2023 ANNUAL REPORT

From Vietnam to the World

VNG

Message from CEO

Dear Esteemed Shareholders, Customers, Partners, and Employees,

In 2023, VNG demonstrated remarkable resilience, exceeding the business objectives set by the General Meeting of Shareholders. Key financial metrics, including net profit and EBITDA, showed positive growth, marking 2023 as the company's first profitable year since the COVID-19 pandemic. Early in the year, Nikkei Asia recognized VNG among the top 10 Asian companies to watch in 2023.

Our net revenue for 2023 reached VND 8,605 billion, a 10% increase compared to 2022. Notably, 25% of this revenue came from areas outside our core Game segment. The adjusted operating loss improved significantly, decreasing by 30% to VND 656 billion.

From a user perspective, VNG is proud to be a Vietnamese company offering technology and entertainment products that attract millions of users both domestically and internationally. After 20 years, VNG remains the leading game publisher and developer in Vietnam, contributing significantly to the development of the Vietnamese game industry. Zalo continues to dominate as Vietnam's leading messaging platform, enhancing features and services for business customers. Our Fintech segment has adjusted its investment strategy and recorded strong growth, with ZaloPay achieving a 27% growth in total payment volume in 2023, solidifying its position as the second-largest e-wallet in the country.

VNG Digital Business focuses on three key areas: Security, AI, and Cloud and SaaS platform products. We provide solutions and services to over 1,000 enterprise partners and actively contribute to the National Digital Transformation.

Embracing new technology waves, VNG is heavily investing in AI and leading Southeast Asia in terms of AI adoption, research, and profitability. Zalo LLM was rated 150% over GPT-3.5 in December 2023, according to the Vietnamese Multitask Language Understanding Benchmark Suite. Zalo also uses GenAI to enhance user services, with its AI Avatar application attracting 6.8 million users in 2023. The smart assistant Kiki has been installed in 600,000 cars, accessed approximately 230,000 times daily. VNGGames integrates GenAI in game development with Artian, a digital art platform using the Stable Diffusion model, reducing production time and costs by up to 50-70% and tripling efficiency in some processes. GreenNode, a new member of VNG Digital Business, became an official Nvidia Cloud Partner, gaining access to Nvidia's AI Factory and advanced AI chips. VNG aims to become a leading AI company in the country and region in terms of infrastructure, platform, and application.

Committed to a global expansion strategy, VNG is among the few Vietnamese technology companies building significant businesses internationally. In 2023, our international revenue reached VND 1,707 billion, a 33% increase from the previous year. Over the next three years, VNG aims to surpass the local market in global gaming revenue and offer all our technologies and products globally, with a strong focus on AI services. We aim to be a leading provider in Vietnam and the region.

VNG will continue to strive to become a global tech company from Vietnam, targeting the global market and persistently investing in infrastructure, platforms, and core values to keep pace with the latest technological advancements.

Le Hong Minh
Founder & CEO of VNG

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CHAPTER

01

VNG OVERVIEW & 20-YEAR JOURNEY

VNG Overview

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The Leading Technology Company in Vietnam

About VNG

Established in 2004, **VNG Corporation ("VNG") is the leading technology company in Vietnam.**
With cutting-edge, high-quality technology products, VNG serves millions of individuals and organizations in over 100 countries, driven by our mission to "Build Technologies and Grow People. From Vietnam to the World." VNG focuses on four main business areas: Game, Zalo, Fintech, and Digital Business.

Vision

VNG aims to become a global tech company from Vietnam.

Mission

Build Technologies and Grow People.
From Vietnam to the world.

Core values

- Embracing challenges
- Advancing Partnership
- Upholding Integrity

Overview

Trading Name	**VNG Corporation**
Stock Symbol	**VNZ**
Charter Capital	**VND 287,360,000,000**
Business Registration Certificate	**0303490096**
Headquarters	**Z06, Road 13, Tan Thuan Dong Ward, District 7, Ho Chi Minh City**
Phone	**(028) 39623888**
Fax	**028.39624666**
Website	**vng.com.vn**
Business Areas	**Game Zalo Fintech Digital Business**

Business Areas

Game

- VNG Games — Game Publisher
- zingplay, GALAXY — Game Development Studios

Zalo

- Zalo — Messaging App
- Online Music Platform
- BÁO MỚI — News Aggregator
- adtima — Mobile Marketing Platform
- Zalo Platform — Zalo Platform
- ZaloAI — Artificial Intelligence
- KiLM

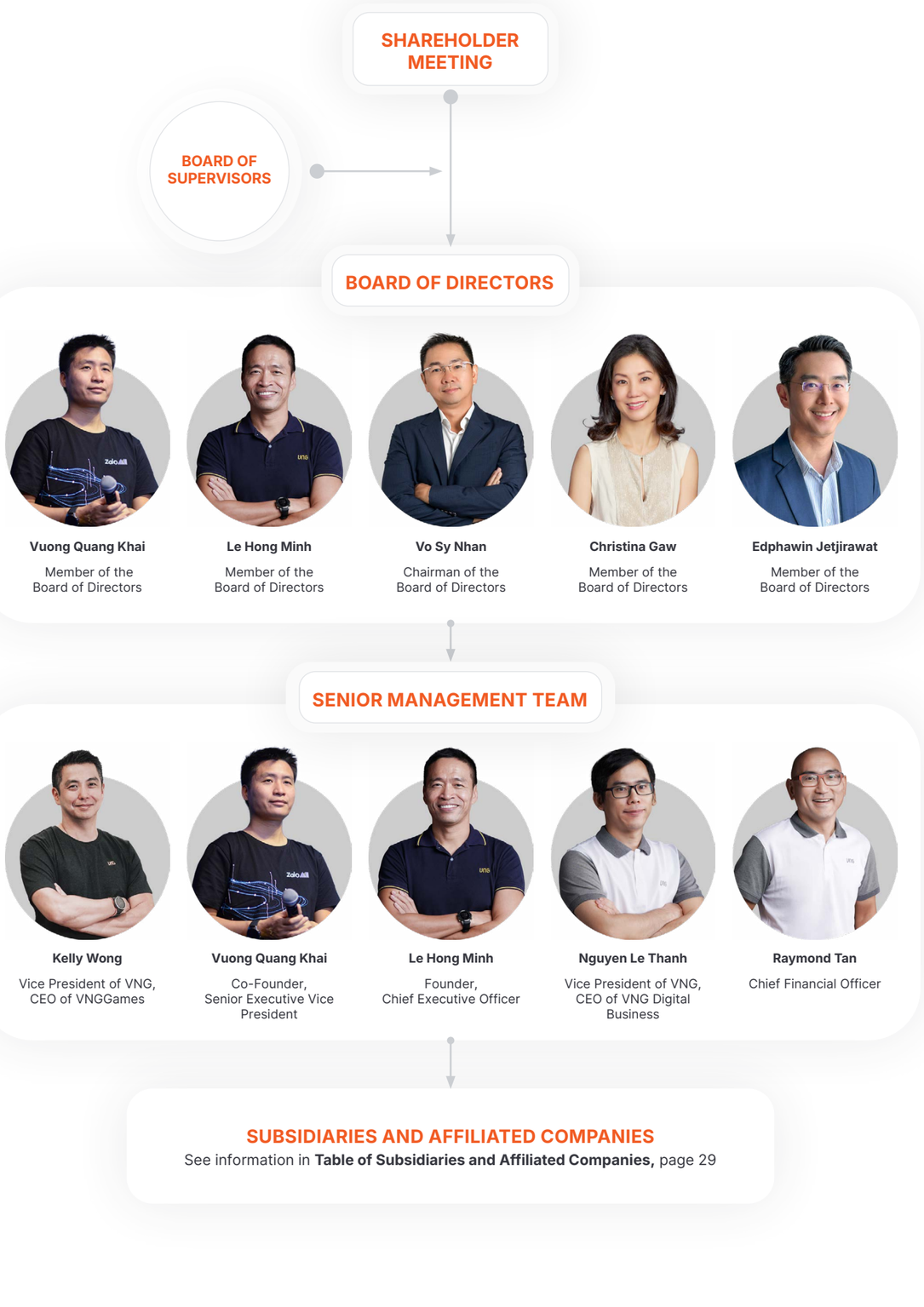
Fintech

- ZaloPay — Payment platform

Digital Business

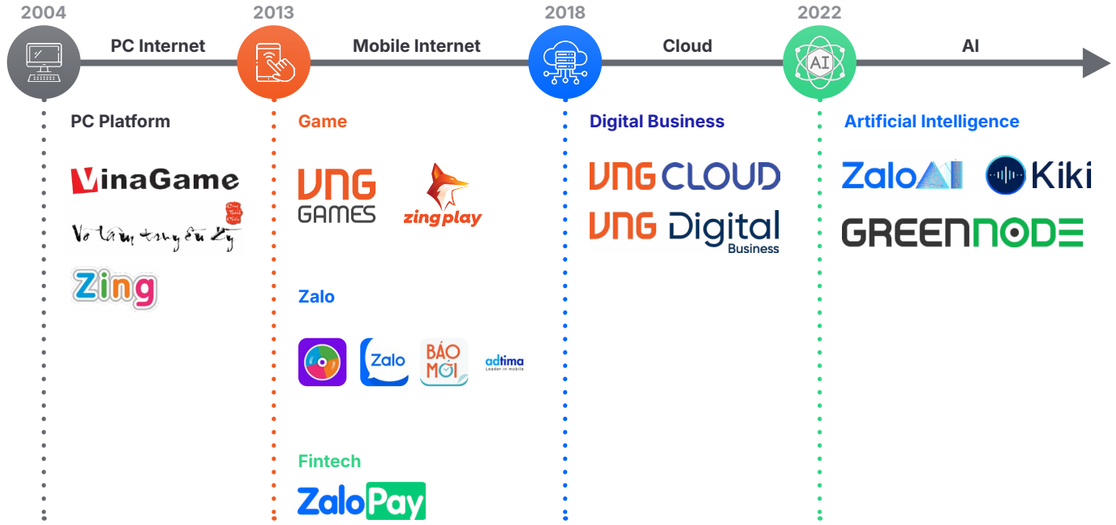
- VNG Digital Business
- VNG CLOUD — Cloud Computing services
- GREENNODE — AI Cloud
- verichains CYBERSECURITY — Security services

Corporate Structure



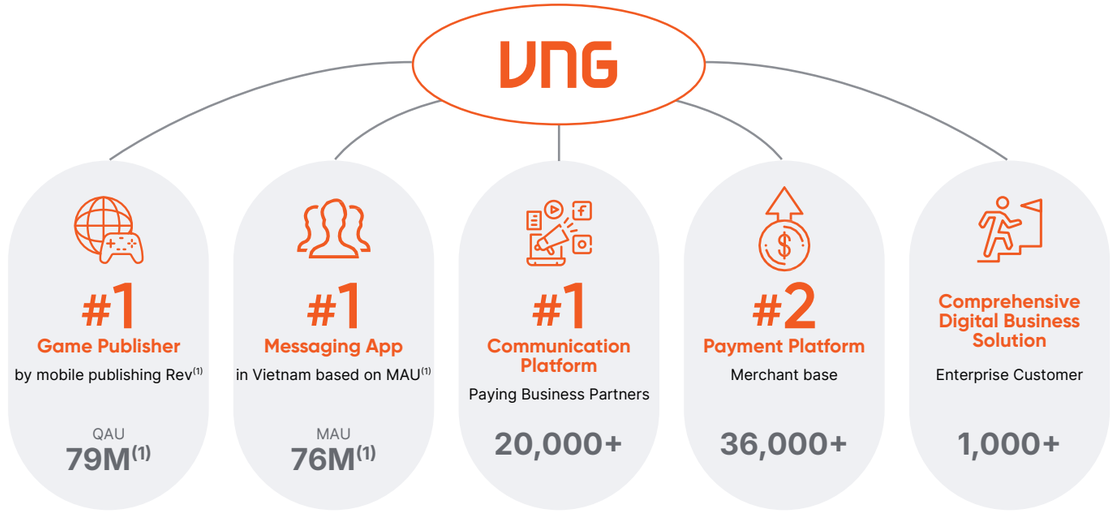
Our 20-year Journey

Spearheading Innovations in Vietnam



We are Vietnam's #1 Consumer Internet Company

The only local company competing with the world's largest technology companies.



(1) Company Infomation in 2023

Development Strategy

Business Strategy

2024 marks VNG's 20-year journey at the forefront of technological advancements, creating products that have captivated millions of users. With a clear strategic vision and unwavering determination, VNG aims to become a global tech company from Vietnam.

VNG's business strategy focuses on three key aspects: **AI - Global - Platform.**

Leading the region in AI across infrastructures, platforms & applications

VNG is one of the fastest-adopting AI businesses in Southeast Asia, leading in investment, research, deployment, and commercialization, generating revenue from AI.

Expanding global markets

Developing VNGGames and ZingPlay into global gaming companies. Over the next three years, VNG aims to surpass the local market in its global gaming revenue. Furthermore, the Company aims to make all products and services available to customers internationally.

Building scalable platforms

Committed to investing in key platforms to continuously enhance value for users and customers. Developing Zalo Mini App into a communication platform that helps businesses interact with users, and ZaloPay into a crucial digital financial platform for Vietnamese users and businesses.

VNG will also continue to promote its business areas:

Game

- Improving international business revenue to affirm its global position.
- Building professional teams that understand the culture and preferences of each market.
- Developing high-quality games that appeal to international players.

Zalo

- Zalo maintains its leadership by providing an AI-augmented customer experience.
- Staying at the forefront of research on Generative AI and Vietnamese large language models (LLM).
- Offering a comprehensive suite of solutions for customer outreach and service for business partners, institutions, and enterprises.

Fintech

- Elevating ZaloPay from an e-wallet to a superior payment application for all services and needs with diverse funding sources.
- Developing existing and new financial products to meet all financial needs, from investment and savings to consumer loans.
- Becoming a one-stop shop from payment solutions to marketing services, helping enterprises grow and enhance customer experience.

Digital Business

- Focusing on three key areas: Security, AI, and Cloud & SaaS platform products, providing solutions and services to over 1,000 enterprise customers.
- Establishing a new standard for the Vietnamese data center market, bringing VNG products and services to overseas markets through joint ventures and international cooperation.
- Bringing AI Cloud closer to businesses in Vietnam and the region, anticipating key trends in the digital economy.

Driven by a comprehensive business strategy and strategic vision, VNG strives to deliver the best values to customers, partners, and the community.

Development Strategy

Risk Governance Strategy

VNG has analyzed, evaluated, monitored, and managed risks that affect its business direction and strategy across four key risk groups: Strategic Risks, Operational Risks, Financial Risks, Policy and Legal Risks.

Strategic Risks

Operating in a constantly changing and highly competitive technology and Internet landscape, VNG faces risks such as unsuitable strategic directions and investment allocation, which can lead to missed business opportunities and ineffective competitive strategies, ultimately resulting in a loss of market share.

Mitigation Strategies

- Continuously updates on the latest trends through market research, participation in specialized conferences, and collaboration with experts.
- Organizes annual strategy conferences to discuss business directions, evaluate market conditions, and make crucial decisions.
- Cooperates with reputable partners to increase service standards, and trains and develops teams to improve expertise.

Operational Risks

VNG's information technology systems and infrastructure are critical foundations, exposing the company to various operational risks, including technical problems, cyberattacks, and changes in human resources and supply chains.

Mitigation Strategies

- Invests in IT systems, conducting regular upgrades and maintenance to ensure stability and security.
- Adopts advanced cybersecurity measures to protect IT systems and builds a high-quality workforce to ensure operational efficiency.
- Fosters long-standing collaborative relationships with partners and suppliers and implements contingency policies to minimize risks.

Financial Risks

VNG's multinational operations come with financial risks, such as foreign exchange (FX) rate fluctuations, which can impact revenue and profits when conducting business abroad.

Mitigation Strategies

- Regularly monitors FX rate fluctuations and uses forecasting tools to assess potential risks.
- Diversifies foreign currency revenue streams across various markets and customer segments to mitigate the impact of FX fluctuations.
- Implements FX hedging policies such as foreign currency options contracts or forward contracts to limit exposure to FX fluctuations.

Policy and Legal Risks

Expanding business activities internationally exposes VNG to policy and legal risks, particularly the challenges of understanding and complying with business and labor regulations, as well as cultural differences and practices of multinational partners and personnel.

Mitigation Strategies

- Regularly monitors government policies in countries where business operations are conducted.
- Proactively researches and proposes suitable solutions to stakeholders to solidify the role of IT in promoting economic growth.
- Organizes training on host country culture and laws for employees to ensure they understand and comply with relevant regulations.



CHAPTER

02

BUSINESS PERFORMANCE

Report and Assessment of the Senior Management Team

- 2023 Achievements
- Business Performance
- Financial Performance
- Sustainable Development

Assessment of the Board of Directors on the Company's Operations

Corporate Governance

Report and Assessment of Senior Management Team

2023 Achievements

Making artificial intelligence a new growth engine: By researching and integrating Generative AI and Cloud AI into its products and services, VNG continues to solidify its status as a "Technology Champion" and a pioneering force in Vietnam's tech landscape.

Positive contributions to national digital transformation: Leveraging its technological expertise and a team of leading professionals, VNG provides effective technology solutions that support regulators, businesses, and individuals, thereby fostering the country's overall development.

Maintaining a strong recovery spirit and adapting to market fluctuations: VNG remains focused on optimizing costs and streamlining operational processes to achieve sustainable growth, while also expanding its presence in international markets.

Outstanding Numbers

Business growth

Net revenue[1]

8,605 billion dong

↑10% Year-over-year (YoY)

Net operating cash flow

897 billion dong

↑11 lần Year-over-year (YoY)

Net revenue from service offerings for the foreign market[1]

1,707 billion dong

↑33% Year-over-year (YoY)

Socio-economic contribution

Contribution to the State Budget

1,107 billion dong

↑9% Year-over-year (YoY)

Connecting the government and the people

15,349 Zalo Official Accounts

↑54% Year-over-year (YoY)

1.6 billion interactions

57 million follows

Human development

Employees

3,589

Offices

13

Foreign employees

243

Employee nationalities

19

Ratio of male to female personnel

66% - 34%

Percentage of employees giving positive reviews about the company

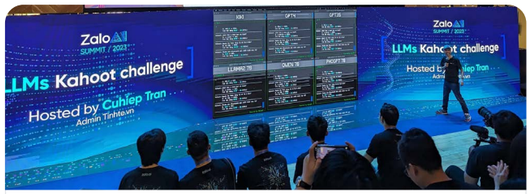
96%[2]

With unceasing efforts, VNG has realized many impressive milestones in 2023, reaffirming our position as a leading technology enterprise in Vietnam, advancing national digital transformation, and expanding our reach to the international level.

(1) Net revenue is adjusted due to changes in accounting policies in 2023

(2) According to the Great Place to Work Survey 2023

Typical Activities



Promoting AI research and development

VNG built a server cluster of 8 DGX H100 machines to train large language models (LLM), unveiling a 7-billion-parameter model that is considered to surpass GPT-3.5.



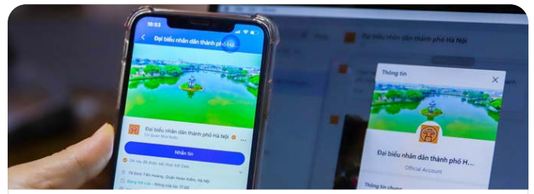
Expanding global markets

VNG opened 3 new offices in Taipei, Shanghai, and Beijing, affirming our commitment to reaching the whole world and laying the foundations for long-term growth in international markets.



Digital transformation for businesses and cities

At Tech4Life 2023, VNG Digital Business introduced the latest digital transformation solutions, accelerating digital transformation for businesses and cities in Vietnam.



Elevating public services efficiency

Zalo OA modernizes government procedures and connects the state with the people, aiding digital transformation in 63 cities and provinces, and boosting efficiency in public management and service delivery.



Developing eSports in Vietnam

By supporting Vietnamese eSports teams at the 32nd SEA Games and 19th ASIAD, VNGGames is affirming the position of Vietnamese eSports in the regional arena.



Promoting digital payment

ZaloPay launched the Multifunction QR code that accepts all payment methods, making transactions happen faster, safer, and more convenient for all users.



Approaching potential investors

At the Vietnam-US High-Level Conference on Investment and Innovation, VNG expressed its vision for Vietnam to become Asia's technology capital and advocated for investment in Cloud and AI.



Innovating the automotive industry

Voice assistant Kiki has been installed in over 600,000 cars and selected for integration by 22 leading partners in automotive components and distribution, creating a smart and convenient driving experience.

Notable Honors and Awards in 2023

1

RANKED AMONG 10 ASIAN COMPANIES TO WATCH IN 2023 BY NIKKEI ASIA

According to Nikkei Asia, VNG - the first technology "unicorn" of Vietnam - has emerged as one of the country's most watched companies and is one of Southeast Asia's rising tech stars, offering services from gaming, messaging and mobile payments to artificial intelligence voice assistants and cloud computing.

2

CERTIFIED AS THE BEST WORKPLACE BY "GREAT PLACE TO WORK"

With 92% positive ratings from its employees, VNG was recognized by Great Place to Work® (GPTW), an international organization on workplace culture, in the same group as major global companies such as Adobe and DHL Express. This result far outstrips the average global business (53%).

3

AWARDED "MOST INNOVATIVE CSR COMPANY IN VIETNAM 2023"

The award is voted on by the reputable publication Global Business Review, based on the scale, nature, and social impact of an enterprise's CSR activities. VNG stands out among market leaders with a chain of ceaseless support activities for healthcare, education, and many other fields in Vietnam.

4

HONORED WITH A 2023 INSPIRATIONAL BRAND AWARD

VNG was honored in the "Inspirational Brand Award" category at the 2023 Asia Pacific Enterprise Awards (APEA 2023). This category assesses nominated enterprises based on three main criteria: goodness, wellness, and sustainability.

5

VNGGAMES HONORED AS LEADING GAME PUBLISHER OF THE YEAR

VNGGames was recognized as a Leading Game Publisher of the Year at the 2023 Vietnam Game Awards. As part of the 2023 Vietnam GameVerse series of events, co-organized by VnExpress, the Authority of Broadcasting and Electronic Information, and the Vietnam Games Development Alliance to connect the game enthusiast community in Vietnam and beyond.

6

ZALO CONTINUES TO BE THE MOST POPULAR COMMUNICATION APP IN VIETNAM

According to the Q4 2022 Connected Consumer report by MMA Vietnam and Decision Lab, Zalo continues to be the most used messaging app in Vietnam. This distinction helps Zalo maintain its position as the most popular and highest-rated messaging app in Vietnam since 2020.

7

ZION - ZALOPAY'S OPERATOR - BECAME A TOP 200 GLOBAL FINTECH COMPANY BY CNBC

The operator of the ZaloPay Digital Wallet was the only Vietnamese representative on the CNBC list of the top 200 global fintech companies, based on user numbers, transaction volumes, and revenue rates.

8

VNG DIGITAL BUSINESS MET THE ISO/IEC 27001 INTERNATIONAL STANDARD FOR INFORMATION SECURITY

The VNG Digital Business ecosystem is proud to be certified ISO/IEC 27001, ensuring information safety and data confidentiality for businesses on their digital transformation journey. In addition to ISO/IEC 27001, solution providers from VNG Digital Business hold recognized certifications that guarantee service quality and security.

VNG is one of Southeast Asia's rising tech stars,

offering services from gaming, messaging, and mobile payments to **AI products and cloud computing.**

— *Nikkei Asia*

VNG may be able to leverage this momentum to bolster Vietnam's economic development,

promote Vietnamese businesses in offshore markets and draw on increasing investor confidence in the age of **AI and cloud-based computing.**

— *DealStreetAsia*

VNG is considered one of the top technology companies in Vietnam, with aspirations of going global.

Games will be its spearhead, and VNG also seeks to add global revenue from artificial intelligence and cloud computing products. Its Zalo overtook Messenger to be Vietnam's top messaging app.

— *Bloomberg*

The company, headquartered in business capital Ho Chi Minh City, is one of Vietnam's leading game publishers and also has an office in Thailand.

It has ambitious plans to further expand into Southeast Asia, the Middle East and Latin America.

— *AFP.com*

Business Performance

Operation Results

VNG navigated a challenging macroeconomic environment in 2023 to achieve a successful year, driven by a resurgence in the Online Games segment and steady growth in global markets. Zalo solidified its position as Vietnam's leading messaging platform while diversifying its features and services for business customers. Despite a strategic decision to reduce investments in digital payments, the segment continued to exhibit robust growth in both user base and transaction volume, expanding partnerships with key players and introducing valuable financial products. – Le Hong Minh, Founder & CEO of VNG.

Game	2022	2023	YoY (%)
Bookings (VND bn) [1]	6,621	7,930	20%
International bookings (VND bn)	1,459	2,058	41%
Quarterly active users (QAU, mn) [2]	68	79	15%

Zalo	2022	2023	YoY (%)
Monthly active users (MAU, mn) [3]	73	76	4%
Messages sent (mn) [4]	1,661	1,838	11%

Consolidated	2022	2023	YoY (%)
Adjusted operating loss [5]	(942)	(656)	(30%)

(1) Bookings is a non-GAAP operating metric used by VNG to evaluate its Gaming segment performance. It is reflective of the cash spent by the users in the applicable period.

(2) Annual QAU is calculated as the average of QAUs of the quarters within that period.

(3) MAU of the last 30 days of the year

(4) Daily average for the last 30 days of each period

(5) Adjusted operating loss is a non-GAAP metric and is calculated by excluding the impact of game unearned revenue and its related cost from reported operating loss.

Game

Returned to strong growth after a flat 2022 with international revenue continuing to accelerate.

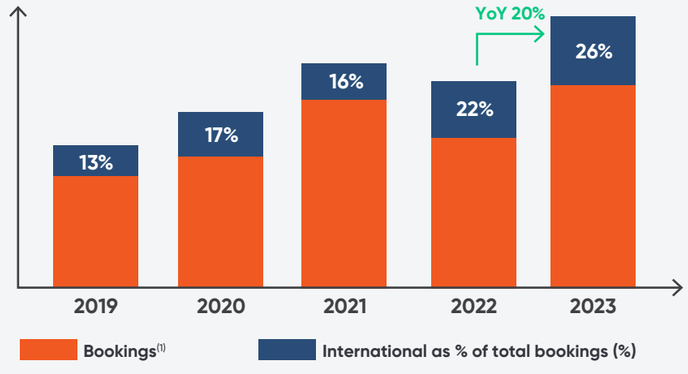
VND 7,930 B
+20% YoY
Gross Bookings

26%
Total bookings
+41% YoY
International Growth

78.7 M
+15% YoY
Quarterly Active Users

With track record of **building** meaningful **international business**

- Our Bookings from International markets has grown **18x** from 2016
- Contributing to **26%** of Total bookings as of 2023



(1) Bookings is a non-GAAP operating metric used by VNG to evaluate its Gaming segment performance. It is reflective of the cash spent by the users in the applicable period.

Consistently launched new game titles, expanded our global footprint, and accelerated partnerships.

10 New Titles published


Kiem The Origin


Revelation


Metal Slug: Awakening

Key Partnership

RIOT GAMES · LEAGUE OF LEGENDS · HAEGIN

VNG become direct publisher for **League of Legend** and **Teamfight Tactics** in Vietnam

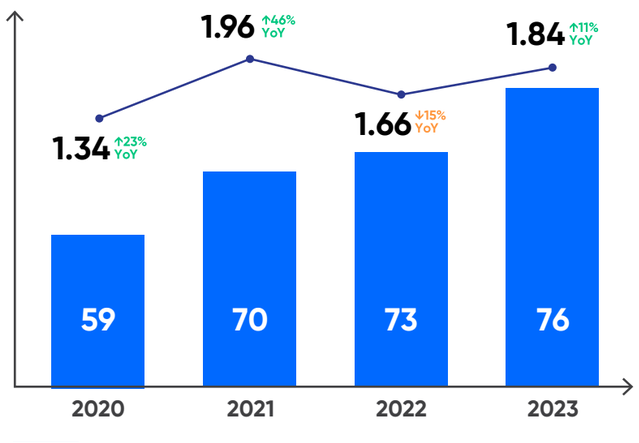
06 Overseas offices



Zalo

Zalo Messaging App

Successfully maintained its position as the dominant messaging app by providing AI utilities to enhance user experience.



(1) MAU of the last 30 days of the year

(2) Daily average for the last 30 days of each period



76 **million** monthly active users (MAU)

1.8 **billion** daily messages sent

Zalo Short Video

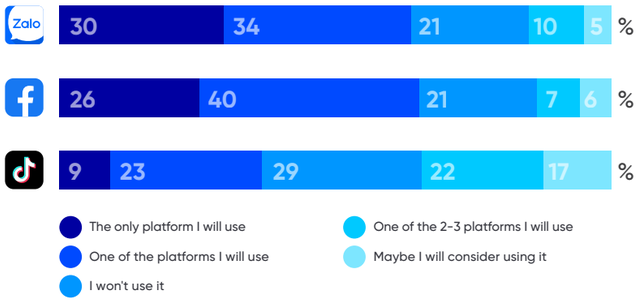
launched in mid-2023

23.7 **million** monthly active users (MAU)

Zalo Platform

Became the most preferred platform by consistently enhancing features and solutions for business partners.

We are most preferred by users when interacting with businesses



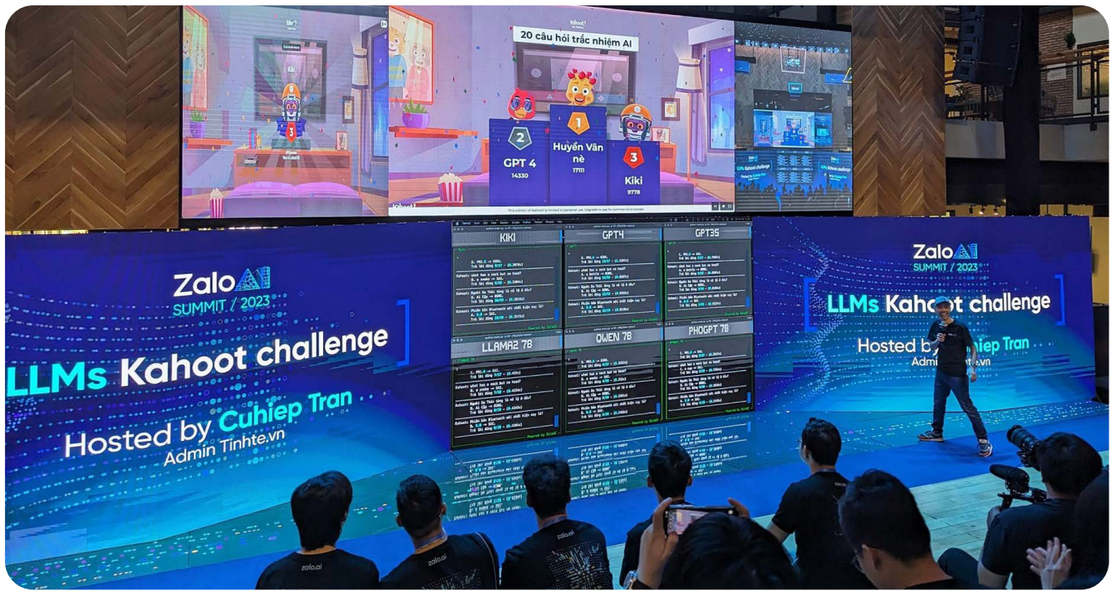
Question: When you need to interact with businesses/brands on digital platforms, how do you consider to use these below platforms?

We achieve impressive growth in usage and revenue

18 **million** monthly active users **Zalo Miniapp**

9.6 **million** MAUs regularly accessing banking services through **Zalo's chat window**

20,000 Paying Zalo OA



Zalo AI

Achieved many impressive achievements.

Infrastructure

The cluster of 8 DGX H100 servers is the most powerful one in Vietnam, capable of processing data at up to 256 petaFLOPS (Floating-point Operations Per Second)

Zalo LLM

A newly released **7-billion parameter LLM model** evaluated to outperform GPT-3.5 after only **6 months of training**

Gen AI

Zalo's first GenAI-powered application

6.8 **million** user in 2023

02 **million** uses by Tet 2024 in partner advertising campaign

KiKi Auto

600,000 installations on cars (>10% of the total cars in Vietnam)

230,000 queries per day

Fintech

Achieved significant growth in both **user base** and **payment volume,** while concurrently adding **key merchants** and launching new **financial products.**

- Our Fintech business grew strongly in terms of total **payment volume growth** while **optimizing** operating **loss**

27% YoY
Total Payment Volume

40% YoY
Revenue growth (VAS)

40% YoY
Operating Loss

- ZaloPay's **universal QR code** was widely adopted with strong expansion in **merchant base** and **financial products**

Wide adoption universal QR



VIETQR™ x ZaloPay

12,000
Accepted Merchants

Extensive network: Key Partners and Merchants base

海底捞火锅 Haidilao Hot Pot · Highlands Coffee · Vinamilk EST 1976 · viettel store · VINPEARL · gojek · concung.com · LOTTE MALL · MYKINGDOM · thegioididong.com · XANH SM

3.8x growth

Jan 2022
Money Market Fund

Jan 2023
Revolving Crerdit Line

May 2023
Stock Trading

Digital Business

Continued to invest in innovation and growth engines such as AI and enterprise products.

2023 Key Business Highlights

1,000+ **Enterprise Customers**
+22% YoY; Cover 10% VNR500

AI Lab **Release GreenNode LLM 7B + 13B**

300+ **Engineers & AI Experts**

Strategic Partner for Data Center business
STTelemedia Global Data Centres

Comprehensive AI & Enterprise product portfolio

Cloud & SaaS
- VNG CLOUD
- A4B App for Business
- Veka.ai

Security
- verichains
- bshield Powered by Verichains
- trueID

AI
- GREEN NODE
- NVIDIA Preferred Partner

Major Investments

Data Center

By the end of 2023, VNG had invested approximately 1,190 billion dong in the VNG Data Center project. Located in Tan Thuan export processing zone, Tan Thuan Dong ward, District 7, Ho Chi Minh City, the project covers an area of 7,800m2 with a usable floor area of up to 12,400m2.

This new data center meets Uptime Tier III international standards and is expected to provide up to 1,600 racks, effectively catering to the growing digital transformation needs of Vietnamese businesses in the future.



Subsidiaries and Affiliated Companies

	COMPANY NAME	KEY BUSINESS LINE	ACTUAL CHARTER CAPITAL CONTRIBUTED (VND)	OWNERSHIP	PROFIT/LOSS AFTER TAX (VND)
1	**Vina Data Joint Stock Company**	Providing information technology services and other computer-related services	891,000,000,000	99.989%	61,326,749,103
2	**GreenNode Joint Stock Company**	Providing information technology and other telecommunications services	1,000,000,000	98.989%	(4,113,258)
3	**VNG Data Center Joint Stock Company**	Providing information technology services	696,000,000,000	99.989%	(100,812,519,775)
4	**EPI Technologies Joint Stock Company**	Online advertising services, website design, software and communication technologies	1,000,000,000	100%	338,380,176,433
5	**VNG Online Company Limited**	Providing information portal services and software development	1,000,000,000	100%	(114,007,650,700)
6	**Adtima Joint Stock Company**	Online advertising	20,000,000,000	99.999%	66,854,963,089
7	**Fiza Joint Stock Company**	Online advertising	10,000,000,000	99.997%	5,470,810,270
8	**Mixus Joint Stock Company**	Music recording and publishing	3,000,000,000	99.934%	5,938,453,798
9	**XFM Joint Stock Company**	Music recording and publishing	42,400,000,000	99.98%	(22,730,544,345)
10	**Vi Na Net Services Joint Stock Company**	Mobile and telecommunications network value-added services	77,000,000,000	99.5%	5,351,264,764
11	**VNG Solutions Company Limited**	Providing information technology services and other computer-related services	500,000,000	99.5%	882,189,113
12	**VNG Software Development Company Limited**	Software production and development	60,000,000,000	100%	558,822,453,629
13	**ZIE Company Limited**	Providing online video game services	20,000,000,000	100%	661,760,176
14	**ZingPlay Vietnam Company Limited**	Providing online video game services	10,000,000,000	100%	63,515,263,014
15	**Minh Phuong Thinh Communication Company Limited**	Providing online video game services	6,000,000,000	100%	60,095,140,502
16	**A4B Joint Stock Company**	Computer programming, software development	500,000,000	69.8%	2,233,818,482
17	**Verichains Company Limited**	Software development	10,045,000,000	100%	1,994,692,667
18	**Zion Joint Stock Company**	Payment intermediary services	2,077,948,620,000	72.654%	(724,424,713,175)

	COMPANY NAME	KEY BUSINESS LINE	ACTUAL CHARTER CAPITAL CONTRIBUTED (VND)	OWNERSHIP	PROFIT/LOSS AFTER TAX (VND)
19	**Thanh Son Communication Services Trading Company Limited**	Trading in game and telecom cards	3,000,000,000	72.654%	22,235,924,933
20	**VTH Software Development Company Limited**	Industrial park infrastructure investment and business	180,000,000,000	100%	(6,890,488,646)
21	**Dream Maker Foundation**	Charity	n/a	100%	174,749,804
22	**VNG Singapore Pte Ltd.**	Development and distribution of computer software, equipment, and components; provision of software-related and after-sales services	797,978,934,974	99.989%	(311,868,396,360)
23	**ZingPlay International Pte Ltd.**	Development and distribution of software, equipment and computer components; provision of software-related and after-sales services	5,716,975,869	99.989%	78,670,393,936
24	**VNG Investment Pte. Ltd.**	Development and distribution of software, equipment and computer components; provision of software-related and after-sales services	n/a	100 %	(55,887,980,095)
25	**Verichains SG Pte. Ltd**	Development and distribution of software, equipment and computer components; provision of software-related and after-sales services	9,864,000,000	100 %	795,318,389
26	**GreenNode PTE.LTD**	Datacenter; other hosting services.	2,425,000,000	99.989%	-
27	**InstantiaPay Holdings Pte. Ltd.**	Investment company	88,052,218,770	47.73%	(770,121,410)
28	**InstantiaPay SG Pte. Ltd.**	Money transfer and other financial services	19,084,400,000	47.73%	(14,369,336,867)
29	**MLT Hong Kong Limited**	Operation and distribution of online video game	11,812,528,000	100%	(151,304,272)
30	**InstantiaPay Limited**	Financial services	n/a	47.73%	(27,044,442)
31	**VNG Game Co., Ltd.,**	Development and update of online and mobile games	21,736,890,274	99.989%	3,781,985,711
32	**VNG Myanmar Company Limited**	Operation and distribution of online video game	11,585,000,000	99.989%	(1,379,883,779)
33	**KMZ Interactive Entertainment (Shenzhen) Co., LTD.**	Providing information technology services	180,495,654,477	99.989%	(42,116,788,321)

	COMPANY NAME	KEY BUSINESS LINE	ACTUAL CHARTER CAPITAL CONTRIBUTED (VND)	OWNERSHIP	PROFIT/LOSS AFTER TAX (VND)
34	**InstantiaPay PTY. LTD**	Financial services	33,019,325,096	47.73%	(14,717,505,427)
35	**InstantiaPay Limited**	Financial services	n/a	47.73%	(1,754,041,315)
36	**YoPlatform FZE**	Providing online content; online game services	1,592,170,860	100%	(328,222,062)
37	**Instantiapay VN Limited Liability Company**	Computer programming	100,000,000	100%	(2,104,397)
38	**Tiki Global Pte. Ltd**	Investment company	510,119,999,037	14.61%	-
39	**Rocketeer Holding Limited**	Investment company	33,093,946,920	11.25%	(26,186,084,062)
40	**EcoTruck Technology Joint Stock Company**	Software development and other transportation support services	143,509,456,217	25.29%	(15,587,677,351)
41	**DayOne Joint Stock Company**	Ecommerce	138,120,000,000	27.27%	7,045,220,612
42	**Beijing Youtu Interactive Co., Ltd**	Distribution of video game copyrights	35,338,249,520	14%	-
43	**Telio Pte., Ltd**	Development of e-commerce applications	515,282,476,878	16.55%	(219,098,155,115)
44	**Funding Asia Group PTE.LTD**	Digital lending platform operations and management	512,549,703,860	4.88%	(41,080,514,593)
45	**OpenCommerce Holdings PTE.LTD**	Ecommerce	104,224,076,340	12.17%	(3,218,213,886)
46	**Cloudverse Pte. Ltd**	Information technology consulting and storage services	-	30.00%	-

Financial Performance

Overview

(Unit – Billion VND)

ITEMS	ACTUAL		ANNUAL PLAN (*)	COMPARE ACTUAL FY 2022 AND FY 2023	
	FY 2022	FY 2023	FY 2023	Increase/Decrease	
Total Assets	8,900	9,595		695	8%
Net revenue from sale of goods and rendering of services	7,801	7,593	9,281	(208)	-3%
Gross profit from sale of goods and rendering of services	3,437	2,288		(1,149)	-33%
Operating loss	(942)	(2,086)		(1,144)	122%
Other loss	(177)	(64)		113	-64%
Accounting loss before tax	(1,119)	(2,150)	(522)	(1,031)	92%
Net loss after tax	(1,533)	(2,317)	(572)	(784)	51%
Net loss after tax attributable to shareholders of the parent	(1,077)	(2,101)		(1,024)	95%

(*) Beginning in 2023, the Company has changed its accounting policy regarding the recognition of revenue from online games. Under the new policy, revenue is allocated based on the fair value of each obligation and recognized only when these obligations are fulfilled. Consequently, the financial statements of 2023 are not comparable with those of 2022. Also, the annual plan 2023 figures do not reflect the accounting policy change.

TARGET	2022	2023
1. Payability		
Current ratio: Current assets/Current liabilities	1.75	1.02
Quick ratio: Current assets - Inventory/Current liabilities	1.71	1.01
2. Capital structure		
Debt-to-asset ratio	0.43	0.71
Debt-to-equity ratio	0.74	2.41
3. Operational performance		
Inventory turnover: Cost of goods sold/average value of inventory	42.15	61.57
Asset turnover ratio: Net sales/average total assets	0.86	0.82
4. Profitability		
Net profit margin: Net income/revenue	(0.20)	(0.31)
Return on equity: Net income/equity	(0.30)	(0.82)
Return on assets: Net income/total assets	(0.17)	(0.24)
Pre-tax profit margin: earnings before taxes/revenue	(0.12)	(0.27)

Consolidated Balance Sheet

as at 31 December 2023

(Unit: VND)

Code	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
100	**A. CURRENT ASSETS**	**5**	**5,490,264,068,120**	**4,862,757,122,377**
110	**I. Cash and cash equivalents**	**5**	**3,837,906,886,822**	**2,629,077,198,459**
111	1. Cash	5	2,318,913,787,644	2,113,902,916,018
112	2. Cash equivalents	5	1,518,993,099,178	515,174,282,441
120	**II. Short-term investment**	**6**	**136,824,412,924**	**445,497,043,140**
123	1. Held-to-maturity investments	6	136,824,412,924	445,497,043,140
130	**III. Current accounts receivable**		**945,544,732,596**	**1,248,467,602,906**
131	1. Short-term trade receivables	7.1	538,203,242,635	558,237,938,224
132	2. Short-term advances to suppliers	7.2	213,998,904,911	321,175,261,959
136	3. Other short-term receivables	8	275,982,480,210	371,906,020,502
137	4. Provision for doubtful short-term receivables	7.3	(82,639,895,160)	(2,851,617,779)
140	**IV. Inventories**		**83,454,442,074**	**88,837,768,006**
141	1. Inventories	9	84,410,549,193	89,952,586,092
149	2. Provision for obsolete inventories	9	(956,107,119)	(1,114,818,086)
150	**V. Other current assets**		**486,533,593,704**	**450,877,509,866**
151	1. Short-term prepaid expenses	10	212,379,601,605	208,510,553,037
152	2. Value-added tax deductible	10	249,249,038,511	222,699,369,193
153	3. Tax and other receivables from the State	10	24,904,953,588	19,667,587,636
200	**B. NON-CURRENT ASSETS**		**4,104,402,550,705**	**4,036,958,040,578**
210	**I. Long-term receivable**		**10,888,049,512**	**15,153,728,062**
216	1. Other long-term receivables	8	10,888,049,512	15,153,728,062
220	**II. Fixed assets**		**2,287,693,005,785**	**1,197,924,803,429**
221	1. Tangible fixed assets	11	2,070,648,943,610	978,190,988,169
222	Cost		3,490,001,408,476	2,174,440,745,558
223	Accumulated depreciation		(1,419,352,464,866)	(1,196,249,757,389)
227	2. Intangible fixed assets	12	217,044,062,175	219,733,815,260
228	Cost		984,954,708,907	868,093,730,225
229	Accumulated amortisation		(767,910,646,732)	(648,359,914,965)
240	**III. Long-term asset in progress**		**212,985,451,662**	**1,038,718,554,484**
242	1. Construction in progress	13	212,985,451,662	1,038,718,554,484
250	**IV. Long-term investments**		**1,181,847,462,516**	**1,458,773,399,246**
252	1. Investment in associates	14.1	992,467,125,745	1,174,518,367,238
253	2. Investment in other entities	14.2	291,173,144,967	286,612,032,008
254	3. Provision for long-term investments	14.2	(102,792,808,196)	(2,357,000,000)
255	4. Held-to-maturity investment	6	1,000,000,000	-
260	**V. Other long-term assets**		**410,988,581,230**	**326,387,555,357**
261	1. Long-term prepaid expenses	10	386,388,659,539	268,689,047,771
262	2. Deferred tax assets	32.3	9,263,415,401	2,843,345,891
269	3. Goodwill	15	15,336,506,290	54,855,161,695
270	**TOTAL ASSETS**		**9,594,666,618,825**	**8,899,715,162,955**

Code	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
300	**C, LIABILITIES**		**6,784,566,568,599**	**3,785,127,885,393**
310	**I, Current liabilities**		**5,361,907,865,570**	**2,785,961,837,622**
311	1, Short-term trade payables	16	534,024,599,239	926,832,177,126
312	2, Short-term advances from customers	17	57,332,519,847	24,708,318,560
313	3, Statutory obligations	18	128,927,487,916	114,080,387,112
314	4, Payables to employees		66,350,674,729	11,690,467,406
315	5, Short-term accrued expenses	20	1,385,447,183,044	909,646,576,123
318	6, Short-term unearned revenue	19	1,529,821,224,450	79,778,183,374
319	7, Other short-term payables	21	794,558,454,124	674,822,616,913
320	8, Short-term loans	22	865,445,722,221	44,403,111,008
330	**II, Non-current liabilities**		**1,422,658,703,029**	**999,166,047,771**
336	1, Long-term unearned revenue	19	99,177,031,928	-
337	2, Other long-term liabilities	21	305,659,674	246,635,674
338	3, Long-term loans	22	617,728,536,712	399,627,999,020
341	4, Deferred tax liability	32,3	685,540,710,915	585,833,683,884
342	5, Long-term provision	23	19,906,763,800	13,457,729,193
400	**D, OWNERS' EQUITY**		**2,810,100,050,226**	**5,114,587,277,562**
410	**I, Capital**		**2,810,100,050,226**	**5,114,587,277,562**
411	1, Share capital	24,1	287,360,000,000	358,442,620,000
411a	- Share with voting rights		287,360,000,000	358,442,620,000
412	2, Share premium	24,1	(409,833,750,565)	783,503,561,013
415	3, Treasury shares	24,1	-	(1,264,419,931,578)
417	4, Foreign exchange differences	24,1	15,684,217,402	9,835,765,373
421	5, Undistributed earnings	24,1	2,842,320,047,141	5,092,951,627,944
421a	- Undistributed earnings by the end of prior year		4,943,330,305,805	6,170,095,251,914
421b	- Loss of current year		(2,101,010,258,664)	(1,077,143,623,970)
429	6, Non-controlling interests	25	74,569,536,248	134,273,634,810
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**9,594,666,618,825**	**8,899,715,162,955**

Lê Thị Hồng Hạnh
Preparer

Lê Trung Tín
Chief Accountant

Lê Hồng Minh
Chief Executive Officer

Ho Chi Minh City, Vietnam
10 May 2024

Consolidated Income Statement

for the year ended 31 December 2023

(Unit: VND)

Code	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
10	1, Net revenue from sale of goods and rendering of services	26,1	7,592,705,115,305	7,800,524,774,926
11	2, Cost of goods sold and services rendered	27, 31	(5,304,370,047,476)	(4,363,495,796,170)
20	3, Gross profit from sale of goods and rendering of services		2,288,335,067,829	3,437,028,978,756
21	4, Finance income	26,2	94,385,288,448	135,699,733,451
22	5, Finance expenses	28	(220,854,441,272)	(26,328,270,302)
23	- In which: Interest expenses		(84,267,203,480)	-
24	6, Share of loss from associates	14,1	(298,125,424,395)	(181,213,508,024)
25	7, Selling expenses	29, 31	(2,385,651,703,488)	(2,727,839,104,351)
26	8, General and administrative expenses	29, 31	(1,564,028,649,250)	(1,578,943,163,656)
30	9, Operating loss		(2,085,939,862,128)	(941,595,334,126)
31	10, Other income	30	14,610,087,651	23,511,114,336
32	11, Other expenses	30	(78,496,462,200)	(200,491,358,789)
40	12, Other loss	30	(63,886,374,549)	(176,980,244,453)
50	13, Accounting loss before tax		(2,149,826,236,677)	(1,118,575,578,579)
51	14, Current corporate income tax expense	32,1	(74,131,700,238)	(146,841,504,651)
52	15, Deferred tax expense	32,3	(93,286,957,521)	(268,499,873,286)
60	16, Net loss after tax		(2,317,244,894,436)	(1,533,916,956,516)
61	17, Net loss after tax attributable to shareholders of the parent		(2,101,010,258,664)	(1,077,143,623,970)
62	18, Net loss after tax attributable to non-controlling interests	25	(216,234,635,772)	(456,773,332,546)
70	19, Basic loss per share (VND/share)	34	(73,114)	(41,509)
71	20, Diluted loss per share (VND/share)	34	(73,114)	(41,509)

Lê Thị Hồng Hạnh
Preparer

Lê Trung Tín
Chief Accountant

Lê Hồng Minh
Chief Executive Officer

Ho Chi Minh City, Vietnam
10 May 2024

Shareholders Structure

Shareholder structure *(as of December 31, 2023)*

CRITERIA	NO. OF SHARES	OWNERSHIP
Major shareholders (>=5%)	22,733,241	79.11%
Minority shareholders (<5%)	6,002,759	20.89%

CRITERIA	NO. OF SHARES	OWNERSHIP
Institutional shareholders	21,886,072	76.16%
Individual shareholders	6,849,928	23.84%

CRITERIA	NO. OF SHARES	OWNERSHIP
Domestic shareholders	14,655,360	51.00%
Foreign shareholders	14,080,640	49.00%

CRITERIA	NO. OF SHARES	OWNERSHIP
State shareholders	-	0.00%
Other shareholders	28,736,000	100.00%

CRITERIA	NO. OF SHARES	OWNERSHIP
Foreign shareholder's maximum ercentages		49.00%

Share

Total shares issued: 28,736,000 shares, of which:

- Common shares: 28,736,000
- Super-voting shares: 0
- Total shares outstanding: 28,736,000
- Number of restricted shares: 0

Changes in owner's equity

Treasury share transactions of VNG Corporation founded in 2004 as VinaGame Joint Stock Company with a charter capital of VND 15,000,000,000. Over the past 19 years, the Company has increased its capital **16** times and reduced capital once in various forms. The Company's current charter capital is **VND 287,360,000,000** , representing **28,736,000** shares.

Treasury share transactions

Number of treasury shares at the end of the period: 0 shares

Treasury share transactions during the year: Not applicable

Other securities: Not applicable

Sustainable Development

Employee Development

Number of Employees

QUALIFICATION	NUMBER OF EMPLOYEES	RATE (%)
Postgraduate	179	5%
University	3,158	88%
College	144	4%
Others	108	3%
Total	3,589	100%

Per capita income in 2023: VND 27,500,000/person/month.



VNG's culture of continuous learning and knowledge-sharing has yielded outstanding training outcomes during the year, solidifying VNG's commitment to human development.

TRAINING

50 FIRST-LINE MANAGER (Q3)

INTERNAL KNOWLEDGE-SHARING PROGRAM

600 STARTERS ENGAGED

E-LEARNING PROGRAM

600 STARTER

11,000 HOURS OF STUDY

COACHING PROGRAM (Q3/2022 - Q3/2023)

70 COACHES

500 COACHING SESSIONS FOR MEMBERS

Employee Policies

Compensation Policies

Our compensation policies are based on principles of equality, transparency, and performance. Since 2013, VNG has implemented a compensation policy ensuring that 100% of employees understand the company's reward structure and how these rewards reflect their performance.

The compensation scheme at VNG includes four main components:

- **Salary** : Production and business salary (12 months); 13th month salary bonus on Lunar New Year;
- **Allowances** : Vehicles, mobile expenses, wireless devices, extra duty pay;
- **Bonus** : Depending on business performance, achievements in projects/jobs; Company anniversary bonuses;
- **Welfare** : Social/health/unemployment insurance, health and accident insurance for employees and their relatives; periodic health checks and vacation, team building, etc.

Promotion Policy

Several promotion policies have been established and maintained at VNG, including the core member policy, leadership rotation policy, and fair and transparent appointment and dismissal policy. Additionally, a successful referral program has been well-defined and implemented at VNG.

Training Policy

VNG's main training programs:

Training for new employees:

In-class and e-learning orientation

Professional training:

Employees are provided with sponsored training courses/international certifications to improve necessary knowledge and skills for their jobs.

Supplementary skill training:

All employees are encouraged to participate in soft skills and language training to adapt to development and integration trends.

Training for the next generation and management team:

Focus on developing high-potential employees for future leadership roles who can drive the company's growth.

Improvements in organizational structure, policies, and management

Approval electronic system and employee management: business travel approval, advance payment, payment of expenses... are all done through the electronic system without obtaining signatures of relevant departments, which saves time and paperwork.

Environmental and Social Responsibilities

Responsibilities to Employees

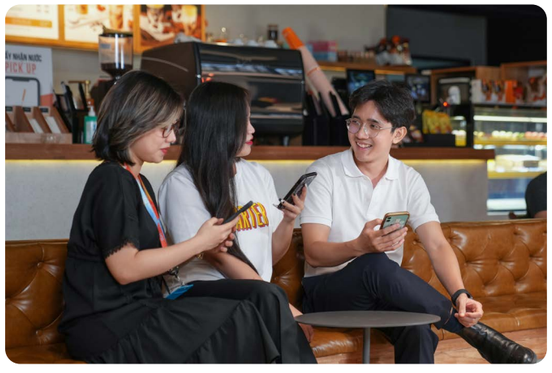
VNG is committed to improving the working environment and conditions for the well-being of our employees by fostering a positive corporate culture and creating a sense of loyalty and dedication to the company.

Environmental Responsibilities through Indicators

VNG actively minimizes electricity and water waste and educates employees about energy-saving practices to protect the environment. The company's solar power system generates an average output of 65.097 KWH per month, equivalent to 781.173 KWH per year. The water filtration system provides drinking water for employees at VNG Campus and VNG Data Center, with capacities of 5.000 liters per day and 3.000 liters per day, respectively.

Corporate Social Responsibility

VNG places equal importance on social responsibility and business development, aiming for a sustainable enterprise. We cultivate a culture of community responsibility among our employees, setting up campaigns and projects to support those in need by leveraging our tech expertise and energetic workforce.











Community Engagement

UpRace 2023

Recognized as a **Company engaged in environmental protection and sustainable development**

VNG is the only tech company to be awarded a certificate by the EU Delegation to Vietnam for its significant contributions to environmental protection and the promotion of sustainable green growth.







UPRACE:

6-year journey for the community

620 thousand participants

7 million kilometers recorded

VND 7 billion donated to 3 social partner groups

67 countries

3 Co-title Sponsor

with **20** other sponsor

4,832 teams participated in the Leaderboard

860,000 races recorded performances

4,382 students participated in offline events at 5 Universities











Dream Maker Foundation

Dream Maker Foundation (DMF)

After more than a decade of operation, in 2023, the Vietnam Internet User Community Foundation (VNIF), founded by VNG, officially changed its name to the Dream Maker Foundation (DMF) with a new brand identity, focusing on three areas: healthcare, education, and technology.

Healthcare

Collaborate with Newborns Vietnam to improve the healthcare system for mothers and newborns.

Contributed **2.3** billion VND

to support Newborns Vietnam's initiatives to save the lives of Vietnamese newborns.

Education

Established a scholarship fund to nurture talent and cultivate the next generation.

Provided **350** scholarships

Equivalent to 350 million VND for students majoring in Information Technology and Computer Science, as well as for students facing difficulties.

Contributed to the Vu A Dinh Scholarship Fund and the "For beloved Truong Sa - Hoang Sa" Club.

537 scholarships

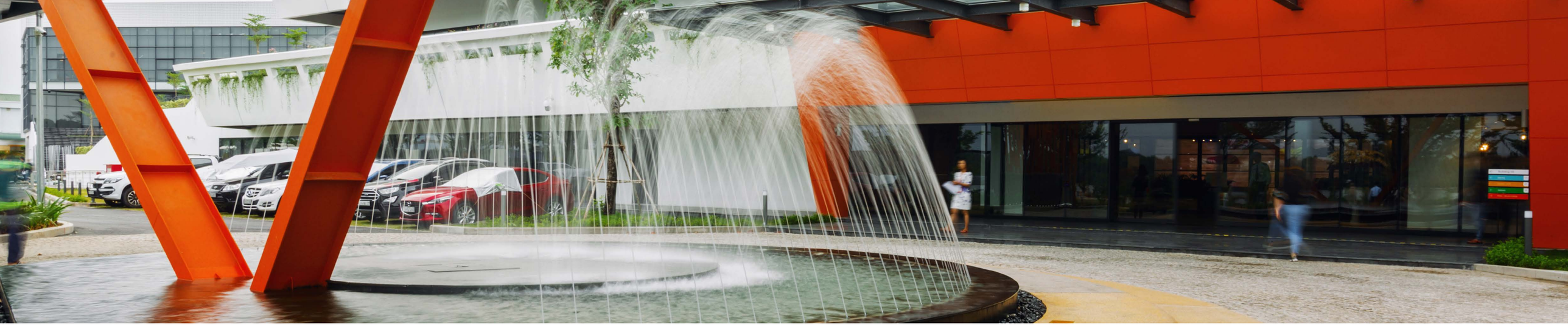
were given to ethnic and island students

Technology

Unremittingly expand the UpRace project and community running movement.

Contributed **4.5** billion VND

Become a **Strategic Sponsor** for UpRace 2023



ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATIONS

Assessment of the Board of Directors on the company's operations

Navigating a year of macroeconomic crisis and market volatility, the Board of Directors has maintained close supervision and collaboration with the Senior Management Team across business operations from the beginning of the year. By the end of the financial year 2023, VNG's total revenue reached **8,605 billion dong.**

Through social efforts, VNG has been and will be on the mission of **"Build Technologies and Grow People. From Vietnam to the World"** with a determination to conquer all challenges.

Assessment of the Board of Directors on the Senior Management Team performance

Based on the CEO's report and actual business performance, the Board of Directors recognized the following results:

- The Senior Management Team successfully implemented authorized activities, adhering to the Resolutions of the Board of Directors.
- The financial reporting system complies with Vietnamese accounting standards and current regulations. The Company successfully prevented fraud and identified no signs of unusual transactions with stakeholders.

Plans and orientations of the Board of Directors

As part of the roadmap to diversify business areas and products to leverage its strengths as a leading Vietnamese tech company, along with a focus on maximizing synergy based on tech platforms, the Company strives to drive product innovation and growth and deliver a steady stream of high-quality offerings to society.

CORPORATE GOVERNANCE

The Company's 2023 Corporate Governance Report was submitted to the State Securities Commission, Hanoi Stock Exchange and published on VNG's website on January 30, 2024.

https://vng.com.vn/news/shareholders/bao-cao-quan-tri-nam-2023.html



CHƯƠNG

03

FINANCIAL STATEMENT

The Company's 2023 Consolidated Financial Report was audited by Ernst & Young Vietnam Limited and published on VNG's website on 10th May, 2024.

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 2023, 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.

Emphasis of matter

We draw attention to Note 3.1 to the consolidated financial statements, which describes that during the year ended 31 December 2023, the Group has changed its accounting policy related to the recognition of revenue from online games. This change in accounting policy was applied from 1 January 2023 on a prospective basis, since the Group is not able to determine either the period-specific effects or the cumulative effects of the change up to the prior year-end, due to previous limitations in the gamers' data tracking system. Accordingly, the corresponding figures for the consolidated financial statements are not comparable with those of current year due to the impact of applying this change in accounting policy prospectively.

Our opinion is not modified in respect of this matter.

Ernst & Young Vietnam Limited

Hang Nhat Quang
Deputy General Director
Audit Practicing Registration Certificate
No. 1772-2023-004-1

Thai Trong Cang
Auditor
Audit Practicing Registration Certificate
No. 4139-2022-004-1

Ho Chi Minh City, Vietnam
10 May 2024

Ho Chi Minh City, 26 June 2024

On behalf of VNG CORPORATION

Legal Representative

LE HONG MINH
Chief Executive Officer