Dragon Bay;
- Short-term and long-term financial investments increased by VND 3.3 trillion because of acquisition of additional shares and capital in its affiliated companies by Vingroup and its subsidiaries and the incurrence of a 3-year term deposit of VND 1.8 trillion in its subsidiaries;
- Short-term and long term receivables increased by VND 9.2 trillion mainly due to extension of short-term loans and receivables related to the normal course of operation;
- Other current and long-term assets increased by VND 5.8 trillion due to changes in deposits held for investment in, and acquisition of potential real estate projects.

2. Consolidated borrowings and Owners' Equity

2.1. Sources of borrowings in 2017

Domestic and foreign borrowings at Vingroup and its subsidiaries reached VND 49.4 trillion as at 31 December 2017, an increase of VND 9.6 trillion compared to the previous year, equivalent to a 24% increase. Of the total borrowings, VND 18.1 trillion was short-term debt (including current portions of long-term debt) and VND 31.2 trillion long-term debt.

In 2017, the increase in borrowings was due to new borrowings of VND 31.9 trillion from banks and credit institutions during the year and repayment of VND 22.3 trillion borrowings. As at 31 December 2017, foreign currency-denominated borrowings accounted for 13% of Vingroup's total borrowings.

2.2. Net increase in Owners' Equity

- Owners' equity increased by VND 4.5 trillion from net profit for the year;

- The surplus capital increased by VND 146 billion mostly due to the gains and loss associated with the step-up acquisition of equity interest in existing subsidiaries and partial disposal of equity interest in existing subsidiaries without loss of control
- Minority interest rose by VND 419 billion mostly due to capital contribution from minority shareholders, acquisition of new subsidiaries and profit distributed to minority shareholders during the year.

3. Consolidated revenue and profit growth:

- In 2017, Vingroup reported VND 89.4 trillion of net revenue, an increase of VND 31.7 trillion, or 55% compared to 2016;
- 2017 gross profit was VND 26.6 trillion, an increase of 52% compared to that of 2016. Average gross profit margin reached 30%.
- Net profit before tax and Net profit after tax reached VND 9.1 trillion and VND 5.7 trillion respectively, representing an increase of 35% and 27% compared to 2016; and
- Total taxes payable to the State Budget (including value-added tax, corporate income tax and other taxes) were VND 9.4 trillion. VND 9.5 trillion of taxes have been paid during the year.

VINGROUP JOINT STOCK COMPANY

To:

- *As stated above;*
- *Vingroup archives.*

(signed)

NGUYEN VIET QUANG

GENERAL DIRECTOR

Note:

- *Vingroup's 2017 Financial Statements were audited by Ernst & Young Viet Nam Ltd., and are published on the Company's official website: www.vingroup.net.*