



**Vincom Retail Joint Stock Company
and its subsidiaries**

**Consolidated Interim Financial Statements
for the six-month period ended 30 June 2018**

Vincom Retail Joint Stock Company Corporate Information

Business Registration Certificate No.

0105850244

11 April 2012

The Company's Business Registration Certificate has been amended several times, the most recent of which is dated 11 July 2018. The Company's Business Registration Certificate was issued by the Department of Planning and Investment of Ha Noi City.

Board of Directors

Ms. Thai Thi Thanh Hai	Chairwoman (from 7 June 2018)
Ms. Mai Thu Thuy	Member (from 7 June 2018)
	Chairwoman (from 9 March 2018 to 7 June 2018)
Ms. Duong Thi Mai Hoa	Chairwoman (until 9 March 2018)
Ms. Tran Mai Hoa	Member
Ms. Nguyen Thi Diu	Member
Ms. Le Mai Lan	Member
Mr. Jeffrey David Perlman	Member
Mr. Timothy J. Daly	Member
Mr. Brett Krause	Member
Mr. Phan Thanh Son	Member

Board of Management

Ms. Tran Mai Hoa	General Director
Mr. Nguyen Anh Dung	Deputy General Director (from 26 June 2018)
Ms. Tran Thu Hien	Deputy General Director (from 30 March 2018)
Ms. Nguyen Thi Thu Ha	Deputy General Director (until 30 March 2018)
Ms. Pham Ngoc Thoa	Chief Finance Officer

Vincom Retail Joint Stock Company
Corporate Information (continued)

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

Registered Office	No. 7, Bang Lang 1 Street, Ecological Residence of Vinhomes Riverside Viet Hung Ward, Long Bien District Hanoi city Vietnam
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Auditor	KPMG Limited Vietnam
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Vincom Retail Joint Stock Company and its subsidiaries

Statement of the Board of Management

The Board of Management of Vincom Retail Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2018.

The Board of Management is responsible for the preparation and fair presentation of the consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In the opinion of the Board of Management:

- (a) the consolidated interim financial statements set out on pages 6 to 68 give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 30 June 2018, and of their consolidated results of operations and their consolidated cash flows of the Company and its subsidiaries for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company and its subsidiaries will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised these accompanying consolidated financial statements for issue.



Chief Finance Officer

Hanoi, 29 August 2018



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Vincom Retail Joint Stock Company

We have reviewed the accompanying consolidated interim financial statements of Vincom Retail Joint Stock Company ("the Company") and its subsidiaries, which comprise the consolidated balance sheet as at 30 June 2018, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 29 August 2018, as set out on pages 6 to 68.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 – Review of interim financial information performed by the independent auditor of the entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Vincom Retail Joint Stock Company and its subsidiaries as at 30 June 2018 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

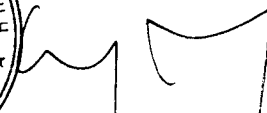
Other matter

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2017 and for the six-month period ended 30 June 2017 were respectively audited and reviewed by another firm of auditors whose audit report dated 10 April 2018 and review report dated 19 September 2017 expressed an unqualified opinion and conclusion.

KPMG Limited's Branch in Ho Chi Minh City



Review Report No.: 18-01-278 (b)


Chong Kwang Puay
Practicing Auditor Registration
Certificate No. 0864-2018-007-1
Deputy General Director

Ho Chi Minh City, 29 August 2018



Nguyen Anh Tuan
Practicing Auditor Registration
Certificate No. 0436-2018-007-1

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2018

Form B 01a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2018 VND	1/1/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		10,217,477,751,860	13,356,535,681,339
Cash and cash equivalents	110	8	1,532,281,471,765	1,421,529,231,881
Cash	111		762,713,467,941	851,529,231,881
Cash equivalents	112		769,568,003,824	570,000,000,000
Short-term financial investments	120		14,982,629,666	60,181,546,761
Held-to-maturity investments	123	9	14,982,629,666	60,181,546,761
Accounts receivable – short-term	130		1,129,069,356,921	4,052,502,966,557
Accounts receivable from customers	131	10	444,121,937,830	567,834,036,030
Prepayments to suppliers	132	11	291,094,202,373	277,332,511,822
Loans receivable – short-term	135	12	-	2,613,600,000,000
Other short-term receivables	136	13(a)	440,947,166,028	663,549,796,021
Allowance for doubtful debts	137	14	(47,093,949,310)	(69,813,377,316)
Inventories	140	15	2,294,077,193,010	1,816,699,091,977
Inventories	141		2,331,515,606,849	1,842,989,435,687
Allowance for inventories	149		(37,438,413,839)	(26,290,343,710)
Other current assets	150		5,247,067,100,498	6,005,622,844,163
Short-term prepaid expenses	151	21(a)	454,321,461,358	347,781,813,747
Deductible value added tax	152		123,413,198,955	125,297,469,785
Taxes receivable from State				
Treasury	153		2,159,524,734	2,160,024,734
Other current assets	155	16	4,667,172,915,451	5,530,383,535,897

The accompanying notes are an integral part of these consolidated interim financial statements

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2018 (continued)

Form B 01a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2018 VND	1/1/2018 VND
Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		25,869,757,293,984	24,776,701,353,840
Accounts receivable – long-term	210		9,916,542,452	7,594,538,151
Other long-term receivables	216	13(c)	9,916,542,452	7,594,538,151
Fixed assets	220		302,826,859,100	170,582,653,735
Tangible fixed assets	221	17	271,280,447,811	136,943,332,298
Cost	222		335,309,794,238	185,494,246,758
Accumulated depreciation	223		(64,029,346,427)	(48,550,914,460)
Intangible fixed assets	227	18	31,546,411,289	33,639,321,437
Cost	228		47,947,662,944	46,477,046,089
Accumulated depreciation	229		(16,401,251,655)	(12,837,724,652)
Investment property	230	19	21,241,806,995,260	20,401,205,403,605
Cost	231		24,034,523,086,355	22,721,608,675,377
Accumulated depreciation	232		(2,792,716,091,095)	(2,320,403,271,772)
Long-term work in progress	240		1,106,395,449,427	1,080,110,809,673
Construction in progress	242	20	1,106,395,449,427	1,080,110,809,673
Long-term financial investments	250		1,830,000,000,000	1,830,000,000,000
Held-to-maturity investments	255	9	1,830,000,000,000	1,830,000,000,000
Other long-term assets	260		1,378,811,447,745	1,287,207,948,676
Long-term prepaid expenses	261	21(b)	366,392,198,860	394,382,213,713
Deferred tax assets	262	22	18,765,586,244	13,880,235,718
Other long-term assets	268	16	478,000,000,000	327,000,000,000
Goodwill	269	23	515,653,662,641	551,945,499,245
TOTAL ASSETS (270 = 100 + 200)	270		36,087,235,045,844	38,133,237,035,179

The accompanying notes are an integral part of these consolidated interim financial statements

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2018 (continued)

Form B 01a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2018 VND	1/1/2018 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		8,831,540,599,779	12,039,182,364,957
Current liabilities	310		5,283,420,550,407	8,138,185,249,855
Accounts payable to suppliers	311	24	1,147,634,753,371	1,065,331,095,768
Advances from customers	312	25	2,227,763,487,371	2,182,538,040,726
Taxes and others payable to State Treasury	313	26	194,649,653,385	210,977,942,122
Payables to employees	314		475,557,833	6,656,956,329
Accrued expenses	315	27	647,669,630,825	513,997,590,415
Unearned revenue – short-term	318	28(a)	27,972,856,511	31,229,205,083
Other payables – short-term	319	29(a)	1,007,027,126,023	1,299,618,600,994
Short-term bonds and finance lease liabilities	320	30(a)	18,078,835,131	2,815,687,168,461
Provisions – short-term	321	31	9,252,492,453	9,252,492,453
Bonus and welfare funds	322		2,896,157,504	2,896,157,504
Long-term liabilities	330		3,548,120,049,372	3,900,997,115,102
Unearned revenue – long-term	336	28(b)	44,534,404,035	56,368,606,277
Other payables – long-term	337	29(b)	664,279,722,594	623,930,109,316
Long-term bonds and finance lease liabilities	338	30(b)	2,769,978,269,637	3,158,122,599,141
Deferred tax liabilities	341	22	69,327,653,106	62,575,800,368

The accompanying notes are an integral part of these consolidated interim financial statements

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated balance sheet as at 30 June 2018 (continued)

Form B 01a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2018 VND	1/1/2018 VND
EQUITY (400 = 410)	400		27,255,694,446,065	26,094,054,670,222
Owners' equity	410	32	27,255,694,446,065	26,094,054,670,222
Share capital	411	33	19,010,787,330,000	19,010,787,330,000
- Ordinary shares with voting rights	411a		19,010,787,330,000	19,010,787,330,000
Share premium	412		4,324,379,868,907	4,324,379,868,907
Other equity funds	420		(58,419,891,967)	(58,419,891,967)
Undistributed profits after tax	421		3,947,926,255,355	2,786,541,240,791
- Undistributed profits after tax brought forward	421a		2,786,541,240,791	1,831,051,293,949
- Net profit after tax for the current period/prior year	421b		1,161,385,014,564	955,489,946,842
Non-controlling interest	429		31,020,883,770	30,766,122,491
TOTAL RESOURCES (440 = 300 + 400)	440		36,087,235,045,844	38,133,237,035,179

29 August 2018

Prepared by:



Nguyen Thanh Huyen

Approved by:



Nguyen Thi Xuan Nghia
Chief Accountant



Vincom Retail Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2018

Form B 02a – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended 30/6/2018 VND	30/6/2017 VND
Revenue from sale of goods and provision of services	01	35	3,133,804,699,868	2,733,971,115,715
Revenue deductions	02	35	-	-
Net revenue from sale of goods and provision of services (10 = 01 - 02)	10	35	3,133,804,699,868	2,733,971,115,715
Cost of sales	11	36	1,579,855,228,388	1,345,999,992,822
Gross profit (20 = 10 - 11)	20		1,553,949,471,480	1,387,971,122,893
Financial income	21	37	333,456,180,104	290,979,531,130
Financial expenses	22	38	232,006,804,105	898,348,069,954
<i>In which: Interest expense</i>	23		231,747,729,945	264,518,344,957
Share of profit in associates	24		-	539,870,358,463
Selling expenses	25	39	93,965,674,509	114,633,623,818
General and administration expenses	26	40	130,230,142,092	148,096,969,528
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		1,431,203,030,878	1,057,742,349,186
Other income	31	41	50,715,134,470	15,828,336,661
Other expenses	32	42	7,842,000,508	36,347,315,618
Results of other activities (40 = 31 - 32)	40		42,873,133,962	(20,518,978,957)
Accounting profit before tax (50 = 30 + 40)	50		1,474,076,164,840	1,037,223,370,229
Income tax expense – current	51	44	310,569,886,785	156,920,696,049
Income tax expense/(benefit) – deferred	52	44	1,866,502,212	(219,711,800,264)
Net profit after tax (60 = 50 - 51 - 52) (carried forward to next page)	60		1,161,639,775,843	1,100,014,474,444

The accompanying notes are an integral part of these consolidated interim financial statements

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated statement of income for the six-month period ended 30 June 2018
(continued)

Form B 02a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended 30/6/2018 VND	30/6/2017 VND
Net profit after tax (60 = 50 - 51 - 52) (brought forward from previous page)	60		1,161,639,775,843	1,100,014,474,444
Attributable to:				
Equity holders of the Company	61		1,161,385,014,564	1,099,936,684,298
Non-controlling interest	62		254,761,279	77,790,146
Earnings per share				
Basic earnings per share	70	45	611	362

29 August 2018

Prepared by:



Nguyen Thanh Huyen

Approved by:



Nguyen Thi Xuan Nghia
Chief Accountant



Thao
Chief Finance Officer

Vincom Retail Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2018
(Indirect method)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended 30/6/2018 VND	30/6/2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		1,474,076,164,840	1,037,223,370,229
Adjustments for				
Depreciation and amortisation	02		535,381,049,561	417,596,124,191
Allowances and provisions	03		17,288,929,075	15,568,979,206
Foreign exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		-	(400,000,000)
Profits from investing activities	05		(333,768,590,783)	(197,766,370,914)
Interest expense and bonds issuance costs	06		231,747,729,945	264,518,344,957
Operating profit before changes in working capital	08		1,924,725,282,638	1,536,740,447,669
Change in receivables and other assets	09		237,249,700,605	3,222,930,890
Change in inventories	10		(488,526,171,162)	(247,191,069,459)
Change in payables and other liabilities	11		(378,796,895,275)	266,103,091,654
Change in prepaid expenses	12		(76,233,227,049)	8,685,841,960
			1,218,418,689,757	1,567,561,242,714
Interest paid	14		(224,075,392,780)	(225,989,537,055)
Corporate income tax paid	15		(314,035,824,939)	(106,972,280,905)
Other receipts from operating activities	16		132,200,000,000	-
Net cash flows from operating activities	20		812,507,472,038	1,234,599,424,754

The accompanying notes are an integral part of these consolidated interim financial statements

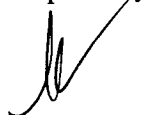
Vincom Retail Joint Stock Company and its subsidiaries
Consolidated statement of cash flows for the six-month period ended 30 June 2018
(Indirect method – continued)

Form B 03a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

			Six-month period ended	
	Code	Note	30/6/2018 VND	30/6/2017 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(1,095,422,950,082)	(820,209,638,163)
Collections on investment deposits	21		484,000,000,000	-
Proceeds from disposals of fixed assets	22		1,859,121,694	9,933,583,949
Payments for granting loans	23		-	(58,896,443,453)
Receipts from collecting loans and term deposits	24		2,658,798,917,095	1,585,027,910,267
Collections of investments in other entities	26		136,694,692,439	33,565,090,414
Receipts of interests and dividends	27		312,314,986,700	537,972,595,824
Net cash flows from investing activities	30		2,498,244,767,846	1,287,393,098,838
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		-	2,987,603,333,333
Payments to settle loan principals	34		(3,200,000,000,000)	(2,664,494,400,000)
Net cash flows from financing activities	40		(3,200,000,000,000)	323,108,933,333
Net cash flows during the period (50 = 20 + 30 + 40)	50		110,752,239,884	2,845,101,456,925
Cash and cash equivalents at the beginning of the period	60		1,421,529,231,881	1,697,770,643,584
Cash and cash equivalents at the end of the period (70 = 50 + 60)	70	8	1,532,281,471,765	4,542,872,100,509

29 August 2018

Prepared by:



Nguyen Thanh Huyen

Approved by:



Nguyen Thi Xuan Nghia
Chief Accountant



Phạm Đức Hòa
Chief Finance Officer

The accompanying notes are an integral part of these consolidated interim financial statements

Vincom Retail Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2018

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

These notes form an integral part of and should be read in conjunction with the accompanying consolidated interim financial statements.

1. Reporting entity

(a) Ownership structure

Vincom Retail Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam. The consolidated interim financial statements comprise the Company and its subsidiaries for the six-month period ended 30 June 2018.

(b) Principal activities

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

(c) Normal operating cycle

The Company and its subsidiaries's normal course of business cycle of inventory properties for sale 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 development activities is from 12 months to 36 months. The Company and its subsidiaries's normal course of business cycle of other business activities is 12 months.

Vincom Retail Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2018 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
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(d) Company structure

As at 30 June 2018, the Company had 3 subsidiaries (1/1/2018: 3 subsidiaries). Details of subsidiaries are described as follows:

Name	Principal activities	Address	Percentage of economic interests and voting rights as at	
			30/6/2018	1/1/2018
South Vincom Retail LLC	Leasing malls, offices and providing related services, and trading real estate property and entertainment services.	No. 72, Le Thanh Ton Street and No. 45A Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	100%	100%
North Vincom Retail LLC	Leasing malls, offices and providing related services, and trading real estate property and entertainment services.	No. 72A, Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi City, Vietnam.	100%	100%
Suoi Hoa Urban Development and Investment Joint Stock Company ("Suoi Hoa JSC")	Investing, developing malls for lease and trading real estate property.	Km1 + 200, Tran Hung Dao Street, Suoi Hoa Ward, Bac Ninh City, Bac Ninh Province, Vietnam.	97.83%	97.83%

All subsidiaries are incorporated in Vietnam.

As at 30 June 2018, the Company had 531 employees (1/1/2018: 115 employees).

2. Basis of preparation

(a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

(b) Basis of measurement

The consolidated interim financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the indirect method.

Vincom Retail Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
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(c) Annual accounting period

The annual accounting period of the Company and its subsidiaries are from 1 January to 31 December. These consolidated interim financial statements are prepared for the six-month period ended 30 June 2018.

(d) Accounting and presentation currency

The Company and its subsidiaries's accounting currency are Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purposes.

3. Summary of significant accounting policies

The following significant accounting policies has been adopted by the Company and its subsidiaries in the preparation of these consolidated interim financial statements.

The accounting policies that have been adopted by the Company and its subsidiaries in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the latest consolidated annual financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of the subsidiaries are consolidated in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Company's share of net assets of the subsidiary and any consideration paid or received is recorded directly in undistributed profits after tax under equity.

(iii) Transactions eliminated on consolidation

Intra-group transactions, balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated interim financial statements.

Vincom Retail Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2018 (continued)

Form B 09a – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
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(iv) Asset acquisition and business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The Company and its subsidiaries acquire subsidiaries that own real estate projects. At the date of acquisition, the Company and its subsidiaries consider whether the acquisition represents the acquisition of a business. The Company and its subsidiaries account for an acquisition as a business combination where an integrated set of activities is acquired.

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred income tax is recognised.

Business combinations involving entities or business under common control

Business combination where the same group of shareholders (“the Controlling Shareholders”) control the combining companies before and after the business combination meets the definition of business combination under common control because there is a continuation of the risks and benefits to the Controlling Shareholders. Such common control business combination is specifically excluded from the scope of Vietnamese Accounting Standard 11 – Business Combination and in selecting its accounting policies with respect to such transaction, the Company and its subsidiaries have considered Vietnamese Accounting Standard 01 – Framework and Vietnamese Accounting Standard 21 – Presentation of Financial Statements. Based on these standards, the Company and its subsidiaries have adopted the followings.

- The assets and liabilities of the two combined entities are reflected at their carrying amounts on the date of business combination;
- No goodwill is recognised from the business combination;
- The consolidated income statement reflects the results of the combined entities from the date of the business combination;
- Prior to 1 January 2015, any difference between the cost of acquisition and net assets value acquired is treated as a deemed distribution to or contribution from shareholders and recorded directly in other capital under equity. From 1 January 2015, as a result of the adoption of Circular 202, such difference is recorded in undistributed profits after tax under equity.

Vincom Retail Joint Stock Company and its subsidiaries
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(b) Foreign currency

Transactions in currencies other than VND during the period have been translated into VND at the actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND, are translated into VND at the account transfer buying rate and account transfer selling rate, respectively, at the end of the accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conduct transactions.

All foreign exchange differences are recorded in the consolidated statement of income.

(c) Cash and cash equivalents

Cash comprises call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

(d) Investments

Held-to-maturity investments

Held-to-maturity investments are those that the Board of Management of the Company and its subsidiaries have the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank. These investments are stated at costs less allowance for doubtful debts.

(e) Accounts receivable from customers and other receivables

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

(f) Inventories

(i) *Inventory properties*

Properties being constructed for sale in the ordinary course of business or for long-term lease qualified for recognition of outright sales, rather than being for rental or capital appreciation, are recorded as inventory and are measured at the lower of cost incurred in bringing the inventories to their present location and condition, and net realisable value.

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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, directly attributable construction overheads and other related costs.

Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and direct selling expenses.

(ii) Other inventories

Inventories are carried at the lower of cost incurred in bringing each product to its present location and condition and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated costs of sale.

The perpetual method is used to record the costs of other inventories, cost of other inventories is valued at the cost of purchase, on weighted average basis.

(g) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

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(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

- | | |
|---------------------------|--------------|
| • buildings, structures | 5 – 15 years |
| • machinery and equipment | 2 – 15 years |
| • motor vehicles | 4 – 15 years |
| • office equipment | 3 – 10 years |
| • other assets | 3 – 15 years |

(h) Intangible fixed assets

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 to 8 years.

(i) Investment properties

Investment properties held to earn rental

Cost

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of income in the period in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property. The estimated useful lives are as follows:

- | | |
|----------------------------------|---------------|
| • Definite lived land use rights | 23 – 50 years |
| • buildings, structures | 5 – 50 years |
| • machinery and equipment | 3 – 25 years |

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The Company and its subsidiaries have contributed capital to cooperate in the investment, construction and development of shopping centers. Under the business co-investment contract, the Company and its subsidiaries have the right to control the shopping centers when the shopping centers are handed over to the Company and its subsidiaries from the counterparties for commercial operations. According to which, the shopping centers are recognised by the Company and its subsidiaries as investment properties in the consolidated balance sheet upon the hand over of these properties.

(j) Construction in progress

Construction in progress represents the costs of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

(k) Long-term prepaid expenses

(i) *Prepaid rentals*

Prepaid rentals under operating lease terms are stated at their costs and amortised on a straight-line basis over lease terms.

(ii) *Overhaul expenditures*

Overhaul expenditures include repair and maintenance prepaid expenses which are stated at their costs and amortised on a straight-line basis over a period of 3 years from the overhaul completion.

(iii) *Tools and supplies*

Tools and supplies include assets held for use by the Company and its subsidiaries in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Costs of tools and supplies are amortised on a straight-line basis from over 1 year to 3 years.

(iv) *Prepaid land costs*

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company and its subsidiaries obtained land use rights certificate but are not qualified as intangible fixed assets under Circular 45/2013/TT-BTC by Minister of Finance and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease contract.

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(l) Goodwill

Goodwill arises on the acquisition of subsidiaries and associates. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Company and its subsidiaries's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as management determines that it is not fully recoverable.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.

(m) Accounts payable to suppliers and other payables

Accounts payable to suppliers and other payables are stated at their cost.

(n) Provisions

A provision is recognised if, as a result of a past event, the Company and its subsidiaries have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provision for warranty expenses for apartments and shop-houses

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

(o) Share capital and share premium

Ordinary shares are stated at par value. The difference between proceeds from the issuance of shares over the par value is recorded in capital surplus. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

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(p) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Revenue and other income

(i) *Revenue from sale of inventory properties*

Revenue from transfer of standard-designed apartments and shophouses which do not require significant customisation for each customer is recognised when the significant risks and rewards of ownership of the properties have been passed to the buyer.

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 and its subsidiaries 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;
- Significant risks and rewards associated with the ownership of leased assets are transferred to the lessee; and
- The full cost of the lease must be reasonably estimated.

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(ii) *Revenue from leasing of investment properties*

Rental income arising from operating lease of properties is recognised in the consolidated income statement on a straight line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income.

(iii) *Rendering of services*

Revenue from services rendered is recognised in the consolidated statement of income is recorded when the services are rendered. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iv) *Interest income*

Interest income is recognised in the consolidated statement of income on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(r) *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 and its subsidiaries are the lessee

Assets held under finance leases are capitalised in the consolidated balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company and its subsidiaries will obtain ownership by the end of the lease term.

Assets subject to finance leases are included as the Company and its subsidiaries's investment properties and long-term prepaid expenses in the consolidated balance sheet.

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

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Where the Company and its subsidiaries are the lessor

Assets subject to operating leases are included as the Company and its subsidiaries's investment properties in the consolidated balance sheet.

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

(s) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(t) Earnings per share

The Company presents basic earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare funds for the accounting period) of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

(u) Segment reporting

A segment is a distinguishable component of the Company and its subsidiaries that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company and its subsidiaries's primary format for segment reporting is based on business segments.

(v) Related parties

Parties are considered to be related to the Company and its subsidiaries if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and its subsidiaries and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

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4. Seasonality of operations

The Company and its subsidiaries main activities are to invest in and develop shopping centers for lease and inventory properties for sale and these activities are not subject to seasonal fluctuations.

5. Changes in accounting estimates

In preparing these consolidated interim financial statements, the Company's Board of Management has made several accounting estimates. Actual results may differ from these estimates. There were no significant changes in accounting estimates made in the consolidated interim financial statements for the six-month period ended 30 June 2018 compared to those made in the most recent annual consolidated financial statements or those made in the same interim period of the prior year.

6. Changes in the composition of the Company

There were no changes in the composition of the Company made in the consolidated interim financial statements for the six-month period ended 30 June 2018 compared to those made in the most recent annual consolidated financial statements or those made in the same interim period of the prior year.

7. Segment reporting

(a) Business segments

The Company and its subsidiaries comprise the following main business segments:

- Sale of inventory properties;
- Leasing of investment properties and providing related services; and
- Others.

Vincom Retail Joint Stock Company and its subsidiaries**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)****Form B 09a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***For the six-month period ended 30 June 2018**

	Sale of inventory properties VND	Leasing of investment properties and providing related services VND	Others VND	Consolidated VND
Segment revenue – net	491,563,697,652	2,617,520,582,344	24,720,419,872	3,133,804,699,868
Segment gross profit	163,407,387,644	1,390,088,880,029	453,203,807	1,553,949,471,480
Segment results	88,194,388,960	1,241,106,062,112	453,203,807	1,329,753,654,879
Financial income				333,456,180,104
Financial expenses				232,006,804,105
Net operating profit				1,431,203,030,878
Other income				50,715,134,470
Other expenses				7,842,000,508
Income tax expense				312,436,388,997
Net profit after tax				1,161,639,775,843

Vincom Retail Joint Stock Company and its subsidiaries

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For the six-month period ended 30 June 2017

	Sale of inventory properties VND	Leasing of investment properties and providing related services VND	Others VND	Consolidated VND
Segment revenue – net	560,114,171,129	2,123,067,392,258	50,789,552,328	2,733,971,115,715
Segment gross profit	273,902,705,073	1,095,655,089,234	18,413,328,586	1,387,971,122,893
Segment results	219,715,753,189	890,379,695,762	15,145,080,596	1,125,240,529,547
Financial income				290,979,531,130
Financial expenses				898,348,069,954
Share of profits from associates				539,870,358,463
Net operating profit				1,057,742,349,186
Other income				15,828,336,661
Other expenses				36,347,315,618
Income tax expense				(62,791,104,215)
Net profit after tax				1,100,014,474,444

Segment financial performance is represented by segment revenue – net deducted by cost of goods sold and service rendered, selling expenses and general administration expenses directly attributable to that segment. Indirect selling expenses and general administration expenses are allocated on a reasonable basis.

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	Sale of inventory properties	Leasing of investment properties and providing related services	Others	Consolidated
As at 30 June 2018				
Segment assets	2,718,104,773,801	29,156,315,648,795	439,189,066,338	32,313,609,488,934
Unallocated assets				3,773,625,556,910
Total assets				<u>36,087,235,045,844</u>
Segment liabilities	3,622,107,327,084	2,017,760,725,834	54,533,799,288	5,694,401,852,206
Unallocated liabilities				3,137,138,747,573
Total liabilities				<u>8,831,540,599,779</u>
For the six-month period ended 30 June 2018				
Capital expenditure	-	1,537,556,916,921	-	1,537,556,916,921
Depreciation of tangible fixed assets	-	8,759,520,912	7,195,485,649	15,955,006,561
Amortisation of intangible fixed assets and goodwill	-	39,855,363,607	-	39,855,363,607
Depreciation of investment property	-	476,483,642,614	3,087,036,779	479,570,679,393

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	Sale of inventory properties VND	Leasing of investment properties and providing related services VND	Others VND	Consolidated VND
As at 1 January 2018				
Segment assets	2,184,683,830,424	28,913,176,977,799	307,228,067,559	31,405,088,875,782
Unallocated assets				6,728,148,159,397
Total assets				<u>38,133,237,035,179</u>
Segment liabilities	3,385,675,331,299	2,016,911,831,451	38,241,905,227	5,440,829,067,977
Unallocated liabilities				6,598,353,296,980
Total liabilities				<u>12,039,182,364,957</u>
For the six-month period ended 30 June 2017				
Capital expenditure	-	1,432,059,437,694	-	1,432,059,437,694
Depreciation of tangible fixed assets	-	10,974,807,175	1,008,685,368	11,983,492,543
Amortisation of intangible fixed assets and goodwill	-	39,479,150,987	-	39,479,150,987
Depreciation of investment property	-	363,435,485,374	2,697,995,287	366,133,480,661

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Details of unallocated assets and liabilities are as following:

	30/6/2018 VND	1/1/2018 VND
Cash and cash equivalents	1,532,281,471,765	1,421,529,231,881
Short-term financial investments	14,982,629,666	60,181,546,761
Accounts receivable from customers	-	136,694,692,439
Loans receivable – short-term	-	2,613,600,000,000
Other short-term receivables	228,798,728,198	502,337,258,780
Short-term prepaid expenses	23,224,417,348	22,467,699,299
Deferred tax assets	123,413,198,955	125,297,469,785
Taxes receivable from State Treasury	2,159,524,734	2,160,024,734
Long-term financial investments	1,830,000,000,000	1,830,000,000,000
Deferred tax assets	18,765,586,244	13,880,235,718
	<hr/>	<hr/>
Unallocated assets	3,773,625,556,910	6,728,148,159,397
	<hr/>	<hr/>
Taxes and others payable to State Treasury	194,649,653,385	210,977,942,122
Accrued expenses	85,104,336,314	89,444,237,641
Other payables – short-term	-	261,545,549,247
Short-term bonds and finance lease liabilities	18,078,835,131	2,815,687,168,461
Long-term bonds and finance lease liabilities	2,769,978,269,637	3,158,122,599,141
Deferred tax liabilities	69,327,653,106	62,575,800,368
	<hr/>	<hr/>
Unallocated liabilities	3,137,138,747,573	6,598,353,296,980
	<hr/>	<hr/>

(b) Geographical segments

The Company and its subsidiaries operate in one single geographical segment which is Vietnam.

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8. Cash and cash equivalents

	30/6/2018	1/1/2018
	VND	VND
Cash on hand	272,718,110	479,043,505
Cash in banks	762,440,749,831	851,050,188,376
Cash equivalents	769,568,003,824	570,000,000,000
	<hr/>	<hr/>
	1,532,281,471,765	1,421,529,231,881
	<hr/>	<hr/>

Cash equivalents as at 30 June 2018 included term deposits in VND with original terms to maturity of three months and earned interest at the rate ranging from 4.1% per annum to 5.5% per annum (1/1/2018: term deposits in VND with original terms to maturity of ranging from one to three months and earned interest at the rate ranging from 4.2% per annum to 5.5% per annum).

9. Held-to-maturity investments

	30/6/2018	1/1/2018
	VND	VND
Held-to-maturity investments – short-term		
▪ Term deposits (i)	14,982,629,666	60,181,546,761
Held-to-maturity investments – long-term		
▪ Term deposits (ii)	1,830,000,000,000	1,830,000,000,000
	<hr/>	<hr/>

- (i) Held-to-maturity investments – short-term represented term deposits with maturity of 6 months and earned interest at the rate of 6.4% per annum. This is maintenance fund of the handed over apartments of Vinhomes Nguyen Chi Thanh project and handed over shop-office of Vinhomes Times City project and Vinhomes Royal City project. This fund will be transferred to the building management boards.
- (ii) Held-to-maturity investments – long-term represented term deposits with maturity of 36 months and earned interest at the rate of 7.1% per annum.

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10. Accounts receivable from customers

	30/6/2018	1/1/2018
	VND	VND
Receivables from leasing activities and rendering of related services	338,572,041,759	354,605,936,148
Receivables from disposal of investments	-	136,694,692,439
Receivables from sale of inventory properties	54,301,389,994	63,460,780,074
Others	51,248,506,077	13,072,627,369
	<hr/> 444,121,937,830	<hr/> 567,834,036,030 <hr/>

(a) Accounts receivable from customers detailed by significant customers

	30/6/2018	1/1/2018
	VND	VND
Vincommerce General Commerce Services Joint Stock Company	65,027,769,208	118,510,876,452
Receivable from disposal of an investment to a corporate counterparty	-	100,000,000,000
Other customers	379,094,168,622	349,323,159,578
	<hr/> 444,121,937,830	<hr/> 567,834,036,030 <hr/>

(b) Accounts receivable from customers who are related parties

	30/6/2018	1/1/2018
	VND	VND
Vincommerce General Commerce Services Joint Stock Company	65,027,769,208	118,510,876,452
Vinhomes Joint Stock Company (formerly known as Hanoi Southern City Development Joint Stock Company)	39,407,750,519	-
Vinpro Business and Trading Services Joint Stock Company	29,293,666,141	-
Other related parties	21,390,787,249	36,080,934,743
	<hr/> 155,119,973,117	<hr/> 154,591,811,195 <hr/>

The trade related amounts due from related parties were unsecured, interest free and are receivable within 30 days from invoice date.

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11. Prepayments to suppliers

(a) Prepayments to suppliers detailed by significant suppliers

	30/6/2018	1/1/2018
	VND	VND
Vincom Construction and Consultant LLC	145,338,848,730	27,948,909,900
Advance to a constructor	47,445,738,070	80,085,368,011
Hung Thinh Investment and Trading Real Estate Co., Ltd.	-	45,212,940,506
Others	98,309,615,573	124,085,293,405
	<hr/> 291,094,202,373	<hr/> 277,332,511,822 <hr/>

(b) Prepayments to suppliers who are related parties

	30/6/2018	1/1/2018
	VND	VND
Vincom Construction and Consultant LLC	145,338,848,730	27,948,909,900
Vincommerce General Commerce Services		
Joint Stock Company	5,987,376,088	9,716,905,872
Vincom Service LLC	-	26,296,412,790
Other related companies	7,997,987,129	173,877,282
	<hr/> 159,324,211,947	<hr/> 64,136,105,844 <hr/>

The prepayment amounts to related parties were unsecured, interest free and are deducted against subsequent invoice.

12. Loans receivable – short-term

	30/6/2018	1/1/2018
	VND	VND
Related party		
• Vingroup Joint Stock Company, parent company		- 2,613,600,000,000
		<hr/>

The loans receivable amounts due from related parties were unsecured, earned interest at 13% per annum and received in April 2018.

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13. Other receivables

(a) Other receivables – short-term

	30/6/2018 VND	1/1/2018 VND
Interest income receivables from term deposits, other deposits and loan receivables	180,154,533,616	178,089,460,071
Customer deposits for purchasing Vincom Ca Mau project, receivable from a related party	88,175,135,235	-
Receivables for payment on behalf	33,703,782,218	324,247,798,709
Deposits for projects and contracts	36,230,198,853	42,350,429,099
Others	102,683,516,106	118,862,108,142
	<hr/> 440,947,166,028	<hr/> 663,549,796,021 <hr/>

(b) Other receivables – short-term from related parties

	30/6/2018 VND	1/1/2018 VND
Vingroup Joint Stock Company	75,565,034,269	128,688,570,773
Vincom Consulting and Construction Co., Ltd	2,503,465,782	38,806,584,897
Vinhomes Joint Stock Company (formerly known as Hanoi Southern City Development Joint Stock Company)	22,046,992,752	-
Other related parties	36,009,042,393	77,709,606,129
	<hr/> 136,124,535,196	<hr/> 245,204,761,799 <hr/>

The other receivable amounts due from related parties were unsecured, interest free and are receivable on demand.

(c) Other receivables – long-term

	30/6/2018 VND	1/1/2018 VND
Deposits for leasing office and commercial centres	9,916,542,452	7,594,538,151
	<hr/>	<hr/>

Vincom Retail Joint Stock Company and its subsidiaries

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14. Bad and doubtful debts

30/6/2018					1/1/2018			
	Overdue days	Cost VND	Allowance VND	Recoverable amount VND	Overdue days	Cost VND	Allowance VND	Recoverable amount VND
Overdue debts								
BSC Vietnam JSC		-	-	-	> 730	28,052,522,215	22,000,000,000	6,052,522,215
Hoang Gia Chief JSC	> 730	22,185,202,163	21,494,634,009	690,568,154	> 730	22,185,202,163	19,549,155,856	2,636,046,307
Others	> 365	115,336,811,952	25,599,315,301	89,737,496,651	> 365	105,925,615,312	28,264,221,460	77,661,393,852
		137,522,014,115	47,093,949,310	90,428,064,805			156,163,339,690	69,813,377,316
<i>In which:</i>								
Short-term provision for doubtful debts			47,093,949,310				69,813,377,316	

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Movements of the allowance for doubtful debts during the period were as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	69,813,377,316	62,103,059,896
Increase in allowance during the period	6,807,616,905	3,603,585,131
Utilisation during the period	(28,860,286,952)	-
Written back during the period	(666,757,959)	-
Closing balance	47,093,949,310	65,706,645,027

15. Inventories

	30/6/2018		1/1/2018	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Inventory properties under construction	2,295,352,038,625	-	1,786,872,630,859	-
Completed inventory properties	26,366,112,045	(37,438,413,839)	55,561,600,549	(26,290,343,710)
Other inventories	9,797,456,179	-	555,204,279	-
	2,331,515,606,849	(37,438,413,839)	1,842,989,435,687	(26,290,343,710)

Movements of the inventories during the period were as follows:

	Six-month period ended
	30/6/2018
	VND
Opening balance	1,842,989,435,687
Additions	816,682,481,170
Inventory properties sold during the period	(328,156,310,008)
Closing balance	2,331,515,606,849

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Movements of the allowance for inventories during the period were as follows:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Opening balance	26,290,343,710	-
Increase in allowance during the period	11,148,070,129	-
Closing balance	37,438,413,839	-

16. Other assets

	30/6/2018	1/1/2018
	VND	VND
Other current assets		
▪ Deposits for investments (i)	4,667,172,915,451	5,398,183,535,897
▪ Deposits for leasing	-	132,200,000,000
	4,667,172,915,451	5,530,383,535,897
Other long-term assets		
▪ Deposits for investments (i)	478,000,000,000	327,000,000,000

- (i) These are deposits to Vingroup Joint Stock Company and its related companies (hereby referred to as “the counterparties”) for the co-investment and co-operations of shopping mall component of a number of real estate projects under business co-investment and co-operation contracts. These deposits require no collaterals. In accordance with these contracts, the counterparties have committed to transfer shopping mall component to the Company and its subsidiaries, or to grant the Company and its subsidiaries with the right to purchase the shopping malls, at a 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 and its subsidiaries when the assets are completed and ready for commercial operations, the two parties will sign business cooperation contracts, giving the Company and its subsidiaries 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.

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Deposits to related parties for investments

	30/6/2018	1/1/2018
	VND	VND
Parent company		
Vingroup Joint Stock Company	2,857,747,645,529	3,779,183,535,897
Other related parties		
Vinhomes Joint Stock Company (formerly known as		
Hanoi Southern City Development Joint Stock Company)	1,571,000,000,000	1,571,000,000,000
Vietnam Investment and Consulting Investment JSC	188,000,000,000	188,000,000,000
Vinpearl Joint Stock Company	264,425,269,922	86,000,000,000
Can Gio Tourist City Corporation	163,000,000,000	-
Central Park Development LLC	101,000,000,000	101,000,000,000
	<hr/> 5,145,172,915,451	<hr/> 5,725,183,535,897 <hr/>

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17. Tangible fixed assets

	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Other assets VND	Total VND
Cost						
Opening balance	33,257,791,298	133,763,008,137	3,980,477,859	12,896,660,992	1,596,308,472	185,494,246,758
Additions	-	10,697,993,576	-	136,066,455	-	10,834,060,031
Transfers from construction in progress	98,266,826,281	43,634,727,914	-	-	-	141,901,554,195
Disposals	(119,828,032)	(2,759,706,764)	-	(40,531,950)	-	(2,920,066,746)
Reclassification	6,427,226,641	(8,146,599,342)	-	(2,214,815,349)	3,934,188,050	-
Closing balance	137,832,016,188	177,189,423,521	3,980,477,859	10,777,380,148	5,530,496,522	335,309,794,238
Accumulated depreciation						
Opening balance	8,442,762,420	33,409,065,358	1,156,743,337	4,149,166,541	1,393,176,804	48,550,914,460
Charge for the period	3,330,076,911	10,671,930,693	225,489,629	1,302,392,753	425,116,575	15,955,006,561
Disposals	(29,664,756)	(406,377,888)	-	(40,531,950)	-	(476,574,594)
Reclassification	1,084,581,480	(1,356,607,701)	61,986,934	-	210,039,287	-
Closing balance	12,827,756,055	42,318,010,462	1,444,219,900	5,411,027,344	2,028,332,666	64,029,346,427
Net book value						
Opening balance	24,815,028,878	100,353,942,779	2,823,734,522	8,747,494,451	203,131,668	136,943,332,298
Closing balance	125,004,260,133	134,871,413,059	2,536,257,959	5,366,352,804	3,502,163,856	271,280,447,811

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Included in tangible fixed assets were assets costing VND3,103,476,817 which were fully depreciated as at 30 June 2018 (1/1/2018: VND3,067,490,023), but which are still in active use.

Details of tangible fixed assets used as collaterals for bonds issued by the Company and its subsidiaries are presented in Note 30.

18. Intangible fixed assets

	Software VND
Cost	
Opening balance	46,477,046,089
Transfers from construction in progress	1,470,616,855
	<hr/>
Closing balance	47,947,662,944
	<hr/>
Accumulated depreciation	
Opening balance	12,837,724,652
Charge for the period	3,563,527,003
	<hr/>
Closing balance	16,401,251,655
	<hr/>
Net book value	
Opening balance	33,639,321,437
Closing balance	31,546,411,289
	<hr/>

Vincom Retail Joint Stock Company and its subsidiaries

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19. Investment property

	Definite lived land use right VND	Buildings, structures VND	Machinery and equipment VND	Total VND
Cost				
Opening balance	5,470,209,869,355	13,658,389,778,512	3,593,009,027,510	22,721,608,675,377
Additions	38,455,871,673	556,107,740,548	444,454,947,555	1,039,018,559,776
Transfers from construction in progress	-	153,422,433,201	153,767,440,758	307,189,873,959
Increase/(decrease) upon finalisation	-	(5,545,810,326)	14,398,858,372	8,853,048,046
Disposal, sold during the period	(3,078,250,238)	(16,888,079,860)	(22,180,740,705)	(42,147,070,803)
Reclassification	-	4,861,606,903	(4,861,606,903)	-
Closing balance	5,505,587,490,790	14,350,347,668,978	4,178,587,926,587	24,034,523,086,355
Accumulated depreciation				
Opening balance	407,597,510,593	1,003,594,944,217	909,210,816,962	2,320,403,271,772
Charge for the period	22,745,590,509	266,271,815,350	190,553,273,534	479,570,679,393
Disposal, sold during the period	-	(516,436,545)	(6,741,423,525)	(7,257,860,070)
Reclassification	266,348,557	669,652,645	(936,001,202)	-
Closing balance	430,609,449,659	1,270,019,975,667	1,092,086,665,769	2,792,716,091,095
Net book value				
Opening balance	5,062,612,358,762	12,654,794,834,295	2,683,798,210,548	20,401,205,403,605
Closing balance	5,074,978,041,131	13,080,327,693,311	3,086,501,260,818	21,241,806,995,260

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Investment properties mainly include assets of the shopping malls of the Company and its subsidiaries which are used for provision of leasing and other related services.

As at 30 June 2018, the Company and its subsidiaries are in the process of determining the fair values of these investment properties.

Details of investment properties used as collaterals for bonds issued by the Company and its subsidiaries are disclosed in Note 30.

Rental commitment under operating leases are disclosed in Note 34.

20. Construction in progress

	Six-month period ended 30/6/2018 VND
Opening balance	1,080,110,809,673
Additions	478,851,249,068
Transfers to tangible fixed assets	(141,901,554,195)
Transfers to intangible fixed assets	(1,470,616,855)
Transfers to investment properties	(307,189,873,959)
Transfers to long-term prepaid expenses	(2,004,564,305)
Closing balance	<u>1,106,395,449,427</u>

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Major constructions in progress were as follows:

	30/6/2018 VND	1/1/2018 VND
Vincom Center Tran Duy Hung project	430,455,000,658	426,501,750,131
Vincom Plaza Suoi Hoa - Bac Ninh project	333,092,661,190	234,926,380,940
Vincom Maximark Bien Hoa project	129,722,624,160	128,746,631,423
Sky Center – Pho Quang project	87,407,106,163	-
Vincom Ca Mau project	38,588,385,581	-
Thao Dien Kindergarten project	30,824,292,604	30,824,292,604
Vincom Nam Dan Nghe An project	30,045,548,678	10,392,045,002
Vincom Plaza Long An project	-	79,336,902,897
Vinperal Riverfront Condotel Da Nang project	-	77,312,696,898
Vincom Plaza Bao Loc project	-	73,345,846,571
Others	26,259,830,393	18,724,263,207
	1,106,395,449,427	1,080,110,809,673

During the period, borrowing costs capitalised into construction in progress amounting to VND4,484,051,664 (for six-month period ended 30 June 2017: VND22,877,620,286).

21. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2018 VND	1/1/2018 VND
Prepaid sale commission related to sale of inventory properties not yet handed over	197,136,191,411	177,805,584,481
Prepayment for committed profit relating to business cooperation contracts of apartment management service	159,997,263,199	96,893,216,963
Prepaid land costs	17,436,348,096	-
Prepaid provisional corporate income tax	23,224,417,348	22,467,699,299
Project investment costs	27,685,222,419	13,907,685,928
Others	28,842,018,885	36,707,627,076
	454,321,461,358	347,781,813,747

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(b) Long-term prepaid expenses

	Prepaid rentals VND	Overhaul expenditures VND	Tools and supplies VND	Prepaid land costs VND	Commission fees VND	Others VND	Total VND
Opening balance	278,158,564,110	47,819,223,135	20,473,525,339	15,804,675,410	14,961,314,538	17,164,911,181	394,382,213,713
Additions	-	22,669,056,649	8,853,108,002	6,749,611,326	11,727,737,198	4,873,387,753	54,872,900,928
Transfers from construction in progress	-	-	2,004,564,305	-	-	-	2,004,564,305
Transfers to short-term prepaid expenses	-	-	-	(17,436,348,096)	-	-	(17,436,348,096)
Amortisation	(5,026,962,002)	(34,886,495,564)	(8,027,688,982)	(1,480,037,912)	(10,650,351,290)	(1,363,205,773)	(61,434,741,523)
Disposals	-	-	(5,996,390,467)	-	-	-	(5,996,390,467)
Reclassifications	-	4,037,844,458	378,729,976	-	(10,923,698,873)	6,507,124,439	-
Closing balance	273,131,602,108	39,639,628,678	17,685,848,173	3,637,900,728	5,115,001,573	27,182,217,600	366,392,198,860

Included in the carrying amount of long-term prepaid expenses was the amount of VND276,769,502,836 prepaid to a related party, Ecology Development and Investment Joint Stock Company as at 30 June 2018 (1/1/2018: VND278,158,564,110).

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22. Deferred tax assets and deferred tax liabilities

Recognised deferred tax assets and deferred tax liabilities

	Tax rate	30/6/2018 VND	1/1/2018 VND
Deferred tax assets:			
Accrued expenses	20%	2,196,641,817	2,850,013,867
Revaluation of subsidiaries' net assets at merge date	20%	9,081,261,660	5,772,153,108
Difference of provision for inventories between separate financial statements and consolidated financial statements	20%	7,487,682,767	5,258,068,743
Total deferred tax assets		18,765,586,244	13,880,235,718
Deferred tax liabilities:			
Depreciation	20%	5,634,492,170	-
Fair value adjustment on acquisition of a subsidiary	20%	40,329,351,914	40,769,240,138
Revaluation of subsidiaries' net assets at merge date	20%	10,548,701,060	10,577,644,939
Difference from recognition of outright sales transactions – unearned revenue	20%	12,815,107,962	11,228,915,291
Total deferred tax liabilities		69,327,653,106	62,575,800,368

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23. Goodwill

	VND
Cost	
Openning/closing balance	725,836,732,102
Accumulated depreciation	
Opening balance	173,891,232,857
Charge for the period	36,291,836,604
Closing balance	210,183,069,461
Net book value	
Opening balance	551,945,499,245
Closing balance	515,653,662,641

24. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	30/6/2018		1/1/2018	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Vincom Consulting and Construction Co., Ltd	208,368,451,659	208,368,451,659	262,458,623,991	262,458,623,991
Vinpearl Joint Stock Company	266,548,370,418	266,548,370,418	246,660,272,881	246,660,272,881
Vingroup Joint Stock Company	359,979,528,419	359,979,528,419	152,047,863,205	152,047,863,205
Unicons Investment and Construction Co., Ltd	26,448,247,741	26,448,247,741	116,431,685,556	116,431,685,556
Other suppliers	286,290,155,134	286,290,155,134	287,732,650,135	287,732,650,135
	1,147,634,753,371	1,147,634,753,371	1,065,331,095,768	1,065,331,095,768

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(b) Accounts payable to suppliers who are related parties

	30/6/2018		1/1/2018	
	Cost	Amount	Cost	Amount
	VND	within payment	VND	within payment
		capacity		capacity
		VND		VND
Vincom Consulting and Construction Co., Ltd	208,368,451,659	208,368,451,659	262,458,623,991	262,458,623,991
Vinpearl Joint Stock Company	266,548,370,418	266,548,370,418	246,660,272,881	246,660,272,881
Vingroup Joint Stock Company	359,979,528,419	359,979,528,419	152,047,863,205	152,047,863,205
Other related parties	51,679,078,716	51,679,078,716	53,246,934,804	53,246,934,804
	886,575,429,212	886,575,429,212	714,413,694,881	714,413,694,881

The trade related amounts due to related parties were unsecured, interest free and payable within 60 days from invoice date.

25. Advance from customers

The advance from customers represented the instalments from customers for the purchase of inventory properties. All advance from customers will be recognised as revenue upon completion and handover of the inventory properties.

Vincom Retail Joint Stock Company and its subsidiaries**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)****Form B 09a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC
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	1/1/2018 VND	Incurred VND	Paid VND	Net-off VND	30/6/2018 VND
Corporate income tax	154,914,332,610	310,569,886,785	(313,723,983,535)	-	151,760,235,860
Value added tax	26,609,893,138	333,535,248,852	(134,903,713,115)	(186,729,300,810)	38,512,128,065
Land rental and usage	-	137,353,344,456	(137,353,344,456)	-	-
Personal income tax	3,891,782,775	22,904,350,982	(22,416,844,296)	-	4,379,289,461
Other taxes	25,561,933,599	4,856,279,100	(30,420,212,700)	-	(2,000,001)
	210,977,942,122	809,219,110,175	(638,818,098,102)	(186,729,300,810)	194,649,653,385

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27. Accrued expenses

	30/6/2018 VND	1/1/2018 VND
Accrued construction costs	449,781,704,276	331,038,967,196
Accrued loans and bond interests	85,104,336,314	89,444,237,641
Others	112,783,590,235	93,514,385,578
	<hr/> 647,669,630,825	<hr/> 513,997,590,415

Accrued expenses payable to related parties

	30/6/2018 VND	1/1/2018 VND
Other related parties	-	1,414,276,000
	<hr/>	<hr/>

The accrued related amounts due to related parties were unsecured, interest free and payable within 60 days from invoice date.

28. Unearned revenue

(a) Unearned revenue – short-term

	30/6/2018 VND	1/1/2018 VND
Revenue received in advance from leasing activities and rendering of related services	1,544,446,485	8,439,303,967
Portion of long-term unearned revenue to be realised within 12 months	26,428,410,026	22,789,901,116
	<hr/> 27,972,856,511	<hr/> 31,229,205,083

Vincom Retail Joint Stock Company and its subsidiaries**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2018 (continued)****Form B 09a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC**dated 22 December 2014 of the Ministry of Finance)***(b) Unearned revenue – long-term**

	30/6/2018 VND	1/1/2018 VND
Revenue received in advance from leasing activities and rendering of related services	70,962,814,061	79,158,507,393
Amount to be realised within 12 months	(26,428,410,026)	(22,789,901,116)
Amount to be realised after 12 months	44,534,404,035	56,368,606,277

(c) Unearned revenue from related parties

	30/6/2018 VND	1/1/2018 VND
Vincommerce General Commerce Services Joint Stock Company	29,109,917,463	35,000,000,000
Other related parties	11,120,991,002	10,785,783,370
	40,230,908,465	45,785,783,370

29. Other payables**(a) Other payables – short-term**

	30/6/2018 VND	1/1/2018 VND
Deposits received under deposit contracts and loan agreements received from customers	728,495,219,153	738,863,578,820
Consulting, brokerage and underwriting fees for initial public offering	-	261,545,549,247
Deposits from tenants for leasing offices and shophouses to be refunded within the next 12 months	190,381,363,505	166,190,863,426
Deposits received for maintenance of handed-over properties	24,697,038,926	65,596,496,228
Others	63,453,504,439	67,422,113,273
	1,007,027,126,023	1,299,618,600,994

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(b) Other payables – long-term

	30/6/2018 VND	1/1/2018 VND
Deposits from tenants for leasing offices and shophouses	854,661,086,099	790,120,972,742
Deposits from tenants for leasing offices and shophouses to be refunded within the next 12 months	(190,381,363,505)	(166,190,863,426)
	<hr/>	<hr/>
Amount due after 12 months	664,279,722,594	623,930,109,316
	<hr/>	<hr/>

(c) Other payables to related parties

	30/6/2018 VND	1/1/2018 VND
Other payables – short-term		
Vincommerce General Commerce Services Joint Stock Company	6,013,554,364	6,157,998,129
Other related parties	7,059,145,854	5,814,716,063
	<hr/>	<hr/>
	13,072,700,218	11,972,714,192
	<hr/>	<hr/>
Other payables – long-term		
Vincommerce General Commerce Services Joint Stock Company	24,991,603,411	33,049,999,497
Vinschool One Member LLC	7,053,919,917	3,115,781,795
Other related parties	18,773,232,678	10,415,255,283
	<hr/>	<hr/>
	50,818,756,006	46,581,036,575
	<hr/>	<hr/>

The other short-term payable amounts due to related parties were unsecured, interest free and payable within 60 days from invoice date.

Vincom Retail Joint Stock Company and its subsidiaries

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30. Bonds and financial lease liabilities

(a) Short-term bonds and financial lease liabilities

	1/1/2018		Movements during the period		30/6/2018	
	Carrying amount VND	Amount within repayment capacity VND	Increase VND	Decrease VND	Carrying amount VND	Amount within repayment capacity VND
Bonds maturing within 12 months	2,797,608,333,330	2,797,608,333,330	2,391,666,670	(2,800,000,000,000)	-	-
Finance lease principals due within 12 months from related parties (Note 30(b))	18,078,835,131	18,078,835,131	-	-	18,078,835,131	18,078,835,131
	2,815,687,168,461	2,815,687,168,461	2,391,666,670	(2,800,000,000,000)	18,078,835,131	18,078,835,131

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(b) Long-term bonds and financial lease liabilities

	30/6/2018	1/1/2018
	VND	VND
Straight bonds (i)	2,590,909,111,160	2,989,669,444,500
Financial lease liabilities from a related party (ii)	197,147,993,608	186,531,989,772
	<hr/>	<hr/>
	2,788,057,104,768	3,176,201,434,272
Repayable within twelve months	(18,078,835,131)	(18,078,835,131)
	<hr/>	<hr/>
Repayable after twelve months	2,769,978,269,637	3,158,122,599,141
	<hr/>	<hr/>

(i) *Straight bonds*

Bonds with the par value of VND3,000 billion included 3,000 units which were issued on 8 March 2017 by Vietnam Bank for Industry and Trade Securities Joint Stock Company with duration of 5 years. Interest rate applied for the first year is 8.1 % per annum, and the rate for the subsequent period is floating, being adjusted once per six-month period and is determined by the paid-in-arrears interest rate of 12-month VND savings in Vietnam Joint Stock Commercial Bank for Industry and Trade - Hanoi Branch plus (+) 3%. The bonds value is presented at the net amount of bond issuance 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 Due, and Vincom Plaza Ha Long. These shopping malls are owned by North Vincom Retail LLC and South Vincom Retail LLC, two subsidiaries.

During the period, the Company and its subsidiaries repurchased 400 bonds prior to maturity date.

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(ii) Financial lease liabilities

Financial lease liabilities related to long-term lease contracts with commercial centres of Vincom Plaza Quang Trung and Vincom Plaza Le Van Viet. The minimum lease payments for these non-cancellable financial lease contracts are as following:

30/6/2018

	Total financial lease payments VND	Interests VND	Principals VND
Within 1 year	30,978,492,822	2,283,653,855	28,694,838,967
Within 2 to 5 years	83,155,743,291	25,233,049,770	57,922,693,521
More than 5 years	571,989,015,491	461,458,554,371	110,530,461,120
	686,123,251,604	488,975,257,996	197,147,993,608

1/1/2018

	Total financial lease payments VND	Interests VND	Principals VND
Within 1 year	19,451,635,857	1,372,800,726	18,078,835,131
Within 2 to 5 years	83,155,743,291	25,233,049,770	57,922,693,521
More than 5 years	571,989,015,491	461,458,554,371	110,530,461,120
	674,596,394,639	488,064,404,867	186,531,989,772

31. Provisions – short-term

Provisions – short-term represented the provision for warranty for commercial area and shop-houses. There was no movement of provisions – short-term during the period.

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32. Changes in owners' equity

	Ordinary shares with voting rights VND	Preference shares VND	Share premium VND	Undistributed profits VND	Other equity funds VND	Non-controlling interest VND	Total VND
Balance at 1 January 2017	15,166,399,400,000	5,925,325,550,000	1,788,492,262,669	1,831,051,293,949	(58,419,891,967)	30,536,517,227	24,683,385,131,878
Net profit for the period	-	-	-	1,099,936,684,298	-	77,790,146	1,100,014,474,444
Dividends	-	-	-	(1,072,500,000,000)	-	-	(1,072,500,000,000)
Associate acquired equity interests in an entity under common control	-	-	-	-	113,925,315,742	-	113,925,315,742
Associate acquired equity interests in another entity under common control	-	-	-	75,671,855,950	-	-	75,671,855,950
Disposal of an associate	-	-	-	113,925,315,742	(113,925,315,742)	-	-
Balance at 30 June 2017	15,166,399,400,000	5,925,325,550,000	1,788,492,262,669	2,048,085,149,939	(58,419,891,967)	30,614,307,373	24,900,496,778,014
Balance at 1 January 2018	19,010,787,330,000	-	4,324,379,868,907	2,786,541,240,791	(58,419,891,967)	30,766,122,491	26,094,054,670,222
Net profit for the period	-	-	-	1,161,385,014,564	-	254,761,279	1,161,639,775,843
Balance at 30 June 2018	19,010,787,330,000	-	4,324,379,868,907	3,947,926,255,355	(58,419,891,967)	31,020,883,770	27,255,694,446,065

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33. Share capital

The Company's authorised and issued share capital are:

	30/6/2018		1/1/2018	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital				
Ordinary shares	1,901,078,733	19,010,787,330,000	1,901,078,733	19,010,787,330,000
Issued share capital				
Ordinary shares	1,901,078,733	19,010,787,330,000	1,901,078,733	19,010,787,330,000
Share premium	-	4,324,379,868,907	-	4,324,379,868,907

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared by the Company from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. For repurchased shares, all rights above shall be withheld until they are reissued.

There was no movement of share capital during the period.

34. Off balance sheet items

(a) Lease commitments

Commitment under operating leases where the Company and its subsidiaries are the lessor

The Company and its subsidiaries, as lessors, lease retail outlets under operating lease agreements. The minimum lease payments under these agreements as at the balance sheet dates are as follows:

	30/6/2018 VND	1/1/2018 VND
Within 1 year	3,221,206,889,676	3,629,328,425,582
Within 2 to 5 years	6,087,027,976,727	6,924,449,568,302
More than 5 years	5,132,357,523,373	5,844,963,402,173
	14,440,592,389,776	16,398,741,396,057

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Commitment under operating leases where the Company and its subsidiaries are the lessee

The Company and its subsidiaries, as lessees, entered into certain operating lease agreements with the minimum lease payments under these agreements as at the balance sheet dates are as follows:

	30/6/2018 VND	1/1/2018 VND
Within 1 year	153,498,795,560	74,668,825,684
Within 2 to 5 years	568,191,258,061	305,565,025,749
More than 5 years	3,406,727,570,769	2,679,431,496,275
	4,128,417,624,390	3,059,665,347,708

(b) Capital commitments

The Company and its subsidiaries have entered into construction contracts on the development of real estate projects. The estimated commitments amount of these contracts amount to VND934 billion (1/1/2018: 1,189 billion).

(c) Other commitments

Commitment for co-developing shopping malls

Under business cooperation contracts between the Company and its subsidiaries and Vingroup Joint Stock Company, the Company and its subsidiaries are committed to acquire equity interests in target companies, which will be established to own and operate a number of shopping malls in the provinces and cities after certain conditions under the contracts are satisfied. The Company and its subsidiaries provide funds to Vingroup Joint Stock Company to construct the malls. In case Vingroup Joint Stock Company does not complete the necessary procedures to transfer the shopping centers to the target companies in the form of capital contribution, the parties to the contract will cooperate to manage the operations of these shopping malls. According to which, the Company and its subsidiaries commit to take over the management and operations of these shopping malls and share a portion of profit to Vingroup Joint Stock Company.

Commitments under business cooperation contracts relating to shopping mall projects

As disclosed in Note 16, the Company and its subsidiaries signed agreements and business cooperation contracts with Vingroup Joint Stock Company and some companies within Vingroup Joint Stock Company (hereby named as "the counterparties") for cooperation in the development and operations of shopping mall component of a number of real estate projects. Under these contracts, the counterparties commit to transfer the shopping mall component to the Company and its subsidiaries; or to grant the Company and its subsidiaries with the right to purchase the shopping malls. Under these contracts, the Company and its subsidiaries are expected to make additional payment, estimated at VND3,112 billion (1/1/2018: VND1,585 billion) to these counterparties.

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Commitments under the contract to purchase certain commercial floor area

According to the purchase of commercial floor area contract dated 31 January 2016 between South Vincom Retail LLC and a corporate counterparty, South Vincom Retail LLC will purchase a part of the commercial floor area belonging to a real estate project located at Tan Binh District, Ho Chi Minh City. Total consideration is VND83 billion. As at 30 June 2018, the remaining amount committed to be paid to for this counterparty is VND4 billion (1/1/2018: VND37 billion).

Commitments to transfer a part of Tower A&B of Vincom Centre Ba Trieu

On 31 July 2006, Vingroup Joint Stock Company signed an agreement to transfer a portion of Vincom City Towers to a corporate counterparty. According to this agreement and its subsequent obligation transferring agreements, North Vincom Retail LLC, a subsidiary of the Company is committed to transfer the following investment properties to this corporate counterparty on 20 July 2052:

- A half of commercial area (from 1st floor to 6th floor of Vincom City Towers except for the reception and elevator waiting area of 160m² on the 1st floor); and
- A half of the basements of the tower.

Commitments related to program of management services and apartment rental

South Vincom Retail LLC have signed contracts to provide management and leasing services to customers, who bought apartments of Vinpearl Riverfront Condotel Da Nang. Accordingly, for the five years from the date of apartments being handed over, customers are guaranteed by the investors to receive a higher amount between:

- 10% per annum on the total price of the apartment sale contract; and
- 85% on the annual net leasing income from the sublease of the apartment to third parties.

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35. Revenue from sale of goods and provision of services

Total revenue represents the gross value of goods sold and services rendered exclusive of value added tax.

Net revenue comprised of:

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Total revenue		
▪ Revenue from leasing activities and rendering of related services	2,617,520,582,344	2,123,067,392,258
▪ Revenue from sale of inventory properties	491,563,697,652	560,114,171,129
▪ Other revenue	24,720,419,872	50,789,552,328
	<hr/>	
Net revenue	3,133,804,699,868	2,733,971,115,715
	<hr/>	

36. Cost of sales

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Total cost of sales		
▪ Cost from leasing activities and rendering of related services	1,227,431,702,315	1,027,412,303,024
▪ Cost from sale of inventory properties	328,156,310,008	286,211,466,056
▪ Other costs	24,267,216,065	32,376,223,742
	<hr/>	
	1,579,855,228,388	1,345,999,992,822
	<hr/>	

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37. Financial income

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Interest income from bank deposits, loans and other deposits	334,352,961,241	290,557,147,474
Other financial income	(896,781,137)	422,383,656
	<hr/>	<hr/>
	333,456,180,104	290,979,531,130
	<hr/>	<hr/>

38. Financial expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Interests on loans and bonds	228,116,396,615	261,300,233,784
Amortisation of bond issuing costs	3,631,333,330	3,218,111,173
Loss from disposal of investment in an associate	-	633,654,466,844
Other financial expenses	259,074,160	175,258,153
	<hr/>	<hr/>
	232,006,804,105	898,348,069,954
	<hr/>	<hr/>

39. Selling expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Staff costs	14,594,645,648	27,539,304,651
Consultancy, commission and brokerage fee	32,340,666,294	40,140,632,502
Advertising expenses	37,613,629,548	45,423,894,897
Depreciation and amortisation	4,265,172,751	461,509,452
Others	5,151,560,268	1,068,282,316
	<hr/>	<hr/>
	93,965,674,509	114,633,623,818
	<hr/>	<hr/>

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40. General and administration expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Staff costs	34,494,925,938	35,816,261,607
Management fee from parent company	32,926,098,113	28,625,693,240
Depreciation and amortisation	39,417,629,440	39,121,582,559
Provisions	6,140,858,946	14,328,816,574
Outside service expenses	3,903,650,416	11,113,377,960
Others	13,346,979,239	19,091,237,588
	<hr/>	<hr/>
	130,230,142,092	148,096,969,528
	<hr/>	<hr/>

41. Other income

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Contract compensation received	43,063,365,629	12,175,342,380
Gains from disposal of fixed assets	-	2,159,601,820
Others	7,651,768,841	1,493,392,461
	<hr/>	<hr/>
	50,715,134,470	15,828,336,661
	<hr/>	<hr/>

42. Other expenses

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Contract compensation paid	4,483,092,884	35,012,590,110
Loss from disposal of fixed assets	584,370,458	1,166,269,999
Others	2,774,537,166	168,455,509
	<hr/>	<hr/>
	7,842,000,508	36,347,315,618
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43. Production and business costs by element

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Cost of developing inventory properties	635,396,220,884	517,948,260,640
Staff costs	152,227,836,838	147,249,127,185
Depreciation and amortisation	535,381,049,561	417,596,124,191
Outside services expenses	708,415,824,355	637,429,093,614
Other expenses	79,870,024,227	120,244,775,122

44. Corporate income tax

(a) Recognised in the consolidated statement of income

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Current tax expense		
Current period	310,569,886,785	156,920,696,049
Deferred tax expense/(income)		
Origination and reversal of temporary differences	1,866,502,212	(219,711,800,264)
Income tax expense/(benefit)	312,436,388,997	(62,791,104,215)

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(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Accounting profit before tax	1,474,076,164,840	1,037,223,370,229
Tax at the Company's tax rate	294,815,232,968	207,444,674,046
Amortisation of goodwill	7,258,367,321	7,258,367,321
Change in tax base of subsidiary's net assets due to revaluation at merger date	-	(216,079,356,597)
Difference in loss on disposal of an associate between the consolidated financial statements and the separate financial statements	-	126,920,115,591
Allocation of gains on merger of subsidiaries	-	(18,867,144,532)
Share of profit of an associate	-	(107,974,071,693)
Benefit of tax losses utilised not recognised in previous years	-	(55,472,825,663)
Non-deductible expenses	927,864,392	-
Other adjustments	9,434,924,316	(6,020,862,688)
	312,436,388,997	(62,791,104,215)

(c) Applicable tax rates

The Company and its subsidiaries have an obligation to pay corporate income tax to the government at corporate income tax rate of 20% (for the six-month period ended 30 June 2017: 20%).

45. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2018 was based on the profit attributable to ordinary shareholders after deducting amount appropriated to bonus and welfare funds for the accounting period, of VND1,161,385,014,564 (for the six-month period ended 30/6/2017: VND548,979,156,597) and a weighted average number of ordinary shares outstanding of 1,901,078,733 (for the six-month period ended 30/6/2017: 1,516,639,940 shares), calculated as follows:

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(i) Net profit attributable to ordinary shareholders

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Net profit attributable to ordinary shareholders after bonus and welfare fund accruals	1,161,385,014,564	1,099,936,684,298
Dividends for preference shares	-	550,957,527,701
Net profit attributable to ordinary shareholders	1,161,385,014,564	548,979,156,597

(ii) Weighted average number of ordinary shares

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Weighted average number of ordinary shares	1,901,078,733	1,516,639,940

(iii) Earning per share

	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Earning per share	611	362

(b) Diluted earnings per share

The Company did not have dilutive potential ordinary shares as at 30 June 2018. Therefore, the presentation of diluted earnings per share is not applicable.

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46. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the consolidated interim financial statements, the Company and its subsidiaries had the following significant transactions with related parties during the period:

	Transaction value	
	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Shareholders		
Warburg Pincus		
Interest expense	-	15,025,828,125
Dividends payable	-	413,218,145,776
Credit Suisse		
Interest expense	-	5,008,609,375
Dividends payable	-	137,739,381,925
Royal City Real estate Development & Investment Joint Stock Company (merged into Vincommerce General Commerce Services Joint Stock Company since 1 October 2017)		
Dividends payable	-	105,206,935,731
Sai Dong Urban Development and Investment Joint Stock Company		
Dividends payable	-	151,875,490,226
Vinpearlland Joint Stock Company (merged into Vinpearl Joint Stock Company since 11 September 2017)		
Purchase of goods and services	-	16,643,301,000
Dividends payable	-	53,126,813,737
Parent company		
Vingroup Joint Stock Company		
Purchase of goods and services	60,307,099,877	71,011,551,452
Interest income	145,997,716,911	195,540,576,929
Deposits for investment	38,747,645,529	486,073,055,304
Purchase of assets	957,332,602,714	1,255,259,885,405
Collection of loans	2,613,600,000,000	-
Repayment of borrowings	-	1,063,170,400,000
Collection of deposits for investments	484,000,000,000	-
Interest expense	-	57,137,504,234
Dividends payable	-	130,385,978,462

Vincom Retail Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2018 (continued)

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dated 22 December 2014 of the Ministry of Finance)

	Transaction value	
	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
<i>Other related companies</i>		
Vincommerce General Commerce Services		
Joint Stock Company		
Sales of goods and services	364,748,008,092	113,164,696,321
Purchase of goods and services	39,659,109,067	80,550,869,006
Disposal of investment	-	30,949,855,695
Vincom Construction and Consultant LLC		
Purchase of goods and services	274,720,782,716	30,948,425,146
Vinhomes Joint Stock Company (formerly known as		
Hanoi Southern City Development Joint Stock		
Company)		
Sales of goods and services	216,534,151,350	-
Purchase of goods and services	13,526,888,902	-
Interest income from deposits	61,855,434,931	-
Dividends payable	-	80,947,254,143
Vinpearl Joint Stock Company		
Sales of goods and services	18,967,669,327	-
Dividends payable	-	53,126,813,737
Deposit for investment	178,425,269,922	-
Vinfast Trading and Production LLC		
Transfer investment receivable	-	3,312,335,000,000
Vinpro Business and Trading Services Joint Stock		
Company		
Sales of goods and services	24,622,932,518	-
Tan Lien Phat Construction and Development JSC		
(merged into Hanoi Southern City Development		
and Trading LLC since 1 February 2018)		
Dividend receivable	-	812,500,000,000
Interest income from deposits	12,175,250,000	-
Vincom Security Service Co., Ltd		
Purchase of goods and services	51,671,087,570	50,022,268,582
Vincom General Service Trading LLC		
Purchase of goods and services	47,789,963,566	41,369,644,758

Vincom Retail Joint Stock Company and its subsidiaries
Notes to the consolidated interim financial statements for the six-month period ended
30 June 2018 (continued)

Form B 09a – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Transaction value	
	Six-month period ended	
	30/6/2018	30/6/2017
	VND	VND
Ecology Development and Investment Joint Stock Company		
Rental expense	18,542,573,740	16,705,079,472
Vinschool One Member LLC		
Sales of goods and services	39,199,719,692	-
Thoi Dai Commercial Trading and Development Co., Ltd		
Sales of goods and services	17,362,397,899	-
Members of the Board of Directors and Board of Management		
Salary and bonus	13,580,152,736	6,113,775,808

47. Post balance sheet event

On 15 August 2018, the General Shareholders of the Company adopted the Resolution No. 03/2018-NQ-ĐHCD-VCR-JSC on the issuance of shares to increase share capital from equity to existing shareholders. As a result of this event, the Company's share capital and ordinary shares are expected to increase by VND4,277,427,140,000 and 427,742,714 shares, respectively.

48. Corresponding figures

Corresponding figures as at 1 January 2018 were derived from the balances and amounts reported in the Company and its subsidiaries' consolidated financial statements as at and for the year ended 31 December 2017.

29 August 2018

Prepared by:



Nguyen Thanh Huyen

Approved:



Nguyen Thi Xuan Nghia
Chief Accountant

