

Vincom Retail Joint Stock Company

Interim separate financial statements

Quarter II 2018

Vincom Retail Joint Stock Company

CONTENTS

	<i>Pages</i>
General information	1
Report of management	2
Interim separate balance sheet	3 - 4
Interim separate income statement	5 - 6
Interim separate cash flow statement	7 - 8
Notes to the interim separate financial statements	9 - 37
Appendix	
Appendix 1 - Corporate structure as at 30 June 2018	38
Appendix 2 - Explanation for the variances in income statements between the two periods	39

Vincom Retail Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Vincom Retail Joint Stock Company ("the Company"), previously known as Vincom Retail Company Limited, is established in accordance with the Business Registration Certificate No. 0105850244 issued by the Hanoi Department of Planning and Investment on 11 April 2012. In accordance with the 2nd amended Business Registration Certificate dated 14 May 2013, the Company changed its legal form to a joint stock company and also changed its name to Vincom Retail Joint Stock Company. Subsequently, the Company obtained amended Enterprise Registration Certificates with the latest is the 19th amended Enterprise Registration Certificate being granted on 11 July 2018.

The Company's shares were officially listed on the Ho Chi Minh Stock Exchange (HOSE) on 6 November 2017.

The current principal activities of the Company are to invest in and develop shopping centers for lease and inventory properties for sale.

The Company's head office is located at No. 7, Bang Lang 1 Street, Vinhomes Riverside, Viet Hung ward, Long Bien district, Hanoi, Vietnam.

Vingroup JSC is the Company's ultimate parent company. Vingroup JSC and its subsidiaries are hereby referred as the Group.

BOARD OF DIRECTORS

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

Ms. Thai Thi Thanh Hai	Chairwoman	appointed on 07 June 2018
Ms. Mai Thu Thuy	Member	appointed on 07 June 2018
	Chairwoman	appointed on 09 March 2018
	Chairwoman	resigned on 07 June 2018
Ms. Duong Thi Mai Hoa	Chairwoman	resigned on 09 March 2018
Ms. Tran Mai Hoa	Member	appointed on 07 June 2018
Ms. Nguyen Thi Diu	Member	appointed on 07 June 2018
Ms. Le Mai Lan	Member	appointed on 07 June 2018
Mr. Brett Krause	Independent member	appointed on 07 June 2018
Mr. Timothy J. Daly	Independent member	appointed on 07 June 2018
Mr. Jeffrey David Perlman	Member	appointed on 07 June 2018
Mr. Phan Thanh Son	Independent member	appointed on 07 June 2018

MANAGEMENT

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

Ms. Tran Mai Hoa	General Director	
Mr. Nguyen Anh Dung	Deputy General Director	appointed on 26 June 2018
	Security, Safety & Fire Prevention	
Ms. Nguyen Thu Ha	Deputy General Director	resigned on 30 March 2018
	Sales & Marketing	
Ms. Tran Thu Hien	Deputy General Director	appointed on 30 March 2018
	Sales & Marketing	
Ms. Pham Ngoc Thoa	Chief Finance Officer	

BOARD OF SUPERVISION

Members of the Board of Supervision during the period and at the date of this report are:

Ms. Do Thi Quynh Trang	Head
Ms. Nguyen Thu Phuong	Member
Ms. Tran Thanh Tam	Member

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and up to the date of this report is Ms. Tran Mai Hoa.

Ms. Pham Ngoc Thoa is authorised by the legal representative of the Company to sign the Company's financial statements in accordance with the Authorisation Letter dated 27 February 2017.

Vincom Retail Joint Stock Company

REPORT OF MANAGEMENT

Management of Vincom Retail Joint Stock Company ("the Company") presents this report and the interim separate financial statements of the Company for Quarter II 2018.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

Management is responsible for the interim separate financial statements of each operating period which give a true and fair view of the financial position of the Company, and of the results of its operations and its cash flows for the period. In preparing those interim separate 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 have been followed, subject to any material departures disclosed and explained in the interim separate financial statements; and
- ▶ prepare the interim separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company 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 interim separate financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the separate financial position of the Company as at 30 June 2018, and the separate results of its operations and its separate cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim separate financial statements.

The Company has subsidiaries as disclosed in the interim separate financial statements. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for Quarter II 2018 ("the interim consolidated financial statement") dated 30 July 2018.

Users of the accompanying interim separate financial statements should read these interim separate financial statements together with the interim consolidated financial statements of the Company and its subsidiaries in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Company and its subsidiaries.

For and on behalf of management:



Phạm Ngọc Thoa
Chief Finance Officer

Hanoi, Vietnam

30 July 2018

Vincom Retail Joint Stock Company

B01a-DN

INTERIM SEPARATE BALANCE SHEET as at 30 June 2018

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		8,015,385,397,431	10,053,540,030,968
110	I. Cash and cash equivalents	4	1,147,462,955,243	760,077,481,166
111	1. Cash		729,348,125,291	690,077,481,166
112	2. Cash equivalents		418,114,829,952	70,000,000,000
120	II. Short-term investments		-	45,668,494,949
123	1. Held-to-maturity investments	5	-	45,668,494,949
130	III. Current accounts receivable		1,779,058,805,126	3,639,508,346,765
131	1. Short-term trade receivables	6	104,283,455,133	165,324,148,382
132	2. Short-term advances to suppliers		129,291,215,529	15,816,142,405
135	3. Short-term loan receivables	27	842,293,034,608	2,865,900,000,000
136	4. Other short-term receivables	7	703,191,099,856	614,468,055,978
137	5. Provision for doubtful short-term receivables	7	-	(22,000,000,000)
140	IV. Inventories	8	368,957,220,698	371,619,052,064
141	1. Inventories		368,957,220,698	371,619,052,064
150	V. Other current assets		4,719,906,416,364	5,236,666,656,024
151	1. Short-term prepaid expenses	9	52,733,500,913	45,951,790,832
152	2. Value-added tax deductible		-	17,714,865,192
155	3. Other current assets	10	4,667,172,915,451	5,173,000,000,000
200	B. NON-CURRENT ASSETS		19,477,723,904,865	20,016,718,730,789
210	I. Long-term receivables		1,600,563,519,896	2,992,896,554,504
215	1. Long-term loan receivables	27	1,600,000,000,000	2,992,293,034,608
216	2. Other long-term receivables		563,519,896	603,519,896
220	II. Fixed assets		28,785,194,674	31,672,450,398
221	1. Tangible fixed assets		1,072,247,213	856,660,498
222	Cost		2,014,707,541	1,566,707,541
223	Accumulated depreciation		(942,460,328)	(710,047,043)
227	2. Intangible assets	11	27,712,947,461	30,815,789,900
228	Cost		40,988,199,187	40,988,199,187
229	Accumulated amortisation		(13,275,251,726)	(10,172,409,287)
230	III. Investment properties	12	2,719,484,402,095	2,658,643,399,049
231	1. Cost		2,946,851,872,714	2,827,323,203,720
232	2. Accumulated depreciation		(227,367,470,619)	(168,679,804,671)
240	IV. Long-term assets in progress		65,997,212,909	89,164,183,334
242	1. Construction in progress	13	65,997,212,909	89,164,183,334
250	V. Long-term investments		14,578,885,502,080	13,899,788,928,000
251	1. Investments in subsidiaries	14	12,199,788,928,000	12,199,788,928,000
253	2. Investments in other entities	15	679,096,574,080	-
255	3. Held-to-maturity investments	5	1,700,000,000,000	1,700,000,000,000
260	VI. Other long-term assets		484,008,073,211	344,553,215,504
261	1. Long-term prepaid expenses	9	6,008,073,211	17,553,215,504
268	2. Other long-term assets	10	478,000,000,000	327,000,000,000
270	TOTAL ASSETS		27,493,109,302,296	30,070,258,761,757

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2018

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		3,479,919,110,613	6,995,102,304,171
310	I. Current liabilities		780,129,337,655	3,963,181,483,315
311	1. Short-term trade payables	16.1	109,252,474,610	179,781,305,727
312	2. Short-term advances from customers	16.2	153,635,357,386	306,324,991,530
313	3. Statutory obligations	17	51,107,874,529	59,325,234,845
314	4. Payables to employees		359,186,532	4,468,980,765
315	5. Short-term accrued expenses	18	210,043,941,969	140,181,916,822
318	6. Short-term unearned revenue		1,097,907,992	-
319	7. Other short-term payables	19	247,168,878,192	468,027,003,851
320	8. Short-term loan and debts	20.1	-	2,797,608,333,330
321	9. Short-term provisions		7,463,716,445	7,463,716,445
330	II. Non-current liabilities		2,699,789,772,958	3,031,920,820,856
336	1. Long-term unearned revenue		22,366,294,462	-
337	2. Other long-term liabilities	19	80,647,700,684	35,584,709,706
338	3. Long-term loans and debts	20.2	2,596,775,777,812	2,996,336,111,150
400	D. OWNERS' EQUITY		24,013,190,191,683	23,075,156,457,586
410	I. Capital	21	24,013,190,191,683	23,075,156,457,586
411	1. Issued share capital		19,010,787,330,000	19,010,787,330,000
411a	- Shares with voting rights		19,010,787,330,000	19,010,787,330,000
412	2. Share premium		4,324,379,868,907	4,324,379,868,907
421	3. Undistributed earnings		678,022,992,776	(260,010,741,321)
421a	- Accumulated losses by the end of prior year		(260,010,741,321)	(702,516,205,695)
421b	- Undistributed earnings of current period		938,033,734,097	442,505,464,374
440	TOTAL LIABILITIES AND OWNERS' EQUITY		27,493,109,302,296	30,070,258,761,757


Vu Van Hung
Preparer

Nguyen Thi Xuan Nghia
Chief AccountantPham Ngoc Thoa
Chief Finance Officer

30 July 2018

Vincom Retail Joint Stock Company

B02a-DN

INTERIM SEPARATE INCOME STATEMENT Quarter II 2018

Currency: VND

Code	ITEMS	Notes	Quarter II 2018	Quarter II 2017	For the 6-month period ended 30 June 2018	For the 6-month period ended 30 June 2017
01	1. Revenue from sale of goods and rendering of services	22.1	295,339,199,651	271,596,673,139	750,104,533,107	510,756,962,928
02	2. Deductions	22.1	-	-	-	-
10	3. Net revenue from sale of goods and rendering of services	22.1	295,339,199,651	271,596,673,139	750,104,533,107	510,756,962,928
11	4. Cost of goods sold and services rendered	23	(201,934,058,113)	(170,403,916,830)	(505,571,655,200)	(313,489,203,775)
20	5. Gross profit from sale of goods and rendering of services		93,405,141,538	101,192,756,309	244,532,877,907	197,267,759,153
21	6. Finance income	22.2	801,566,354,213	1,237,610,033,104	1,046,334,728,380	1,597,464,143,473
22	7. Finance expenses	24	(90,232,120,451)	(132,249,088,388)	(220,391,541,785)	(227,166,022,460)
23	In which: Interest expenses		(90,172,304,777)	(132,249,088,388)	(220,331,726,111)	(227,124,254,607)
25	8. Selling expenses	25	(6,476,060,381)	(11,129,868,045)	(30,189,876,781)	(22,605,171,281)
26	9. General and administrative expenses	25	(4,046,088,867)	(9,978,592,547)	(12,564,864,236)	(14,934,096,449)
30	10. Operating profit		794,217,226,052	1,185,445,240,433	1,027,721,323,485	1,530,026,612,436

Vincom Retail Joint Stock Company

B02a-DN

INTERIM SEPARATE INCOME STATEMENT (continued) Quarter II 2018

Currency: VND

Code	ITEMS	Notes	Quarter II 2018	Quarter II 2017	For the 6-month period ended 30 June 2018	For the 6-month period ended 30 June 2017
31	11. Other income		214,829,206	597,077,781	531,597,902	1,213,403,978
32	12. Other expenses		(2,010,762,389)	(422,742,395)	(4,795,915,379)	(424,842,398)
40	13. Other profit/(loss)		(1,795,933,183)	174,335,386	(4,264,317,477)	788,561,580
50	14. Accounting profit before tax		792,421,292,869	1,185,619,575,819	1,023,457,006,008	1,530,815,174,016
51	15. Current corporate income tax expenses	26	(39,179,677,883)	(74,719,787,808)	(85,423,271,911)	(88,289,148,199)
60	16. Net profit after tax		753,241,614,986	1,110,899,788,011	938,033,734,097	1,442,526,025,817



Vu Van Hung
Preparer

30 July 2018



Nguyen Thi Xuan Nghia
Chief Accountant



Pham Ngoc Thoa
Chief Finance Officer

INTERIM SEPARATE CASH FLOW STATEMENT
Quarter II 2018

Currency: VND

Code	ITEMS	For the 6-month period ended 30 June 2018	For the 6-month period ended 30 June 2017
	I. CASH FLOWS FROM OPERATING ACTIVITIES		
01	Profit before tax	1,023,457,006,008	1,530,815,174,016
	<i>Adjustments for:</i>		
02	Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets	62,050,679,903	49,667,324,706
03	Provisions	-	5,454,815,938
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency	-	(400,000,000)
05	Profits from investing activities	(1,046,334,728,380)	(1,597,064,143,473)
06	Interest expenses and bond issue costs	220,331,726,111	227,124,254,607
08	Operating profit before changes in working capital	259,504,683,642	215,597,425,794
09	Changes in receivables	265,230,047,874	112,736,645,134
10	Changes in inventories	7,332,925,737	98,848,005,090
11	Changes in payables (other than interests, corporate income tax)	(470,380,496,935)	(136,230,685,767)
12	Changes in prepaid expenses	4,763,432,212	24,163,289,094
14	Interests paid	(228,559,444,444)	(158,035,365,659)
15	Corporate income tax paid	(81,624,038,571)	(24,405,184,668)
20	Net cash flows (used in)/from operating activities	(243,732,890,485)	132,674,129,018
	II. CASH FLOWS FROM INVESTING ACTIVITIES		
21	Purchase, construction of fixed assets and other long-term assets	(154,443,789,559)	(176,021,842,357)
23	Loans to other entities and payments for purchase of debt instruments of other entities	(50,000,000,000)	(2,440,035,496,033)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities	3,286,384,959,052	2,791,255,265,597
27	Interests and dividends received	749,177,195,069	898,744,371,947
30	Net cash flows from investing activities	3,831,118,364,562	1,073,942,299,154

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
Quarter II 2018

Currency: VND

Code	ITEMS	For the 6-month period ended 30 June 2018	For the 6-month period ended 30 June 2017
	III. CASH FLOWS FROM FINANCING ACTIVITIES		
33	Drawdown of borrowings and bonds	-	2,995,603,333,333
34	Repayment of borrowings and bonds	(3,200,000,000,000)	(1,063,170,400,000)
40	Net cash flows (used in)/from financing activities	(3,200,000,000,000)	1,932,432,933,333
50	Net increase in cash and cash equivalents for the period	387,385,474,077	3,139,049,361,505
60	Cash and cash equivalents at the beginning of the period	760,077,481,166	1,210,553,997,781
70	Cash and cash equivalents at the end of the period	1,147,462,955,243	4,349,603,359,286


Vu Van Hung
Preparer

Nguyen Thi Xuan Nghia
Chief AccountantPham Ngoc Thoa
Chief Finance Officer

30 July 2018

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
Quarter II 2018**1. CORPORATE INFORMATION**

Vincom Retail Joint Stock Company ("the Company"), previously known as Vincom Retail Company Limited, is established in accordance with the Business Registration Certificate No. 0105850244 issued by the Hanoi Department of Planning and Investment on 11 April 2012. In accordance with the 2nd amended Business Registration Certificate dated 14 May 2013, the Company changed its legal form to a joint stock company and also changed its name to Vincom Retail Joint Stock Company. Subsequently, the Company obtained amended Enterprise Registration Certificates with the latest is the 19th amended Enterprise Registration Certificate being granted on 11 July 2018.

The Company's shares were officially listed on Ho Chi Minh Stock Exchange (HOSE) since 6 November 2017.

The current principal activities of the Company are to invest in and develop shopping centers for lease and inventory properties for sale.

The Company'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 normal course of real estate business is from 12 months to 36 months. The Company's normal course of business cycle of other business activities is 12 months.

The Company's head office is located at No. 7, Bang Lang 1 street, Vinhomes Riverside, Viet Hung ward, Long Bien district, Hanoi, Vietnam.

The number of the Company's employees as at 30 June 2018 is 531 (31 December 2017: 115).

Vingroup JSC is the Company's ultimate parent company. Vingroup JSC and its subsidiaries are hereby referred as the Group.

Corporate structure

The Company has 3 subsidiaries as at 30 June 2018, as follows:

<i>No.</i>	<i>Name</i>	<i>Voting right (%)</i>	<i>Equity interest (%)</i>	<i>Registered office's address</i>	<i>Principal activities</i>
1	North Vincom Retail LLC	100.00	100.00	No. 72A, Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi	Leasing and trading real estate property
2	South Vincom Retail LLC	100.00	100.00	No. 72, Le Thanh Ton street and No. 45A Ly Tu Trong street, Ben Nghe ward, District 1, Ho Chi Minh city	Leasing and trading real estate property
3	Suoi Hoa Urban Development and Investment JSC	97.83	97.83	Km1 + 200, Tran Hung Dao street, Suoi Hoa ward, Bac Ninh city, Bac Ninh province	Investing, developing and trading real estate property

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018**2. BASIS OF PREPARATION****2.1 Purpose of preparing the interim separate financial statements**

The Company has subsidiaries as disclosed in Note 1 and Note 15. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiaries for Quarter II 2018 ("the interim consolidated financial statements") dated 30 July 2018.

Users of the accompanying interim separate financial statements should read these interim separate financial statements together with the interim consolidated financial statements of the Company and its subsidiaries in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Company and its subsidiaries.

2.2 Accounting standards and system

The interim separate financial statements of the Company, which are expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards 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 interim separate 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 separate financial position and separate results of operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.3 Applied accounting documentation system

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

2.4 Fiscal year

The Company's fiscal year applicable for the preparation of its interim separate financial statements starts on 01 January and ends on 31 December.

2.5 Accounting currency

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****3.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash in banks, cash in transit and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Inventories*Inventory properties*

Properties being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory properties 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, leasehold rights for land and land development costs;
- ▶ Construction costs payable to contractors; and
- ▶ Borrowing costs, consultancy and design costs, costs of site preparation, professional fees for legal services, properties transfer taxes, 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, less estimated costs to completion and the estimated costs of sale.

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

3.3 Receivables

Receivables are presented in the interim separate 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.

3.4 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 separate 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 separate income statement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.5 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 Company is the lessee

Rentals under operating leases are charged to the separate income statement on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included as the Company's investment properties in the separate balance sheet.

Lease income is recognised in the separate income statement on a straight-line basis over the lease term.

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible assets comprises of its purchase price and any directly attributable costs of preparing the intangible fixed 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 interim separate income statement as incurred.

When intangible 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 interim separate income statement.

3.7 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Office equipment	3 - 5 years
Computer software	3 - 8 years

3.8 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment properties that has already been recognised is added to the net book value of the investment properties when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment properties, will flow to the Company.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Investment properties (continued)*

Land use rights presented as investment properties include definite land use rights granted to the Company for the development of its investment properties, and this land use rights are depreciated during authorised period.

Depreciation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Land use rights with definite terms	46 - 47 years
Buildings and structures	5 - 50 years
Machinery, equipment	5 - 25 years

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 interim separate income statement in the period 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, 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 properties to owner-occupied properties or inventories does not change the cost or the carrying value of the properties for subsequent accounting at the date of change in use.

3.9 *Borrowing costs*

Borrowing costs consist of interests and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the period in which they are incurred, except to the borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes 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.

3.10 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate 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 in accordance with Circular No. 45/2013/TT-BTC and other long-term prepaid expenses that bring future economic benefits for more than one year period.

3.11 *Investments*

Investments in subsidiaries

Investments in subsidiaries over which the Company has control are accounted for under the cost method of accounting in the interim separate balance sheet.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.11 Investments (continued)***Investments in other entities*

The Company has made capital contribution under business cooperation contracts for shopping malls in which the Company has the right to control, manage and operate the shopping malls when these malls are ready for commercial operations, and to share a portion of profit before tax from the operations of the shopping malls to the counterparties (who are the developers of real estate projects comprising the mall components). In this case, the capital contribution by the Company is recognised as the investment in other entities in the interim separate balance sheet at the date when the these shopping malls are handed over to the Company for commercial operations until such time as all legal procedures to transfer the malls are completed.

Provision for diminution in value of investments in capital of other entities

Provision is made for any diminution in value of the 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 interim separate 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 finance expense in the interim separate financial statements and deducted against the value of such investments.

3.12 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 Company.

Payables to contractors are recorded based on interim work certificates between two parties, regardless of whether or not billed to the Company.

3.13 Provisions

Provisions are recognised when the Company 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. 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.

Expenses relating to provisions are recognised in the interim separate income statement.

Provision for warranty expenses for apartments and shop-houses

The Company estimates this warranty provision based on revenue and currently available information about repairing expenses of apartments and shop-houses sold in the past.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.14 Foreign currency transactions**

Transactions in currencies other than the Company's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- ▶ Capital contributions or capital received are recorded at the buying exchange rates of the commercial banks designated for capital contribution.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the interim balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the period and arising from the revaluation of monetary accounts denominated in foreign currency at period-end are taken to the interim separate income statement.

3.15 Advances from customers

Payments received from customers as deposits for the purchase of residential properties in the future that do not meet the conditions for revenue recognition, are recognised and presented as "Advances from customers" in the interim separate balance sheet.

3.16 Appropriation of net profits

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

3.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 properties

Revenue from sale of inventory properties is recognised when the significant risks and rewards of ownership of the properties have passed to the buyer.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.17 Revenue recognition (continued)***Revenue from sale of inventory properties (continued)*

Revenue from sale of inventory properties also includes long-term lease of real estate properties qualified for recognition of outright sales. If the lease-term is greater than 90% of the asset's useful life, the Company 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 investment properties

Rental income arising from operating lease of properties is recognised in the interim separate income statement on a straight line basis over the lease terms.

Rendering of services

Revenue from rendering of services is recorded when the services are rendered.

Gains from securities trading, capital transfer

Gains from securities and capital transfer are determined as the excess of selling prices against the cost of investments sold. Such gains are recognised on the date of completion.

Interests

Revenue is recognised as the interests accrued (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognised when the Company's entitlement as investors to receive the dividend is established.

3.18 Taxation*Current income tax*

Current income tax assets and liabilities for the current and prior periods 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 interim balance sheet date.

Current income tax is charged or credited to the interim separate 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 Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.18 Taxation (continued)***Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the interim balance sheet date between the tax base of assets and liabilities and their carrying amount for interim separate financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related 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 joint ventures 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; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit 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 no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at the interim 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 period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the interim balance sheet date.

Deferred tax is charged or credited to the interim separate 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 Company to off-set 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 Company intends either 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.19 Related parties**

Parties are considered to be related parties of the group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. CASH AND CASH EQUIVALENTS

Currency: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash in banks	729,329,101,798	690,049,443,164
Cash in transit	19,023,493	28,038,002
Cash equivalents	418,114,829,952	70,000,000,000
TOTAL	1,147,462,955,243	760,077,481,166

Ending balance of cash equivalents comprise bank deposits in VND with maturity terms of 3 months and earning interests at the rate ranging from 5% to 5.5% per annum (31 December 2017: bank deposits in VND with maturity term of 3 months and earning interests at the rates of 5.5% per annum).

5. HELD-TO-MATURITY INVESTMENTS

Currency: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term held-to-maturity investments	-	45,668,494,949
Long-term held-to-maturity investments (i)	1,700,000,000,000	1,700,000,000,000
TOTAL	1,700,000,000,000	1,745,668,494,949

- (i) Ending balance of long-term held-to-maturity investments comprises long-term bank deposits at Vietnam Technological and Commercial Joint Stock Bank with terms of 36 months and earning interest at the rate of 7.1% per annum (31 December 2017: terms of 36 months and earning interest at the rate of 7.1% per annum).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

6. SHORT-TERM TRADE RECEIVABLES

	Currency: VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Receivables from disposal of investments	-	100,000,000,000
Receivables from rendering management	22,418,309,617	33,097,839,916
Receivables from sale of inventory	33,827,781,720	16,015,272,191
Receivables from leasing activities and rendering related services	48,037,363,796	16,211,036,275
TOTAL	104,283,455,133	165,324,148,382
<i>In which:</i>		
Trade receivables from customers	48,982,142,127	125,049,682,658
Trade receivables from related parties (Note 27)	55,301,313,006	40,274,465,724

Details of receivables which account for more than 10% of total balance:

Receivable from rendering services to South Vincom Retail LLC	12,251,195,538	25,570,511,427
Receivable from rendering services to North Vincom Retail LLC	22,605,083,287	9,694,502,131
Receivable from disposal of an investment to a corporate counterparty	-	100,000,000,000

7. OTHER SHORT-TERM RECEIVABLES

	Currency: VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Interests on bank deposits, deposits and loans	202,069,057,709	274,391,642,755
Receivable for payment on behalf (i)	24,645,278,024	301,519,809,693
Dividends receivable	350,000,000,000	-
Others	126,476,764,123	38,556,603,530
TOTAL	703,191,099,856	614,468,055,978
<i>In which:</i>		
Other receivables	99,458,451,615	345,455,608,768
Other receivables from related parties (Note 27)	603,732,648,241	269,012,447,210
Provision for doubtful short-term receivables	-	(22,000,000,000)

- (i) Beginning balance mainly comprises of payments on behalf amounting to VND 285.7 billion relating to the Company's initial public offering. These amounts were collected in Quarter I 2018.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

8. INVENTORIES

Currency: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials	914,075,905	-
Completed inventory properties	22,492,716,683	28,281,038,572
Inventory properties under construction (i)	345,550,428,110	343,338,013,492
TOTAL	368,957,220,698	371,619,052,064

- (i) The balance mainly comprises of construction and development costs of shop-houses for sale which are parts of the Company's real estate projects.

9. PREPAID EXPENSES

Currency: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term:		
Selling expenses related to sale of inventory properties not yet handed over	14,589,552,513	21,144,833,151
Project investment costs	18,280,093,371	13,907,685,928
Prepaid land rental	17,436,348,096	-
Others	2,427,506,933	10,899,271,753
TOTAL	52,733,500,913	45,951,790,832
Long-term:		
Prepaid land rental	-	13,758,356,533
Tools and supplies	2,064,881,505	919,114,221
Others	3,943,191,706	2,875,744,750
TOTAL	6,008,073,211	17,553,215,504

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

10. OTHER ASSETS

Currency: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term:		
Deposits to related parties for investment purposes (Note 27) (i)	4,667,172,915,451	5,173,000,000,000
TOTAL	4,667,172,915,451	5,173,000,000,000
Long-term:		
Deposits to related parties for investment purposes (Note 27) (i)	478,000,000,000	327,000,000,000
TOTAL	478,000,000,000	327,000,000,000

- (i) Ending balance are deposits to Vingroup JSC and some companies within the Group (hereby referred to as "the counterparties") for the investment and operations of shopping mall component of a number of real estate projects under business cooperation contracts. These deposits require no collaterals. In accordance with these contracts, the counterparties have committed to transferring shopping mall component, or to granting the Company with right to purchase the shopping malls, at the price sufficient to cover all relevant capital expenditures incurred. In case the counterparties have not completed all procedures to hand over the shopping malls to the Company when the assets are completed and ready for commercial operations, two parties will sign business cooperation contracts, giving the Company the right to control, manage and operate the shopping malls, and a portion of profit before tax from the operations of the shopping malls will be shared to the counterparties.

11. INTANGIBLE ASSETS

Currency: VND

	<u>Computer software</u>
Cost:	
Beginning balance	40,988,199,187
- Newly purchased	-
Ending balance	40,988,199,187
Accumulated amortisation:	
Beginning balance	10,172,409,287
- Amortisation for the period	3,102,842,439
Ending balance	13,275,251,726
Net carrying amount:	
Beginning balance	30,815,789,900
Ending balance	27,712,947,461

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018**12. INVESTMENT PROPERTIES**

Currency: VND

	<i>Definite land use rights</i>	<i>Building and structures</i>	<i>Machineries and equipment</i>	<i>Total</i>
Cost:				
Beginning balance	191,249,096,106	2,200,053,541,286	436,020,566,328	2,827,323,203,720
Newly constructed	-	28,296,832,963	95,405,479,651	123,702,312,614
Increase due to finalisation of construction contracts	-	525,208,982	-	525,208,982
Sold, disposal	-	(3,569,736,259)	(1,129,116,343)	(4,698,852,602)
Reclassification	-	4,861,606,903	(4,861,606,903)	-
Ending balance	191,249,096,106	2,230,167,453,875	525,435,322,733	2,946,851,872,714
Accumulated depreciation:				
Beginning balance	8,360,701,841	103,887,058,757	56,432,044,073	168,679,804,671
Depreciation for the period	1,772,414,631	32,408,945,445	24,534,064,103	58,715,424,179
Reclassification	265,491,465	666,400,442	(931,891,907)	-
Sold, disposal	-	(18,468,012)	(9,290,219)	(27,758,231)
Ending balance	10,398,607,937	136,943,936,632	80,024,926,050	227,367,470,619
Net carrying amount:				
Beginning balance	182,888,394,265	2,096,166,482,529	379,588,522,255	2,658,643,399,049
Ending balance	180,850,488,169	2,093,223,517,243	445,410,396,683	2,719,484,402,095

Investment properties mainly include the shopping malls of the Company.

Revenue and operating expenses related to investment properties are disclosed in Note 22.3.

13. CONSTRUCTION IN PROGRESS

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Vincom Plaza Long An	-	79,336,902,897
Vincom Plaza Ca Mau	38,588,385,581	1,788,556,341
Other projects	27,408,827,328	8,038,724,096
TOTAL	65,997,212,909	89,164,183,334

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

14. INVESTMENTS IN SUBSIDIARIES

Currency: VND

No.	Company	Ending balance			Beginning balance		
		Number of shares	Carrying value (VND)	Ownership (%)	Number of shares	Carrying value (VND)	Ownership (%)
1	North Vincom Retail LLC	(*)	5,858,780,000,000	100.00	(*)	5,858,780,000,000	100.00
2	South Vincom Retail LLC	(*)	5,779,000,000,000	100.00	(*)	5,779,000,000,000	100.00
3	Suoi Hoa Urban Development and Investment JSC	34,240,000	562,008,928,000	97.83	34,240,000	562,008,928,000	97.83
TOTAL			12,199,788,928,000			12,199,788,928,000	

(*) These are limited liability companies, hence there is no share issued.

15. INVESTMENTS IN OTHER ENTITIES

Investment in other entities comprises deposits to Vingroup JSC, the ultimate parent company, for the co-investment and operation of shopping mall component of a number of real estate projects under business co-investment and operation contracts (the "BCC"). During the period, these shopping malls had been completed and ready for commercial operations. As a result, the parties signed the BCC giving the Company the right to control, manage and operate the shopping malls, and a portion of profit before tax from the operation of the shopping malls will be shared to the counterparty.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018**16. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS****16.1 Short-term trade payables**

Currency: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
Trade payables to suppliers	33,376,932,813	38,905,608,634
Trade payables to related parties (Note 27)	75,875,541,797	140,875,697,093
TOTAL	109,252,474,610	179,781,305,727
Details of trade payables which account for more than 10% of total balance:		
Payables to Vincom Construction and Consultant LLC	70,765,043,185	59,225,009,128
Payables to Vingroup JSC	-	57,523,501,967

16.2 Short-term advances from customers

Currency: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
Downpayment from customers under sale and purchase of real estate agreements	152,883,541,807	286,634,067,742
Others	751,815,579	19,690,923,788
TOTAL	153,635,357,386	306,324,991,530
In which:		
Advances from other parties	153,635,357,386	288,936,713,881
Advances from related parties (Note 27)	-	17,388,277,649

17. STATUTORY OBLIGATIONS

Currency: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
Payables		
Value added tax	14,585,979,260	119,485,553
Corporate income tax	34,670,208,429	32,211,985,667
Personal income tax	1,852,686,840	1,482,584,192
Others	(1,000,000)	25,511,179,433
TOTAL	51,107,874,529	59,325,234,845

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

18. SHORT-TERM ACCRUED EXPENSES

Currency: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
Accrued loans and bond interests	83,938,700,902	89,444,237,641
Accrued construction costs	88,918,703,220	11,827,655,144
Accrued commission and brokerage fee	14,696,660,597	20,307,751,026
Others	22,489,877,250	18,602,273,011
TOTAL	210,043,941,969	140,181,916,822
<i>In which:</i>		
Accrued expenses due to others	208,773,883,268	140,072,581,222
Accrued expenses due to related parties (Note 27)	1,270,058,701	109,335,600

19. OTHER PAYABLES

Currency: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term:		
Consulting, brokerage and underwriting fee for initial public offering	-	261,545,549,247
Deposits received under deposit and loan contracts	48,394,043,900	76,470,528,859
Centralised cash management in master account payable to subsidiaries	140,192,319,527	60,449,618,722
Maintenance fund	5,122,997,895	46,915,455,112
Deposits from tenants to be refunded within the next 12 months	19,024,982,915	15,881,361,879
Other payables	34,434,533,955	6,764,490,032
TOTAL	247,168,878,192	468,027,003,851
<i>In which:</i>		
Other payables	98,957,677,310	404,614,809,449
Other payables to related parties (Note 27)	148,211,200,882	63,412,194,402
Long-term:		
Deposits from tenants	99,672,683,599	51,466,071,585
Less: Deposits from tenants to be refunded within the next 12 months (Presented in Short-term)	(19,024,982,915)	(15,881,361,879)
TOTAL	80,647,700,684	35,584,709,706
<i>In which:</i>		
Other payables	77,122,764,804	32,431,834,093
Other payables to related parties (Note 27)	3,524,935,880	3,152,875,613

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

20. LOANS AND DEBTS

20.1 Short-term loans and debts

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Carrying value</i>	<i>Payable amount</i>	<i>Carrying value</i>	<i>Payable amount</i>
Corporate bonds (i)	-	-	2,797,608,333,330	2,797,608,333,330
TOTAL	-	-	2,797,608,333,330	2,797,608,333,330

(i) The Company had repaid these corporate bonds in April 2018.

20.2 Long term loans and debts

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Carrying value</i>	<i>Payable amount</i>	<i>Carrying value</i>	<i>Payable amount</i>
Corporate bonds (i)	2,596,775,777,812	2,596,775,777,812	2,996,336,111,150	2,996,336,111,150
TOTAL	2,596,775,777,812	2,596,775,777,812	2,996,336,111,150	2,996,336,111,150

(i) These bonds have par value of VND 3,000 billion comprising of 3,000 bonds with duration of 5 years and were arranged for issuance on 8 March 2017 by Vietnam Bank for Industry and Trade Securities Joint Stock Company. Interest rate applied for the first period is 8.1% per annum, and for the subsequent periods is floating and adjusted once per six months which is determined by 12-month interest paid-in-arrears VND saving rates listed by Vietnam Joint Stock Commercial Bank for Industry and Trade – Hanoi Branch in each determined interest date plus (+) 3%. The balance is presented net of bond issue costs.

These bonds are secured by land use rights and assets attached to land of Vincom Mega Mall Thao Dien and Vincom Plaza Ngo Quyen – Da Nang and assets attached to land of Vincom Center Pham Ngoc Thach, Vincom Plaza Thu Duc, and Vincom Plaza Ha Long. These shopping malls are owned by North Vincom Retail LLC and South Vincom Retail LLC, two subsidiaries.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

Currency: VND

	<i>Shares with voting right</i>	<i>Preference shares</i>	<i>Share premium</i>	<i>(Accumulated losses)/ Undistributed earnings</i>	<i>Total</i>
For the 6-month period ended 30 June 2017					
Beginning balance	15,166,399,400,000	5,925,325,550,000	1,788,492,262,669	(702,516,205,695)	22,177,701,006,974
- Net profit for the period	-	-	-	1,442,526,025,817	1,442,526,025,817
- Dividend	-	-	-	(1,072,500,000,000)	(1,072,500,000,000)
Ending balance	15,166,399,400,000	5,925,325,550,000	1,788,492,262,669	(332,490,179,878)	22,547,727,032,791
For the 6-month period ended 30 June 2018					
Beginning balance	19,010,787,330,000	-	4,324,379,868,907	(260,010,741,321)	23,075,156,457,586
- Net profit for the period	-	-	-	938,033,734,097	938,033,734,097
Ending balance	19,010,787,330,000	-	4,324,379,868,907	678,022,992,776	24,013,190,191,683

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

21. OWNERS' EQUITY (continued)

21.2 Shares

	Ending balance		Beginning balance	
	Quantity	Amount VND	Quantity	Amount VND
Registered and issued shares				
Ordinary shares	1,901,078,733	19,010,787,330,000	1,901,078,733	19,010,787,330,000
Preference shares	-	-	-	-
Total	1,901,078,733	19,010,787,330,000	1,901,078,733	19,010,787,330,000
Outstanding shares				
Ordinary shares	1,901,078,733	19,010,787,330,000	1,901,078,733	19,010,787,330,000
Preference shares	-	-	-	-
Total	1,901,078,733	19,010,787,330,000	1,901,078,733	19,010,787,330,000

Par value of each outstanding share is VND10,000 per share (31 December 2017: 10,000VND per share).

22. REVENUE

22.1 Revenue from sale of goods and rendering of services

Currency: VND

	Quater II 2018	Quater II 2017
Gross revenue	295,339,199,651	271,596,673,139
In which:		
Sale of inventory properties	124,082,392,889	122,105,640,595
Leasing activities and rendering of related services	142,277,459,420	74,999,053,591
Rendering management services	28,979,347,342	74,491,978,953
Deduction	-	-
Net revenue	295,339,199,651	271,596,673,139
In which:		
Revenue from sale to others	202,831,355,660	161,241,266,582
Revenue from sale to related parties	92,507,843,991	110,355,406,557

22.2 Finance income

Currency: VND

	Quater II 2018	Quater II 2017
Dividend receivable from subsidiaries, associates	600,000,000,000	812,500,000,000
Interest income from bank deposits, loans and deposits	201,566,354,213	423,763,921,991
Gain from disposal of investments	-	946,111,113
Others	-	400,000,000
TOTAL	801,566,354,213	1,237,610,033,104

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

22. REVENUE (continued)

22.3 Revenue and cost related to investment properties

Currency: VND

	<u>Quater II 2018</u>	<u>Quater II 2017</u>
Revenue from leasing of investment properties and rendering of related services (Note 22.1)	142,277,459,420	74,999,053,591
Direct operating costs related to investment properties generating income in the year (Note 23)	87,283,940,550	46,789,821,411

23. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: VND

	<u>Quater II 2018</u>	<u>Quater II 2017</u>
Cost of inventory properties sold	91,655,738,335	75,050,255,667
Cost of leasing activities and rendering of related services	87,283,940,550	46,789,821,411
Cost of rendering management services	22,994,379,228	48,563,839,752
TOTAL	201,934,058,113	170,403,916,830

24. FINANCE EXPENSES

Currency: VND

	<u>Quater II 2018</u>	<u>Quater II 2017</u>
Interests on loans and bond	88,756,638,109	130,833,421,724
Amortisation of bond issue costs	1,415,666,668	1,415,666,664
Others	59,815,674	-
TOTAL	90,232,120,451	132,249,088,388

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Currency: VND

	<u>Quater II 2018</u>	<u>Quater II 2017</u>
Selling expenses	6,476,060,381	11,129,868,045
Consulting, commission and brokerage fees	(2,974,294,507)	9,714,000,996
Brand and marketing fee	2,308,108,270	489,250,951
Others	7,142,246,618	926,616,098
General and administrative expenses	4,046,088,867	9,978,592,547
Management services fee	2,797,984,901	9,976,737,410
Others	1,248,103,966	1,855,137
TOTAL	10,522,149,248	21,108,460,592

26. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company for Quarter II 2018 is 20% on taxable profits (for Quarter II 2017: 20%).

The tax returns filed by the Company is 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 interim separate financial statements could change at a later date upon final determination by the tax authorities.

Currency: VND

	<u>Quater II 2018</u>	<u>Quater II 2017</u>
Current tax expenses	39,179,677,883	74,719,787,808
Adjustment for under accrual of CIT from previous period	-	-
TOTAL	39,179,677,883	74,719,787,808

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

27. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the period:

Sale and purchase of assets and services:

For the 6-month period ended 30 June 2018:

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Receivables from leasing and rendering of related services</i>	<i>Receipt of leasing and rendering of related services</i>	<i>Payables for purchase of goods and services</i>	<i>Payment for purchase of goods and services</i>
Vingroup JSC	Parent company			(34,704,625,537)	109,241,475,000
North Vincom Retail LLC	Subsidiary	65,330,417,299	(50,638,068,803)		
South Vincom Retail LLC	Subsidiary	67,606,050,317	(101,145,626,338)		
Vincom Construction and Consultant LLC	Under common control			(83,028,623,542)	170,320,676,584
Vincommerce General Commerce Services JSC	Under common control	28,014,738,591	(27,307,007,996)	(5,250,375,476)	7,089,415,785
Vinhomes JSC	Under common control	35,840,957,309	(35,849,811,111)	(2,197,112,941)	2,264,247,834

For the 6-month period ended 30 June 2017:

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Receivables from leasing and rendering of related services</i>	<i>Receipt of leasing and rendering of related services</i>	<i>Payables for purchase of goods and services</i>	<i>Payment for purchase of goods and services</i>
Vingroup JSC	Parent company			(35,060,894,816)	37,204,835,438
North Vincom Retail LLC	Subsidiary	68,140,540,548	(43,294,514,228)		
South Vincom Retail LLC	Subsidiary	60,083,394,327	(46,986,918,866)		
Vincom Construction and Consultant LLC	Under common control				125,317,799,658

Vincom Retail Joint Stock Company

B09a-DN

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued) Quarter II 2018

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the period (continued):

Disposal of investment and other investments:

For the 6-month period ended 30 June 2018:

Currency: VND

Related parties	Relationship	Deposit for investment purpose	Collection from deposit for investment purpose	Receivables from disposal of investment	Cash inflow from subsidiaries to Master account	Cash outflow from Master account to subsidiaries	Dividend receivable	Dividend received
Vingroup JSC	Parent company	404,660,683,712	(484,000,000,000)					
North Vincom Retail LLC	Subsidiary				(283,523,031,710)	290,515,258,321	600,000,000,000	(250,000,000,000)
South Vincom Retail LLC	Subsidiary				(1,072,996,273,171)	986,261,345,755		
Vinpearl JSC	Under common control	178,425,269,922						

For the 6-month period ended 30 June 2017:

Currency: VND

Related parties	Relationship	Deposit for investment purpose	Collection from deposit for investment purpose	Receivables from disposal of investment	Cash inflow from subsidiaries to Master account	Cash outflow from Master account to subsidiaries	Dividend receivable	Dividend received
North Vincom Retail LLC	Subsidiary				(167,757,176,302)	166,953,448,342		
South Vincom Retail LLC	Subsidiary			1,846,424,894,000	(1,763,188,353,764)	1,820,435,059,410		
VINFAST Trading and Production LLC	Under common control			3,312,335,000,000				
Tan Lien Phat Construction Investment Corporation JSC (Merged into Hanoi Southern City Development and Trading LLC since 01 February 2018)	Associate (Till 30 June 2017)						812,500,000,000	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the period (continued):

Lending transactions:

For the 6-month period ended 30 June 2018:

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Lending</i>	<i>Collection of loan principal</i>	<i>Interests receivable</i>	<i>Interests received</i>
Vingroup JSC	Parent company		(2,613,600,000,000)	145,997,716,911	(192,260,942,507)
North Vincom Retail LLC	Subsidiary		(700,000,000,000)	58,554,129,972	(52,512,655,119)
South Vincom Retail LLC	Subsidiary	50,000,000,000	(152,300,000,000)	68,194,573,067	(158,123,748,951)

For the 6-month period ended 30 June 2017:

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Lending</i>	<i>Collection of loan principal</i>	<i>Interests receivable</i>	<i>Interests received</i>
Vingroup JSC	Parent company			170,827,800,000	(86,829,600,000)
South Vincom Retail LLC	Subsidiary	2,346,424,894,000	(1,000,561,177,431)	329,169,022,733	(320,487,652,072)
North Vincom Retail LLC	Subsidiary	1,870,000,000,000	(216,000,000,000)	201,332,747,773	(149,286,027,610)
Suoi Hoa Urban Development and Investment JSC	Subsidiary	25,000,000,000			

NOTE TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties are as follows:

Currency: VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade receivable (Note 6)				
South Vincor Retail LLC	Subsidiary	Receivables from rendering of services	12,251,195,538	25,570,511,427
North Vincor Retail LLC	Subsidiary	Receivables from rendering of services	22,605,083,287	9,694,502,131
Vincommerce General Commerce Services JSC	Under common control	Receivables from rendering of services	5,976,254,771	3,003,375,833
Other companies in the Group		Other receivables	14,468,779,410	2,006,076,333
			55,301,313,006	40,274,465,724
Other short-term receivables (Note 7)				
Vingroup JSC	Parent company	Interests receivable from loans and deposits	65,488,752,527	111,751,978,123
South Vincor Retail LLC	Subsidiary	Other receivables	1,200,742,566	97,528,187
		Interests receivable from loans	10,950,353,710	100,879,529,594
		Other receivables	702,058,805	535,748,934
Vincor Construction and Consultant LLC	Under common control	Other receivables	2,268,658,160	16,358,493,267
North Vincor Retail LLC	Subsidiary	Interests receivable from loans	19,342,065,970	13,300,591,117
Vincommerce General Commerce Services JSC	Under common control	Dividends receivable	350,000,000,000	-
		Other receivables	21,298,477,785	7,251,382,860
		Interests receivable from deposits	88,012,652,119	-
		Other receivables	684,661,047	152,006,580
Other companies in the Group		Other receivables	43,784,225,552	18,685,188,548
			603,732,648,241	269,012,447,210

NOTE TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as follows: (continued)

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Other current assets (Note 10)				
Vingroup JSC	Parent company	Deposit for business cooperation	2,643,747,645,529	3,328,000,000,000
Vinhomes JSC	Under common control	Deposit for business cooperation	1,571,000,000,000	1,571,000,000,000
Vietnam Investment and Consulting Investment JSC	Under common control	Deposit for business cooperation	188,000,000,000	188,000,000,000
Vinpearl JSC	Under common control	Deposit for business cooperation	264,425,269,922	86,000,000,000
			4,667,172,915,451	5,173,000,000,000
Other long-term assets (Note 10)				
Vingroup JSC	Parent company	Deposit for business cooperation	214,000,000,000	226,000,000,000
Can Gio Tourist City Corporation	Under common control	Deposit for business cooperation	163,000,000,000	-
Central Park Development LLC	Under common control	Deposit for business cooperation	101,000,000,000	101,000,000,000
			478,000,000,000	327,000,000,000
Short-term trade payables (Note 16.1)				
Vincom Construction and Consultant LLC	Under common control	Construction cost payable	70,765,043,185	59,225,009,128
Vingroup JSC	Parent company	Management fee and other service fee payable	-	57,523,501,967
Other companies in the Group		Other payables	5,110,498,612	24,127,185,998
			75,875,541,797	140,875,697,093
Advance from customers (Note 16.2)				
Companies in the Group		Other advances	-	17,388,277,649
			-	17,388,277,649
Short-term accrued expenses (Note 18)				
Companies in the Group		Other payables	1,270,058,701	109,335,600
			1,270,058,701	109,335,600

NOTE TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as follows: (continued)

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Other short-term payables (Note 19)				
South Vincom Retail LLC	Subsidiary	Payables relating to Master account	131,536,832,429	41,471,088,874
		Other payables	183,250,200	368,588,915
North Vincom Retail LLC	Subsidiary	Payables relating to Master account	15,170,412,856	18,978,529,848
		Other payables	-	6,000,000
Other companies in the Group		Other payables	1,320,705,397	2,587,986,765
			148,211,200,882	63,412,194,402
Other long-term liabilities (Note 19)				
Companies in the Group		Other payables	3,524,935,880	3,152,875,613
			3,524,935,880	3,152,875,613

Loan receivables from related parties

Details of unsecured short-term loans to related parties as at 30 June 2018:

<i>Related parties</i>	<i>Relationship</i>	<i>Ending balance</i>	<i>Interest rate</i>	<i>Maturity date</i>
		VND	per annum	
South Vincom Retail LLC	Subsidiary	50,000,000,000	10.0%	February 2019
		792,293,034,608	10.0%	March 2019
		842,293,034,608		

Details of unsecured short-term loans to related parties as at 31 December 2017:

<i>Related parties</i>	<i>Relationship</i>	<i>Ending balance</i>	<i>Interest rate</i>	<i>Maturity date</i>
		VND	per annum	
Vingroup JSC	Parent company	2,613,600,000,000	13.0%	April 2018
South Vincom Retail LLC	Subsidiary	57,300,000,000	9.0%	December 2018
		25,000,000,000	9.0%	November 2018
		70,000,000,000	9.0%	December 2018
North Vincom Retail LLC	Subsidiary	100,000,000,000	9.0%	September 2018
		2,865,900,000,000		

NOTE TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II 2018

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Loan receivables from related parties (continued)

Details of unsecured long-term loans to related parties as at 30 June 2018:

Related parties	Relationship	Ending balance	Interest rate		Maturity date
			VND	per annum	
North Vincom Retail LLC	Subsidiary	1,100,000,000,000		9.8%	March 2022
South Vincom Retail LLC	Subsidiary	500,000,000,000		9.8%	March 2022
		1,600,000,000,000			

Details of unsecured long-term loan to related parties as at 31 December 2017:

Related parties	Relationship	Ending balance	Interest rate		Maturity date
			VND	per annum	
North Vincom Retail LLC	Subsidiary	1,500,000,000,000		8.1%	March 2022
		200,000,000,000		9.0%	April 2019
South Vincom Retail LLC	Subsidiary	500,000,000,000		8.1%	March 2022
		792,293,034,608		9.0%	March 2019
		2,992,293,034,608			

28. EVENTS AFTER THE INTERIM BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the interim balance sheet date that requires an adjustment or a disclosure in the interim separate financial statements of the Company.



Vu Van Hung
Preparer



Nguyen Thi Xuan Nghia
Chief Accountant



Phạm Ngọc Thoa
Chief Finance Officer

30 July 2018

Vincom Retail Joint Stock Company

APPENDIX
Quarter II 2018

APPENDIX 1 - CORPORATE STRUCTURE AS AT 30 JUNE 2018

<i>No.</i>	<i>Name</i>	<i>Voting right (%)</i>	<i>Equity interest (%)</i>	<i>Registered office's address</i>	<i>Principal activities</i>
1	North Vincom Retail LLC	100.00	100.00	No. 72A, Nguyen Trai street, Thuong Dinh ward, Thanh Xuan district, Hanoi	Leasing and trading real estate property
2	South Vincom Retail LLC	100.00	100.00	No. 72, Le Thanh Ton street and No. 45A Ly Tu Trong street, Ben Nghe ward, District 1, Ho Chi Minh city	Leasing and trading real estate property
3	Suoi Hoa Urban Development and Investment JSC	97.83	97.83	Km1 + 200, Tran Hung Dao street, Suoi Hoa ward, Bac Ninh city, Bac Ninh province	Investing, developing and trading real estate property

Vincom Retail Joint Stock Company

APPENDIX (continued)
Quarter II 2018

APPENDIX 2 - EXPLANATION FOR THE VARIANCES IN INCOME STATEMENTS BETWEEN THE TWO PERIODS (Under guidance of Circular No. 155/2015/TT-BTC dated 06 October 2015)

Currency: VND

Code	Item	Quarter II 2018	Quarter II 2017	Variance	%
10	Net revenue from sale of goods and rendering of	295,339,199,651	271,596,673,139	23,742,526,512	9%
11	Cost of goods sold and services rendered	201,934,058,113	170,403,916,830	31,530,141,283	19%
21	Finance income	801,566,354,213	1,237,610,033,104	(436,043,678,891)	-35%
50	Accounting profit before tax	792,421,292,869	1,185,619,575,819	(393,198,282,950)	-33%
60	Net profit after tax	753,241,614,986	1,110,899,788,011	(357,658,173,025)	-32%

Explanation for variances in income statements between the two period which were over 10%:

- Net revenue from sale of goods and rendering of services increased mainly because of newly opened shopping malls. Cost of goods sold and services rendered increased due to opening expenses and management cost of newly opened shopping malls, and lower gross profit margin of inventory properties sold in the period.
- Finance income decreased VND 436 billion in comparison with previous period because interest income from bank deposits, loans and deposits decreased by VND 222 billion and dividend receivable from subsidiaries, associates decreased by VND 212.5 billion.
- Accounting profit before tax decreased by VND 393 billion in comparison with previous period mainly because of above reasons.
- Net profit after tax decreased by VND 358 billion in comparison with previous period because of above mentioned reasons. Besides, current corporate income tax expenses decreased by VND 35.5 billion because of decrease in profit before tax.

